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Rice Outlook

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U.S. 2003/04 Rough Rice Production Estimated at 199.2 Million Cwt

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The next release is
Feb. 11, 2004

Approved by the
World Agricultural
Outlook Board.

This month the U.S. Department of Agriculture (USDA) raised its 2003/04 crop projection slightly to 199.2 million hundredweight (cwt), a result of a fractional increase in harvested area. The yield—projected at a record 6,645 pounds per acre—was lowered slightly from last month. Long grain accounted for all of the production increase. The combined medium/short grain crop estimate was lowered. The larger U.S. crop was partially offset by a 500,000-cwt reduction in imports to 15.5 million, still the highest on record.

On the use side, USDA raised its 2003/04 total U.S. export forecast 2 million cwt to 97 million based on pace-to-date. Long grain rough rice accounted for all of the export increase. Total domestic and residual use was lowered 2 million cwt to 122 million based on a higher milling yield. Medium/short grain rice accounted for all of the reduction in domestic and residual use. On balance, these revisions led to a 2-percent increase in ending stocks to 22.4 million, still 16 percent below a year earlier.

U.S. weekly rough rice cash prices continue to increase in the face of tighter supplies and a record pace of rough rice exports. Prices for long grain rough rice are the highest in 5 years. The season-average farm price is projected at \$7.00-\$7.50 per cwt, the highest since 1998/99.

The 2003/04 global production forecast was raised fractionally to 390.3 million tons (milled basis). Production is almost 3 percent larger than a year earlier. Production forecasts were lowered this month for China, Australia, and Nigeria, while raised for Indonesia and Pakistan. Global ending stocks were reduced fractionally to 84 million tons, the smallest in 20 years. For 2002/03, USDA raised Indonesia's crop forecast and cut Cuba's.

Global trade for 2004 was lowered 3 percent to 24.7 million tons, 9 percent below a year earlier. Export forecasts were lowered this month for both China and India. Indonesia's 2004 imports were lowered while shipments to the Philippines were raised. This is the second consecutive year of declining global trade and a major factor behind near-stagnant prices in global markets.

In the global market, trading prices for Thailand's regular milled rice are up \$10 per ton from early December, primarily due to a stronger baht. Vietnam's price quotes are unchanged from a month earlier. Buyers are waiting for the winter-spring harvest. For the United States, price quotes for southern long grain milled rice continue to increase due to tighter supplies this year.

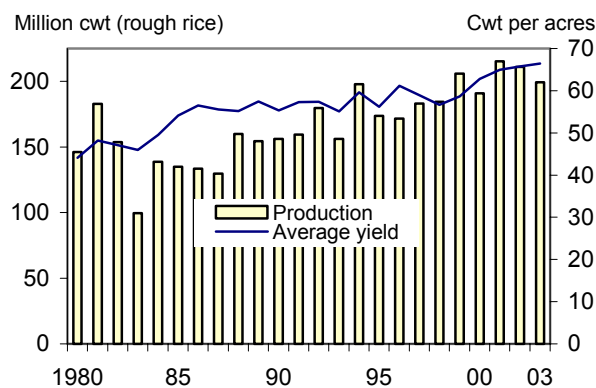
U.S. 2003/04 Rough Rice Production Estimated at 199.2 Million Cwt

The 2003/04 U.S. rough rice crop is estimated at 199.2 million hundredweight (cwt), up fractionally from last month's forecast but more than 6 percent smaller than a year earlier. The upward revision is the result of a fractional increase in harvested area to 3 million acres, still nearly 6 percent below a year earlier. The average yield is estimated at a record 6,645 pounds per acre, 11 pounds below last month's forecast but 67 pounds above the 2002 yield. Increased adoption of new, higher yielding varieties in the South is behind this year's record yield.

Long grain accounted for all of the month-to-month increase in production. Long grain production for 2003 is estimated at 149 million cwt, up 3 million from last month's forecast but more than 5 percent below a year earlier. In contrast, the medium grain production estimate was lowered 4 percent to 47.4 million cwt, 9 percent below a year earlier. Short grain production was reduced 2 percent to 2.7 million cwt, still nearly 79 percent larger than the 2002 crop.

California accounts for the bulk of this month's 19,000-acre increase in 2003 harvested area. California's harvested area is estimated at 507,000 acres, up 12,000 from November. In addition, Louisiana's harvested area was raised 5,000 acres to 450,000. Area revisions for other rice producing States were minuscule.

Figure 1
**U.S. rice production declined 6 percent
in 2003/04**



Source: NASS, USDA.

This month the U.S. Department of Agriculture (USDA) lowered its yield for California 280 pounds per acre to 7,620 pounds and reduced its estimate for Arkansas fractionally to 6,590 pounds. Yield estimates were raised this month for all other producing States. On balance, these area and yield revisions resulted in larger crop estimates for Louisiana, Mississippi, Missouri, and Texas. Louisiana and Mississippi accounted for most of the upward revision in production. In contrast, production estimates for California and Arkansas were lowered this month.

Rice Area and Production Lower in 2003 in All Reported States

Rice acreage declined in 2003 in all reporting States, with Louisiana accounting for the largest share of the 210,000-acre reduction in total harvested area. Rice acreage is down 85,000 acres in Louisiana this year, and is the smallest since 1987/88. Rice acreage in Arkansas is estimated at 1.454 million acres, a decline of 48,000 from a year earlier. In Texas, harvested area is estimated at 180,000 acres, a decline of 26 percent and the smallest since the 1930s. California acreage is down 21,000 acres from 2002/03. Rice acreage in Mississippi is estimated at 234,000 acres, 19,000 below a year earlier. Finally, harvested acreage in Missouri is estimated at 171,000 acres, a decline of 11,000 from a year earlier.

Low prices at planting and some weather problems in parts of Arkansas and Missouri were behind the smaller rice acreage this year in the South. In California, severe weather problems at planting and some selling of water rights accounted for this year's smaller rice acreage. California prices were above those in the South at planting.

Average field yields are higher this year in all reported States except California and Texas. Record yields were reported in all southern growing States except Texas which experienced some hurricane damage. Much of the South had quite favorable weather during the growing season.

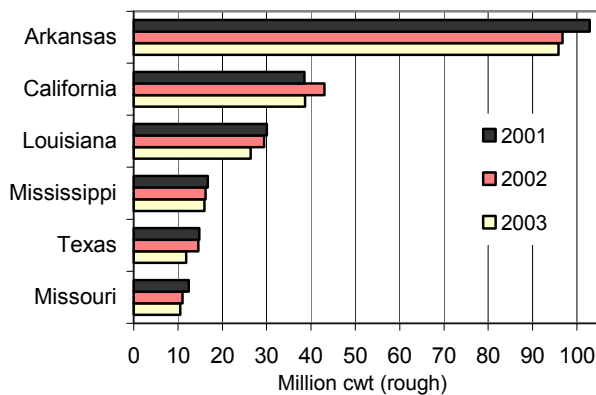
Mississippi's yield is estimated at 6,800 pounds per acre, an increase of 400 pounds from a year earlier. At 6,490 pounds per acre, field yields in Arkansas are

up 150 pounds from 2002. Missouri's yield is estimated at 6,130 pounds per acre, up 80 pounds from last year. In Louisiana, yields are estimated at 5,870 pounds per acre, an increase of 370 pounds. In contrast, field yields in Texas are estimated at 6,600 pounds per acre, a drop of 500 pounds from 2002. Finally, California's yields are estimated at 7,620 pounds per acre, a drop of 520 pounds from a year earlier and the lowest since 1999.

Rice production declined in 2003 in all reported States, with California accounting for the bulk of the 11.8-million-cwt decline. At 38.6 million cwt, rice production in California is down nearly 4.4 million cwt from a year earlier. In Louisiana, production is estimated at 26.4 million cwt, a decline of 3 million from 2002/03. The Texas crop—estimated at 11.9 million cwt—is down 2.7 million cwt from a year earlier and the smallest since 1961. The Arkansas crop is projected at 98.9 million cwt, down nearly 900,000 cwt from 2002. Missouri's crop is estimated at 10.5 million cwt, a drop of 527,000 cwt. Finally, rice production in Mississippi is estimated at 15.9 million cwt, 280,000 cwt below a year earlier.

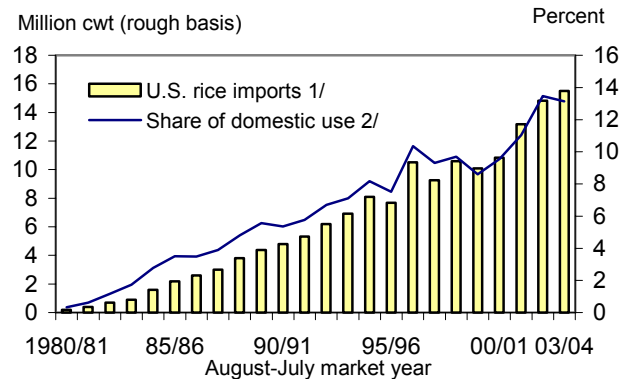
Total supplies for 2003/04 are projected at 241.4 million cwt, up fractionally from last month's forecast but nearly 9 percent below the year-earlier record. This month, the larger crop estimate more than offset a weaker import forecast. Beginning stocks for 2003/04 remain estimated at 26.8 million cwt, down 31 percent from a year earlier. Imports are projected

Figure 2
Rice production declined in 2003/04 in all producing States



Source: NASS/USDA.

Figure 3
U.S. rice imports are projected at a record-high 15.5 million cwt in 2003/04



1/ Includes imports by U.S. territories. 2/ Does not include seed use.

Sources: 1980/81-2002/03 import data, Bureau of the Census. 2003/04 USDA forecasts.

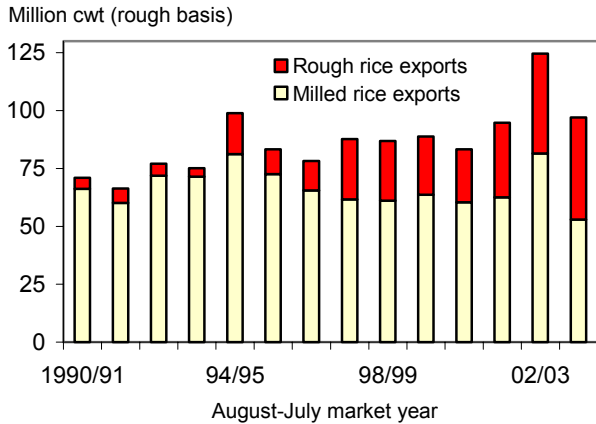
at 15.5 million cwt, down 500,000 from last month's forecast but nearly 5 percent larger than a year earlier. The import forecast was lowered based on the delivery pace through October.

U.S. 2003/04 Export Projection Raised to 97 Million Cwt

Total use for 2003/04 is projected at 219 million cwt, unchanged from last month but 8 percent below the year-earlier record. Total rice exports for 2003/04 are projected at 97 million cwt, up 2 million from last month but 22 percent below the year-earlier record. Exports are the third highest on record. Rough rice accounts for all of this month's increase in exports. Rough rice exports are projected at a record 44 million cwt, up 2 million from last month's forecast and a million higher than a year earlier. The bulk of U.S. rough rice exports are bound for Latin America where the United States faces much less competition from lower-priced Asian exporters than in Africa or the Middle East. In addition, the major Asian exporters do not ship rough rice.

U.S. milled rice exports (both fully milled and brown rice) remain forecast at 53 million cwt, 35 percent below a year earlier and the smallest in several decades. The United States currently faces stiff price competition from Asian exporters in the global milled rice market, especially in Sub-Saharan Africa and the Middle East.

Figure 4
U.S. rice exports are projected to decline 22 percent in 2003/04



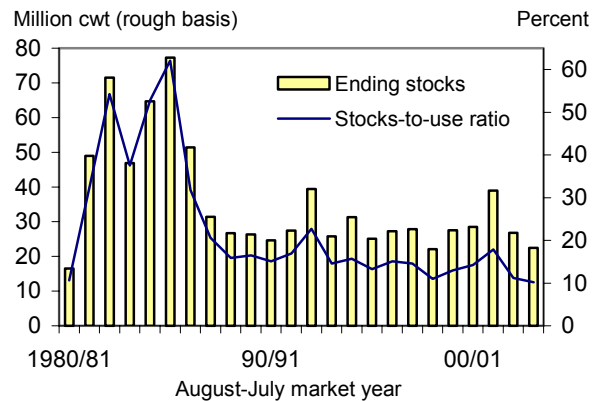
Sources: 1990/91 to 2002/03, Bureau of the Census. 2003/04 USDA projections.

Total domestic and residual use—projected at 122 million cwt—is down nearly 2 percent from last month’s forecast but 7 percent larger than a year earlier. *Food, industrial, and residual use*—forecast at 118 million cwt—accounts for all of the month-to-month reduction in the domestic and residual use forecast. The downward revision was based on an increase in the milling yield to 70 percent from 69 percent. The revised yield forecast is based on industry milling data. Seed use for the 2004 crop remains forecast at 4 million cwt.

Ending stocks for 2003/04 are projected at 22.4 million cwt, up 2 percent from last month’s forecast but 16 percent below a year earlier. Long grain accounts for all of this month’s upward revision in U.S. ending stocks. The resulting stocks-to-use ratio is 10.2 percent, virtually unchanged from last month and one percentage point below a year earlier. This is the smallest stocks-to-use ratio since 1974/75.

According to the *U.S. Export Sales* report (Foreign Agricultural Service, USDA), for the week ending January 1, 2004, combined outstanding sales and commercial exports of U.S. rice totaled 2.19 million tons (product-weight), about 1 percent above a year earlier. Exports were reported at 1.52 million tons, more than 9 percent larger than a year earlier. Outstanding sales were reported at 666,200 tons, 14 percent below a year earlier. Commercial shipments through January 1 were ahead of a year earlier to Brazil, Venezuela, Haiti, and Jamaica. In contrast,

Figure 5
U.S. ending stocks are projected to decline 16 percent in 2003/04



2003/04 forecasts. Sources: NASS/USDA and WAOB/USDA.

commercial shipments were behind last year’s pace to the European Union (EU), Saudi Arabia, Turkey, the former Soviet Union, and Sub-Saharan Africa.

Based on data from the U.S. Department of Agriculture’s January 2004 *Rice Stocks* report, total U.S. rice stocks on December 1, 2003, totaled 144.8 million cwt (rough basis), down 14 percent from a year earlier. A smaller crop and much tighter carryin were behind the smaller December 1 stocks this year. Long grain December 1 stocks were calculated at 98.7 million cwt, an 18-percent decline from a year earlier. Combined medium/short grain stocks were calculated at 44.5 million cwt, down 3 percent from a year earlier.

Stocks were calculated lower in all reported States except Missouri, with Arkansas and California—the two largest rice producing States—accounting for the bulk of the decline. Stocks on December 1, 2003, in Arkansas are calculated at 68.9 million cwt, a 13-percent decline from a year earlier. California’s rice stocks are calculated at 37.2 million cwt, down 7 percent from a year earlier. In Louisiana, stocks were calculated at 12.5 million cwt, down 36 percent from a year earlier. Rice stocks in Texas were calculated at 8.9 million cwt, below 27 percent a year earlier. Mississippi’s December 1 stocks are calculated at 5.9 million cwt, a decline of 12 percent from a year earlier. In contrast, rice stocks in Missouri were calculated at 5.9 million cwt, up 7 percent from a year earlier.

U.S. 2003/04 Long Grain Ending Stocks Projected To Decline 27 Percent

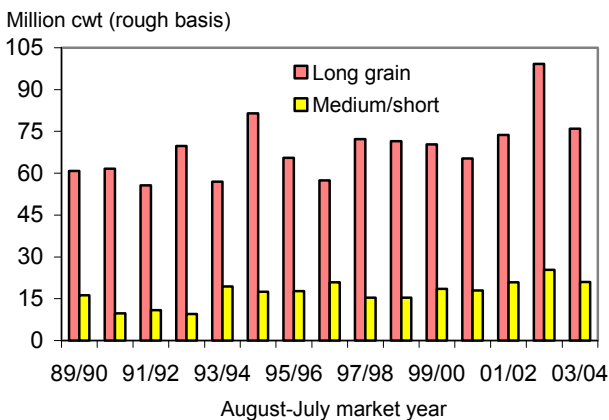
Total U.S. 2003/04 long grain supplies are projected at 175.2 million cwt, up 2 percent from last month's forecast—a result of the larger crop—but 10 percent below a year earlier. This year, a big drop in beginning stocks and the smaller crop more than offset record imports. Beginning stocks of long grain rice are estimated at 15.7 million cwt, nearly 42 percent below a year earlier. The long grain crop is 8 million cwt below a year earlier. Long grain prices were extremely low at planting, a major factor behind an 8-percent drop in plantings this year. In contrast, long grain imports remain projected at a record 10.5 million cwt, nearly 5 percent above a year earlier.

Total long grain use is projected at 163.8 million cwt, an increase of 1 percent from last month but 8 percent below the year-earlier record. Exports account for all of this month's upward revision in long grain total use. Long grain exports are projected at 76 million cwt, up 2 million from last month—based on a strong pace-to-date—but 23 percent below the year-earlier record. Much higher prices and smaller supplies are behind this year's weaker long grain export forecast.

Total domestic and residual use of long grain rice remains projected at a record 87.8 million cwt, 11 percent higher than a year earlier. Ending stocks of long grain rice are projected at 11.4 million cwt, up

Figure 6

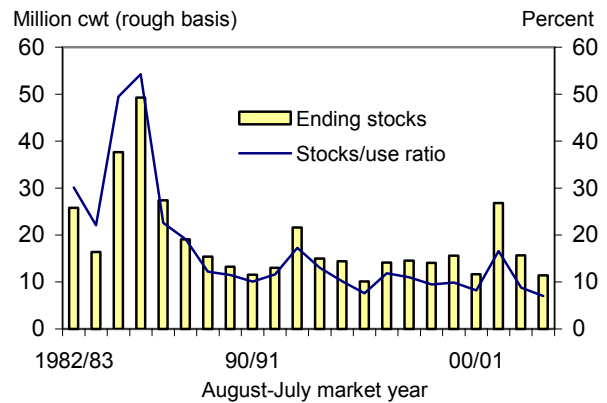
U.S. long grain exports are projected to decline 23 percent in 2003/04



Sources: 1989/90 to 2002/03, Bureau of the Census; 2003/04 USDA projections.

Figure 7

U.S. long grain ending stocks are projected to decline 27 percent in 2003/04



2003/04 forecasts.

Sources: NASS/USDA and WAOB/USDA.

10 percent from last month but down 27 percent from a year earlier. The stocks-to-use ratio—projected at 7 percent—is the smallest in more than two decades.

Combined medium/short grain supplies for 2003/04 are projected at 64.4 million cwt, a decline of 4 percent from last month and nearly 7 percent below a year earlier. Both the production estimate and import forecast were lowered this month. Beginning stocks of medium/short grain rice remain estimated at 9.3 million cwt, 13 percent below a year earlier. Combined medium/short grain production of 50.1 million cwt is 4 percent smaller than the November forecast and 7 percent below a year earlier. This year's weaker crop is primarily due to a lower yield. Combined medium/short grain plantings are less than 2 percent below a year earlier.

Imports of medium/short grain rice are projected at a record 5 million cwt, down 500,000 cwt from last month but still 4 percent larger than a year earlier. The downward revision was based on pace-to-date. Puerto Rico accounts for the bulk of U.S. imports of medium/short grain rice. China has supplied most of this year's imports of medium grain rice.

Combined medium/short grain total use for 2003/04 is projected at 55.2 million cwt, down 2 percent from last month and 7 percent below a year earlier. Medium/short grain exports remain projected at 21 million cwt, a drop of 17 percent from the year-earlier near-record. Northeast Asia accounts for the bulk of

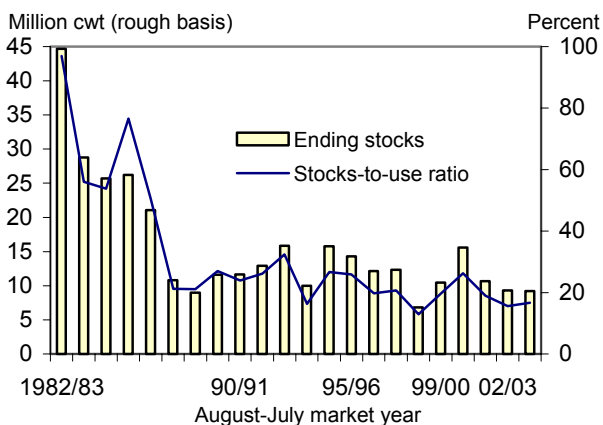
U.S. medium/short grain exports. Annual rice imports by these three countries—Japan, South Korea, and Taiwan—are the result of World Trade Organization commitments. Turkey and Jordan also import U.S. medium/short grain rice. The United States faces substantial competition from Australia and Egypt in these two Middle East markets.

Domestic and residual use of medium/short grain rice remains projected at 34.2 million cwt, 2 million cwt below last month but virtually unchanged from a year earlier. The downward revision was based on tighter supplies. Ending stocks of medium/short grain rice are projected at 9.2 million cwt, down 6 percent from last month's forecast and slightly below a year earlier. The stocks-to-use ratio is projected to be 16.7 percent, up from 15.6 percent a year earlier.

U.S. 2003/04 Season-Average Farm Price Highest Since 1998/99

The 2003/04 season-average farm price (SAFP) remains projected at \$7.00-\$7.50 per cwt, well above the \$4.22 of a year earlier. The 2003/04 SAFP is the highest since 1998/99 and the first increase since 1996/97. Last month, USDA estimated the mid-December price at \$7.25 per cwt—the highest since July 1998—and raised the November price to \$6.99 from a preliminary of \$6.49.

Figure 8
U.S. medium/short grain ending stocks are projected slightly lower in 2003/04

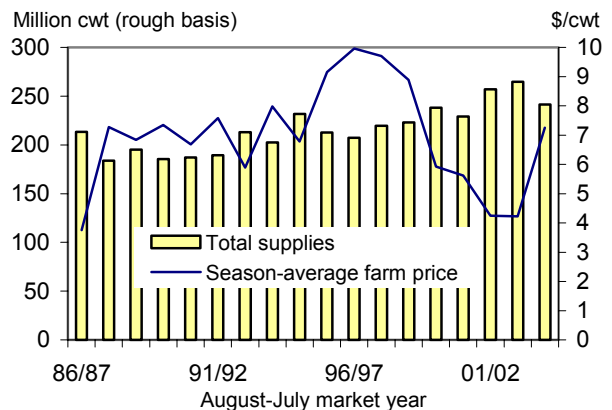


2003/04 projections.
Sources: ERS/USDA and WAOB/USDA.

Rough rice price quotes for long grain rice are up slightly from a month earlier in all major growing areas. For the week ending January 6, cash prices for long grain rough rice in the Delta were quoted at \$8.50 per cwt, up 20 cents from early December. In southwest Louisiana, quotes for long grain rough rice were reported at \$8.50 per cwt, up 10 cents from a month earlier. In Texas, price quotes were reported at \$8.45 per cwt, up 5 cents from early December. These are the highest price quotes for southern long grain rice since the winter of 1999. Tight supplies and a record pace of rough rice exports are behind the rising price for long grain rice.

Price quotes for California medium grain rough rice were calculated around \$12.50 per cwt for the week ending January 6, up 35 cents from early December and up \$3 per cwt from August 2003. Because the bulk of California's rough rice is sold under some type of a pooling method, rough rice prices are determined by the price of milled rice. In the Delta, where the bulk of southern medium grain rice is produced, rice quotes for southern medium grain rough rice were quoted at \$9.40 per cwt, unchanged from early December and the highest since 1999. Similar to long grain, medium grain prices are being pushed up by tighter supplies this year.

Figure 9
The U.S. rough rice season-average farm price is projected to be the highest since 1998/99



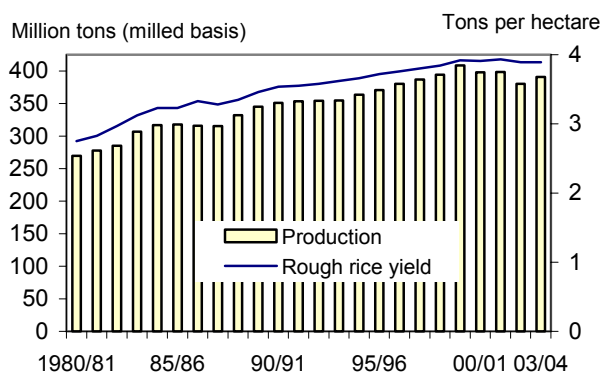
2003/04 mid-point of \$7.00 to \$7.50 projection range.
Sources: 1986/87 to 2002/03 NASS/USDA; 2003/04 USDA projections.

Production Forecasts for 2003/04 Lowered For China, Australia, and Nigeria

Global rice production for 2003/04 is projected at 391 million tons (milled basis), down fractionally from last month's forecast but almost 3 percent larger than a year earlier. The 2003/04 crop is 4 percent below the 1999/2000 record. Global rice consumption remains projected at a record 413.9 million tons. Ending stocks are projected at 84 million tons, down fractionally from last month's forecast—a result of lower stocks forecasts for China and Australia—and 21 percent below a year earlier. Global ending stocks are the lowest since 1983/84. This is the third

Figure 10

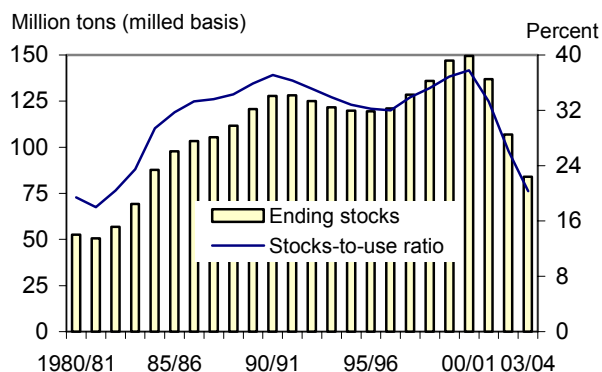
Global rice production is projected to increase nearly 3 percent in 2003/04



2003/04 forecasts.
Sources: FAS/USDA and ERS/USDA.

Figure 11

Global ending stocks for 2003/04 are projected to be the lowest since 1983/84



2003/04 forecasts.
Sources: FAS/USDA and ERS/USDA.

consecutive year of declining global ending stocks. China accounts for most of the decline in global ending stocks since 2001/02.

China—the world's largest rice producing country—accounts for the bulk of this month's reduction in the 2003/04 global rice production forecast. China's 2003/04 production forecast was lowered 1.5 million tons to 116.5 million—the smallest since 1982/83—based on a weaker yield. This year much of southern China faced drought conditions. Rice production in China is 24 million tons below the 1997/98 record. At 27.3 million hectares, rice area in China this year is the smallest since 1962/63. A change in China's grains policy in the late 1990s discouraged planting of low-quality early-season long grain rice.

Crop forecasts for other countries were also lowered this month. Australia's 2003/04 crop forecast was lowered 129,000 tons to 515,000 based on a 20,000-hectare reduction in area to 80,000 hectares. Lack of irrigation water was responsible for the reduced area forecast. The crop is still 85 percent larger than the year-earlier drought-reduced crop. Nigeria's crop was lowered 100,000 tons to 2.2 million based on a weaker yield caused by flooding. The crop is the same size as the year-earlier record. Crop projections were also lowered this month for Cuba, Russia, and Spain.

Partially offsetting these reductions were four upward revisions. First, Indonesia's 2003/04 crop forecast was raised 968,000 tons to a record 34.5 million based on a higher yield. Second, Pakistan's crop forecast was raised 400,000 tons to 4.9 million based on larger plantings. Third, Turkmenistan's crop was raised 30,000 tons to 70,000 based on much larger plantings. Finally, the U.S. crop was increased 12,000 tons to 6.3 million based on slightly larger plantings.

This month, USDA fractionally raised its 2002/03 global rice production forecast to 380.3 million, still nearly 5 percent below a year earlier. Indonesia accounts for all of the upward revision in global production. Indonesia's 2002/03 crop forecast was raised 211,000 tons to 33.4 million based on a higher yield. Partially offsetting this increase were crop reductions for both Cuba and Turkmenistan.

Global 2004 Export Forecasts Lowered for China and India

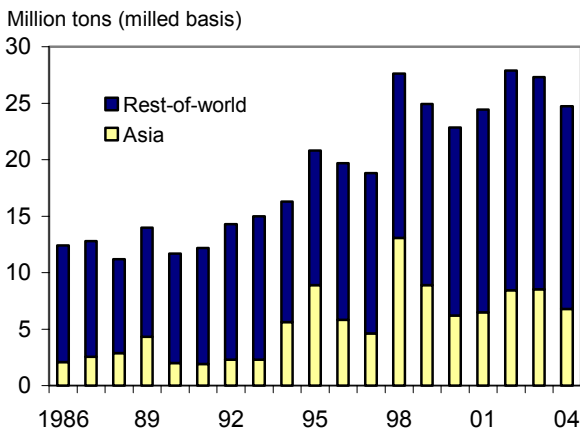
Global rice trade for calendar year 2004 is projected at 24.7 million tons (milled basis), down 3 percent from last month's forecast and 9 percent smaller than 2003 trade. This is the second consecutive year of declining global rice trade—a result of weaker import demand—and a major factor behind the lack of any significant price strength in the global rice market for 2 years.

There were two revisions to the 2004 export forecast this month. First, China's export forecast was lowered 250,000 tons to 2.25 million based on smaller production and dwindling stocks. Second, India's exports forecast was lowered 500,000 tons to 2 million based on tight ending stocks and government restrictions on new export contracts. On the import side, Indonesia's 2004 imports were lowered a million tons to 2 million based on a larger crop and adequate stocks. Partially offsetting this reduction was a 500,000-ton increase in the Philippines' import forecast to 1 million tons based on consumer demand outstripping production and indications that some stocks are unfit for human consumption.

On an annual basis, declines in exports from India, the United States, and China are expected to be only partially offset by greater shipments from Thailand, Vietnam, Argentina, Australia, Burma, Uruguay, and Egypt. Among importers, weaker shipments to

Figure 12

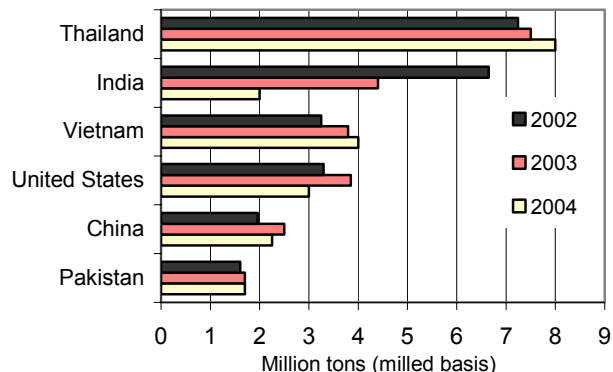
Global rice imports in 2004 are projected to decline more than 9 percent



2003 and 2004 forecasts.
Sources: FAS/USDA and ERS/USDA.

Figure 13

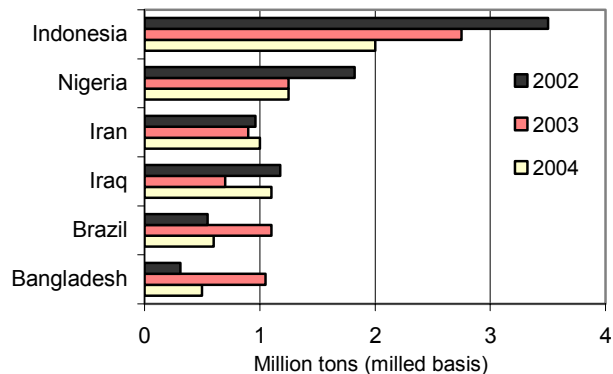
Exports from India, the United States, and China are projected to decline in 2004



These six countries account for more than 85 percent of global rice exports. 2003 and 2004 projected.
Source: FAS/USDA.

Figure 14

Indonesia, Bangladesh, and Brazil are projected to import less rice in 2004



2003 and 2004 projected. These six countries account for about a third of global rice imports.
Source: FAS/USDA.

Bangladesh, Brazil, North Korea, the Philippines, and Saudi Arabia are expected to be only partially offset by larger imports by Iraq, Iran, Cuba, and Senegal. The weaker import demand in the global market continues to prevent any significant strength in trading prices.

Global rice trade for 2003 is projected at 27.2 million tons, virtually unchanged from last month's forecast but more than 2 percent below the 2002 record. On the export side, Thailand's exports were raised 250,000 tons to 7.5 million and U.S. exports were raised 50,000 tons to a record 3.85 million. Nearly

offsetting these increases was a 205,000-ton reduction in Vietnam's exports to 3.8 million tons. All export revisions were based on pace-to-date.

On the 2003 import side, Indonesia's imports were cut 750,000 tons to 2.75 million and Cuba's were reduced 50,000 tons to 500,000. Nearly offsetting these two reductions were increases for Saudi Arabia, Bangladesh, Ghana, Haiti, and the United States. All import revisions were based on pace-to-date.

Thailand's Export Prices Are Up On Stronger Currency

Thai export price quotes for all grades of regular-milled white rice are up from a month earlier, primarily due to a stronger baht and—for regular milled white rice—government intervention purchases. For the week ending January 5, price quotes for high-quality Thai white rice (100-percent, Grade B, f.o.b. vessel, Bangkok) were reported at \$210 per ton, up \$11 from early December. Prices for Thai 5-percent regular milled white rice were quoted at \$203 per ton, up \$9 from early December. There have been few new sales of Thailand's non-aromatic rice.

Prices for Thailand's lower quality rice have increased as well. Prices for Thailand's 35-percent broken were quoted at \$187 per ton for the week ending January 5, up \$10 from early December. In addition, prices for Thailand's A-1 Special (100-percent broken) were quoted at \$164 per ton for the week ending January 5, up \$4 from a month earlier. Price quotes for Thailand's premium jasmine rice—an aromatic rice—have substantially risen over the past month due to strong trade demand. Prices for jasmine rice were quoted at \$504 per ton for the week ending January 5, up nearly \$45 from early December.

Prices for Thailand's parboiled rice (5-percent broken) have not risen as sharply as other grades and types of rice. Prices for Thailand's 5-percent broken parboiled rice were quoted at \$200 per ton for the week ending January 5, up \$3 from a month earlier.

Price quotes for Vietnam's regular-milled white rice have remained stable over the past month, primarily due to tight supplies and few new sales. Harvest of Vietnam's largest crop—its winter-spring crop—is

less than 2 months away. Price quotes for Vietnam's 5-percent broken (f.o.b. vessel, Ho Chi Minh City) were reported at \$200 per ton for the week ending January 5, unchanged since late November but up \$20 from early August.

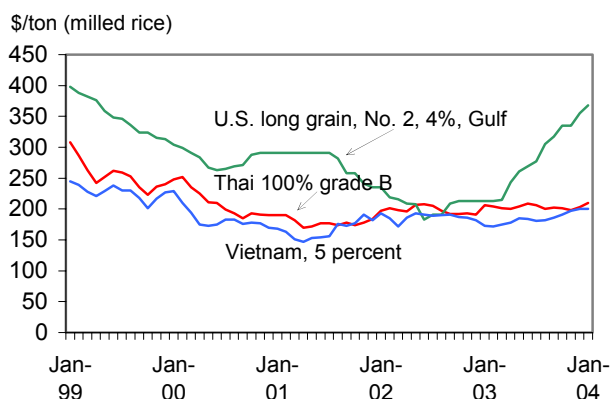
Price quotes for U.S. regular-milled rice have risen over the last month as well. Price quotes for U.S. southern long grain milled rice (No. 2, 4-percent broken) were reported at \$353 per ton for the week ending January 5, up \$22 per ton from early December and the highest since May 1999. The rising prices are primarily due to much tighter U.S. supplies this year. After adjusting the U.S. price to reflect a "free-on-board vessel" quote, U.S. prices are nearly \$160 per ton above prices for similar grades of Thai rice, the highest since 1997.

Price quotes for U.S. southern parboiled rice are up from a month earlier as well. For the week ending January 5, prices for long grain milled parboiled rice were quoted at \$353 per ton, up \$20 from early December. Like prices for regular milled rice, U.S. parboiled prices are being pushed higher by tight U.S. supplies.

Prices for high-quality California medium grain milled rice (No. 1, 4-percent broken, bagged, f.o.b. Sacramento) were quoted at \$524 per ton for the week ending January 5, unchanged since mid-December and the highest since 1994. A much smaller California crop this year accounts for most of the price strength.

Figure 15

U.S. export prices are \$160 per ton higher than Thailand's prices



All prices quoted "free-on-board" vessel at local port. Sources: Thai prices, U.S. Ag Counselor, Bangkok; U.S. prices, AMS/USDA. Vietnam prices are from industry sources.

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Data

Monthly tables from *Rice Outlook* are available in Excel (.xls) spreadsheets at <http://www.ers.usda.gov/Briefing/Rice/Data/data.htm>. These tables contain the latest data on the production, use, prices, and trade.

Reports from the Economic Research Service

Updating Base Acres and Payment Yields indicates that about 63 percent of eligible farmland owners elected to use their historical PFC acreage (plus oilseeds, if applicable) for designating base acres under the 2002 Farm Act. The alternative was to update base acres using 1998-2001 plantings. Farmers who updated their base acres were provided choices for determining payment yields used to calculate the new counter-cyclical payments. The analysis is available at <http://www.ers.usda.gov/Briefing/FarmPolicy/updating.htm>.

The 2002 Farm Act: Provisions and Implications for Commodity Markets provides an initial assessment of the legislation's effects on agricultural production, commodity markets, and net farm income over the next 10 years. The report is available at <http://www.ers.usda.gov/publications/aib778/>.

Related Websites

Rice Briefing Room, <http://www.ers.usda.gov/Briefing/Rice>

WASDE, <http://usda.mannlib.cornell.edu/usda/reports/waobr/wasde-bb/>

Grain Circular, http://www.fas.usda.gov/grain_arc.html

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Table 1--U.S. rice supply and use 1/

Item	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04 2/
TOTAL RICE						
Area	Million acres					
Planted	3.285	3.531	3.060	3.334	3.240	3.022
Harvested	3.257	3.512	3.039	3.314	3.207	2.997
	Pounds per harvested acre					
Yield	5,663	5,866	6,281	6,496	6,578	6,645
	Million cwt					
Beginning stocks	27.9	22.1	27.5	28.5	39.0	26.8
Production	184.4	206.0	190.9	215.3	211.0	199.2
Imports	10.6	10.1	10.9	13.2	14.8	15.5
Total supply	223.0	238.2	229.2	256.9	264.8	241.4
Food, industrial, & residual 3/	109.6	118.1	113.4	119.3	109.7	118.0
Seed	4.4	3.8	4.1	4.0	3.7	4.0
Total domestic use	114.0	121.9	117.5	123.3	113.4	122.0
Exports	86.8	88.8	83.2	94.7	124.6	97.0
Rough	25.8	25.2	22.8	32.2	43.0	44.0
Milled 4/	61.1	63.6	60.4	62.5	81.5	53.0
Total use	200.9	210.7	200.7	218.0	238.0	219.0
Ending stocks	22.1	27.5	28.5	39.0	26.8	22.4
	Percent					
Stocks-to-use ratio	11.0	13.0	14.2	17.9	11.2	10.2
	\$/cwt					
Average farm price 5/	8.89	5.93	5.61	4.25	4.22	7.00 to 7.50
	Percent					
Average milling rate	69.3	69.6	68.6	68.8	68.3	70.0

1/ August-July market year; rough equivalent. 2/ Projected. 3/ Residual includes unreported use, processing losses, and estimating errors. 4/ Rough rice equivalent. 5/ Market year weighted average.

Source: World Agricultural Supply and Demand Estimates, WAOB, USDA.

Updated January 12, 2004.

Table 2--U.S. rice supply and use, by class 1/

Item	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04 2/
LONG GRAIN						
Million acres						
Planted	2.589	2.731	2.206	2.713	2.537	2.332
Harvested	2.568	2.718	2.189	2.697	2.512	2.310
Pounds per harvested acre						
Yield	5,426	5,587	5,882	6,213	6,260	6,451
Million cwt						
Beginning stocks	14.5	14.1	15.6	11.6	26.8	15.7
Production	139.3	151.9	128.8	167.6	157.2	149.0
Imports	8.4	7.6	8.8	9.2	10.0	10.5
Total supply	162.2	173.5	153.1	188.3	194.1	175.2
Domestic use 3/	76.7	87.6	76.2	87.7	79.2	87.8
Exports	71.4	70.3	65.3	73.8	99.2	76.0
Total use	148.2	157.9	141.5	161.6	178.4	163.8
Ending stocks	14.1	15.6	11.6	26.8	15.7	11.4
Percent						
Stocks-to-use ratio	9.5	9.9	8.2	16.6	8.8	7.0
MEDIUM & SHORT GRAIN						
Million acres						
Planted	0.696	0.800	0.854	0.621	0.703	0.690
Harvested	0.689	0.794	0.850	0.617	0.695	0.687
Pounds per harvested acre						
Yield	6,548	6,822	7,308	7,733	7,729	7,299
Million cwt						
Beginning stocks	12.3	6.8	10.4	15.6	10.7	9.3
Production	45.1	54.2	62.1	47.7	53.7	50.1
Imports	2.2	2.5	2.1	4.0	4.8	5.0
Total supply 4/	59.6	63.3	74.8	67.1	68.9	64.4
Domestic use 3/	37.4	34.3	41.3	35.5	34.3	34.2
Exports	15.4	18.6	17.9	20.9	25.3	21.0
Total use	52.8	52.9	59.2	56.4	59.6	55.2
Ending stocks	6.8	10.4	15.6	10.7	9.3	9.2
Percent						
Stocks-to-use ratio	12.9	19.7	26.3	18.9	15.6	16.7
Ending stocks difference 1/	1.2	1.4	1.2	1.5	1.8	1.8

1/ Stock totals by type omit broken, which are included in total stocks for all types of rice in table 1.

2/ Projected. 3/ Includes residual. 4/ Accounts for the difference in beginning and ending stocks of broken. Thus, total supply of medium/short grain may not equal the sum of beginning stocks, production, and imports.

Source: World Agricultural Supply and Demand Estimates, WAOB, USDA.

Updated January 12, 2004.

Table 3--U.S. monthly average farm prices and marketings

Month	2003/04		2002/03		2001/02	
	\$/cwt	1,000 cwt	\$/cwt	1,000 cwt	\$/cwt	1,000 cwt
August	5.27	9,692	3.72	11,478	5.01	12,443
September	6.13	15,923	3.94	12,787	4.67	9,496
October	6.44	19,247	3.69	14,027	4.39	12,415
November	6.99	11,750	3.70	11,876	4.25	11,093
December	7.25 1/	14,153 1/	4.13	14,242	4.29	11,215
January			4.29	20,748	4.30	16,415
February			4.03	14,500	4.16	11,694
March			4.14	16,069	3.99	9,718
April			4.33	16,445	3.94	11,270
May			4.58	11,417	3.98	9,841
June			5.04	10,553	3.92	8,884
July			5.09	13,294	3.81	8,288
Average 2/	6.42 1/	14,153 1/	4.22	13,953	4.25	11,064
Total 3/	7.00-7.50 4/			167,436		132,772

N/A = Not available.

1/ Preliminary mid-month estimate. 2/ Price is market year weighted average; 2003/04 is simple average through current month only. 3/ Total volume marketed; 2003/04 is through current month only. 4/ USDA season-average farm price projection.

Source: Monthly cash price and marketings, Agricultural Prices, National Agricultural Statistics Service, USDA.

Last updated January 12, 2004.

Table 4--USDA calculated world market rice prices (rough basis)

Month	2003/04			2002/03			2001/02		
	Long	Medium	Short	Long	Medium	Short	Long	Medium	Short
	\$/cwt								
August	4.02	3.79	3.85	3.32	2.99	3.00	2.97	2.57	2.58
September	3.95	3.72	3.77	3.29	2.96	2.97	3.09	2.69	2.70
October	3.96	3.74	3.79	3.28	2.95	2.96	3.18	2.80	2.81
November	4.03	3.80	3.86	3.24	2.91	2.92	3.22	2.86	2.87
December	4.16	3.94	4.00	3.22	2.93	2.94	3.37	3.02	3.02
January 1/	4.10	3.88	3.93	3.29	2.96	2.98	3.40	3.06	3.06
February				3.40	3.01	3.03	3.59	3.31	3.35
March				3.36	2.97	2.99	3.52	3.23	3.27
April				3.29	2.91	2.93	3.50	3.20	3.24
May				3.32	2.92	2.94	3.58	3.30	3.34
June				3.60	3.21	3.24	3.69	3.42	3.47
July				3.82	3.43	3.45	3.71	3.45	3.49
Average 2/	4.04	3.81	3.87	3.37	3.01	3.03	3.40	3.08	3.10

1/ Preliminary. 2/ Simple average of weekly announced world market price.

Source: Farm Service Agency, USDA.

Last updated January 12, 2004.

Table 5--U.S. rice exports 1/

Country or region	2003/04 as of 1/1/04	2002/03 as of 1/2/03	2002/03 Market year	2001/02 Market year	2000/01 Market year	1999/00 Market year
1,000 metric tons						
European Union	167.0	204.9	375.2	336.3	363.5	386.7
Other Western Europe	13.7	11.3	26.1	14.6	13.2	18.3
Turkey	70.8	92.0	209.9	141.3	170.8	230.7
Eastern Europe	1.1	4.5	9.7	5.4	0.6	0.5
Former Soviet Union	0.8	54.5	55.8	59.7	0.7	56.8
NORTHEAST ASIA	383.2	306.0	532.6	379.4	296.4	374.3
Japan	264.9	179.0	387.8	349.3	296.4	374.3
South Korea	55.2	40.0	40.1	30.1	0.0	0.0
Taiwan	63.1	87.0	104.7	0.0	0.0	0.0
OTHER ASIA & MIDDLE EAST	171.8	220.5	352.3	238.2	318.1	394.7
Indonesia	0.3	90.5	90.7	0.2	23.2	118.3
Jordan	1.9	2.7	18.7	23.7	13.7	21.2
Philippines	117.8	37.1	38.3	35.8	104.4	59.4
Saudi Arabia	36.6	65.0	115.7	101.0	140.1	150.5
AFRICA	51.5	141.9	219.3	181.2	181.6	171.1
Algeria	0.0	19.5	21.0	16.3	3.0	1.4
Cote d'Ivoire	0.3	18.8	29.9	13.7	12.3	20.4
Ghana	18.3	37.9	70.5	77.4	72.6	70.3
Liberia	10.8	15.8	8.9	8.0	9.3	2.9
South Africa	18.1	42.1	74.8	54.7	57.0	69.6
WESTERN HEMISPHERE	1,326.8	1,087.4	2,336.4	1,936.3	1,305.3	1,410.1
Brazil	221.1	65.9	327.0	0.2	2.0	4.4
Canada	98.7	129.5	157.1	105.5	99.8	101.9
Colombia	0.8	1.1	1.9	1.4	17.2	1.4
Costa Rica	0.6	27.7	161.3	160.7	81.6	84.0
Cuba	36.0	120.0	118.6	71.6	0.0	0.0
Dominican Republic	0.1	0.2	0.0	1.0	56.0	56.0
Guatemala	65.7	3.2	53.6	76.2	35.6	41.9
Haiti	183.9	137.0	297.6	249.7	157.9	144.4
Honduras	50.5	58.6	128.7	163.1	105.6	113.6
Jamaica	41.5	19.3	58.7	19.4	31.5	34.7
Leeward & Windward Is.	3.9	4.8	7.4	7.2	4.2	11.1
Mexico	451.2	372.9	694.7	740.3	582.6	629.2
Nicaragua	50.5	56.4	118.0	156.7	85.2	94.8
Panama	0.2	0.1	8.5	38.9	2.3	14.8
Peru	4.6	0.9	1.3	0.7	1.0	19.4
El Salvador	54.8	37.3	74.2	93.5	40.4	55.3
Trinidad	12.5	20.2	22.7	15.6	9.0	0.2
Venezuela	38.9	0.0	56.2	0.2	0.2	0.0
Unknown	0.0	44.0	0.0	0.0	0.0	0.0
TOTAL	2,186.6	2,167.3	4,077.1	3,269.0	2,650.8	3,043.9

1/ Columns labeled "Market year" are total August-July exports reported in U.S. Export Sales. Columns labeled "as of" are combined exports and outstanding sales at a particular date.

U.S. Export Sales reports on a product-weight basis. Food donations are not included in U.S. Export Sales.

Source: Foreign Agricultural Service, USDA.

Last updated January 12, 2004.

Table 6--U.S., Thailand, and Vietnam milled rice prices

Month or marketing year 1/	U.S. 2/			Thailand 5/				Viet. 6/	
	Long grain 3/	Medium grain 4/	Parboiled	100% Grade B	5% parboiled	15% brokens	35% brokens	A.1 7/ Special	5% brokens
	Southern 8/	California	Southern 8/						
	\$/ metric ton 9/								
1995/96	414	445	456	362	344	335	302	265	N/A
1996/97	450	415	479	338	323	303	259	216	N/A
1997/98	415	396	455	302	292	275	237	197	269
1998/99	369	470	418	284	276	261	236	217	257
1999/2000	284	454	395	231	242	209	185	160	202
2000/01	272	313	357	184	187	167	149	132	165
2001/02	267	243	334	174	202	160	149	141	176
Aug 2002	176	265	265	197	195	183	171	148	190
Sep 2002	195	265	283	192	194	179	169	149	191
Oct 2002	198	265	287	192	195	179	171	157	187
Nov 2002	198	265	287	193	196	180	173	158	186
Dec 2002	198	265	287	191	190	180	171	154	182
Jan 2003	198	265	287	206	196	193	182	152	173
Feb 2003	198	282	287	204	196	191	179	150	172
Mar 2003	200	287	289	201	193	188	177	146	175
Apr 2003	229	287	306	200	191	186	175	141	178
May 2003	246	287	309	204	193	189	177	143	185
Jun 2003	254	331	309	209	200	195	183	151	184
Jul 2003	262	370	309	206	203	190	179	151	181
2002/03	213	286	292	199	195	186	175	150	182
Aug 2003	290	425	334	200	199	185	175	150	182
Sep 2003	302	430	342	202	203	187	177	155	186
Oct 2003	320	485	342	201	204	187	178	157	191
Nov 2003	320	485	342	198	201	185	176	158	197
Dec 2003	340	511	349	203	198	189	181	162	200
Jan 2004 10/	353	524	353	210	200	196	187	164	200
2003/04 10/	321	477	344	202	201	188	179	158	193

N/A = Not available.

1/ Simple average of weekly quotes. 2/ 100-pound bags, domestic market. Lowest quote offered. 3/ Number 2, 4-percent brokens. 4/ Number 1, 4-percent brokens. 5/ Nominal price quotes f.o.b. Bangkok, long grain. U.S. 6/ f.ob. Saigon. Price quotes from industry sources. 7/ 100-percent brokens. 8/ Prior to January 2004, reported southern prices were for Texas only. Since January 2004 reported southern prices are aggregate of all southern producing States. 9/ Bagged. 10/ Preliminary.

Last updated January 12, 2004.

Table 7-Global rice production, monthly revisions

	2002/03			2003/04 1/		
	December	January	Monthly change	December	January	Monthly change
	1,000 metric tons					
Australia	279	279	0	644	515	-129
China	122,180	122,180	0	118,000	116,500	-1,500
Cuba	228	200	-28	230	205	-25
European Union	1,639	1,639	0	1,689	1,670	-19
Indonesia	33,200	33,411	211	33,540	34,508	968
Nigeria	2,200	2,200	0	2,300	2,200	-100
Pakistan	4,228	4,228	0	4,500	4,900	400
Russia	314	314	0	325	300	-25
Turkmenistan	60	52	-8	40	70	30
United States	6,536	6,536	0	6,204	6,324	120
Others	209,224	209,224	0	223,831	223,831	0
World total	380,088	380,263	175	391,303	391,023	-280

1/ Projected.

Source: Global production projections are provided monthly by USDA's Interagency Commodity Estimates Committee (ICEC). Participating agencies include FAS, FSA, ERS, and the World Agricultural Outlook Board. Last updated January 20, 2004.

Table 8-Global rice trade, calendar years 2003 and 2004: major exporters and importers

	2003 1/			2004 1/		
	December	January	Monthly changes	December	January	Monthly changes
	1,000 metric tons (milled basis)					
Exporters:						
Argentina	125	125	0	300	300	0
Australia	150	150	0	300	300	0
Burma	400	400	0	500	500	0
China	2,500	2,500	0	2,500	2,500	0
Egypt	650	650	0	700	700	0
Guyana	175	175	0	175	175	0
India	4,400	4,400	0	2,500	2,500	0
Pakistan	1,700	1,700	0	1,700	1,700	0
Thailand	7,250	7,500	250	8,000	8,000	0
Uruguay	675	675	0	750	750	0
Vietnam	4,000	3,795	-205	4,000	4,000	0
European Union	375	375	0	375	375	0
Others	569	569	0	536	536	0
United States	3,800	2,850	-950	3,000	3,000	0
World total	27,221	27,316	95	25,487	25,487	0
Importers:						
Bangladesh	1,000	1,050	50	500	500	0
Brazil	1,100	1,100	0	600	600	0
Canada	225	225	0	250	250	0
China	225	225	0	250	250	0
Colombia	75	75	0	90	90	0
Costa Rica	125	125	0	100	100	0
Cote d'Ivoire	750	750	0	750	750	0
Cuba	500	500	0	550	550	0
El Salvador	60	60	0	75	75	0
Ghana	350	375	25	250	250	0
Guinea	350	325	-25	300	300	0
Haiti	300	325	25	300	300	0
Honduras	90	90	0	100	100	0
Indonesia	3,000	2,750	-250	3,000	2,000	-1,000
Iran	900	900	0	1,000	1,000	0
Iraq	700	700	0	1,100	1,100	0
Jamaica	50	50	0	50	50	0
Japan	650	650	0	650	650	0
Korea, North	625	625	0	300	300	0
Korea, South	180	180	0	205	205	0
Malaysia	500	500	0	550	550	0
Mexico	550	550	0	600	600	0
Nigeria	1,250	1,250	0	1,250	1,250	0
Nicaragua	100	100	0	100	100	0
Peru	30	30	0	40	40	0
Philippines	1,300	1,300	0	500	1,000	500
Russia	400	400	0	350	350	0
Saudi Arabia	1,100	1,150	50	950	950	0
Senegal	750	750	0	825	825	0
Singapore	375	375	0	375	375	0
South Africa	725	725	0	650	650	0
Sri Lanka	25	25	0	50	50	0
Syria	150	150	0	170	170	0
Taiwan	125	125	0	125	125	0
Turkey	350	350	0	350	350	0
Uzbekistan	25	25	0	50	50	0
UAE	80	80	0	80	80	0
Yemen	250	250	0	250	250	0
European Union	975	975	0	975	975	0
Other Western Europe	50	50	0	50	50	0
Eastern Europe	379	379	0	368	368	0
United States	435	450	15	470	470	0
Other 2/	6,042	6,247	205	5,939	5,689	-250
World total	27,221	27,316	95	25,487	24,737	-750

All trade data reported on a calendar year basis.

1/ Projected. 2/ Includes countries not listed separately as well as imports not assigned a specific destination.

Source: Foreign Agricultural Service, USDA.

Last updated January 20, 2004.