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Rice Outlook

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U.S. 2004/05 Season-Average Rough Rice Price Raised to $6.75-$7.25 Per Cwt

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The next release is Sept. 13, 2004

Approved by the World Agricultural Outlook Board.

The first survey-based projection of the 2004/05 U.S. rice crop pegs rough production at a record 221.6 million hundredweight (cwt), down fractionally from last month's forecast based on a weaker yield. At 6,680 pounds per acre, the yield is the highest on record. This month the U.S. Department of Agriculture (USDA) fractionally lowered its 2004/05 total supply forecast to 261 million cwt, still the second highest on record. The fractionally lower crop forecast plus a downward revision in imports—all medium/short grain—more than offset a larger carryin.

On the use side, USDA cut 2004/05 exports 7 million cwt to 107 million based on continued import restrictions by Turkey and expectations of greater competition in the European Union rice market. Forecasts for both long and combined medium/short grain U.S. exports were lowered this month. The reduced exports lowered total projected use 3 percent to 227 million cwt. These revisions resulted in a 22-percent increase in the ending stocks forecast to 33.9 million cwt.

Despite the boost in ending stocks, the 2004/05 season-average farm price forecast was raised 50 cents on both the high and low end to $6.75-$7.25 per cwt, still below the year-earlier revised forecast of $7.48. The upward revision in the 2004/05 price was based on expectations of higher global trading prices.

Global rice production for 2004/05 is projected at 397.4 million tons (milled basis), down 7.9 million tons from last month's forecast but 3 percent larger than a year earlier. India accounts for the bulk of this month's downward revision in global rice production. Forecasts were also lowered for Bangladesh, South Korea, and the United States. Global ending stocks are projected at 68.1 million tons, 4 percent below last month's forecast and the smallest since 1982/83. India accounts for most of this month's downward revision in global ending stocks.

Global rice trade for calendar year 2005 is projected at 25.4 million tons (milled basis), up 100,000 tons from last month's forecast. Thailand's export forecast was raised while forecasts for exports from China and the United States were lowered. On the import side, 2005 forecasts were raised for the Philippines and Bangladesh while lowered for Indonesia.

Thailand's export price quotes for most grades of regular-milled white and parboiled rice have risen $7-$18 per ton since early July, primarily due to a lack of competition from other Asian sources, several new and pending sales, a strong pace of shipments, and a higher announced intervention purchase price for the 2004/05 crop. Price quotes for Vietnam's rice have increased a few dollars per ton since early July, a result of tight stocks and strong sales during the first 6 months of 2004.

U.S. 2004/05 Rice Crop Projected At a Record 221.6 Million Cwt

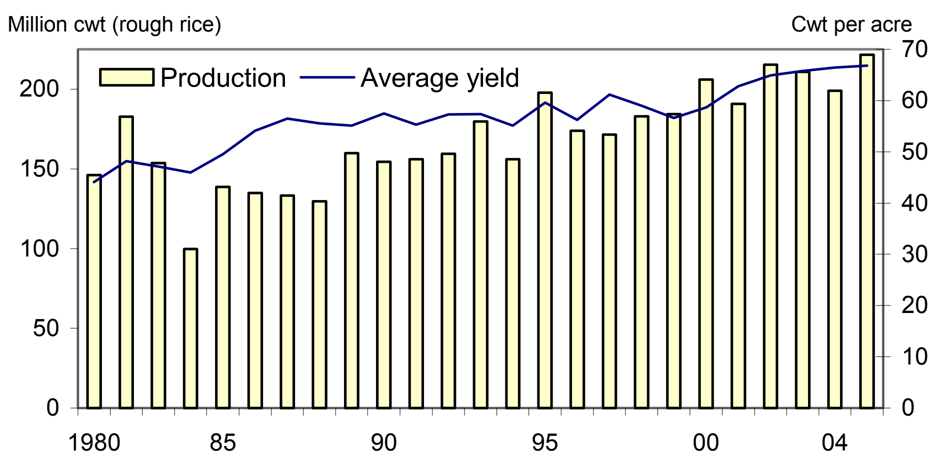
The first survey-based projection of the 2004/05 U.S. rice crop pegs rough production at a record 221.6 million hundredweight (cwt), down fractionally from last month's forecast but more than 11 percent above a year earlier. This month's downward revision is based on a weaker yield. At 6,680 pounds per acre—the highest on record—the 2004/05 average yield is up 35 pounds from a year earlier. Planted area remains forecast at 3.35 million acres, up almost 11 percent from a year earlier.

Long grain accounts for all of this month's downward revision in production. Long grain production is forecast at 160.9 million cwt, down 2 percent from last month's forecast but 8 percent larger than a year earlier. Combined medium/short grain production is projected at 60.7 million cwt, up 3 percent from last month's forecast and 21 percent larger than a year earlier.

This month, USDA presented its first production forecasts by State for the 2004/05 U.S. rice crop. Production is projected higher in 2004/05 in all reported States except Mississippi. California accounts for the largest share of the year-to-year production increase. California's 2004/05 crop is projected at a record 48.4 million cwt, more than 25 percent larger than a year earlier, with expanded acreage accounting for most of the increase. The yield is up about 4 percent. Last year, California experienced severe weather problems that reduced its rice production. The Arkansas rice crop is projected at 101.7 million cwt, up 6 percent from a year earlier and the second highest on record. Larger plantings account for most of the production increase. The yield—projected at 6,650 pounds per acre—is the highest on record.

Figure 1

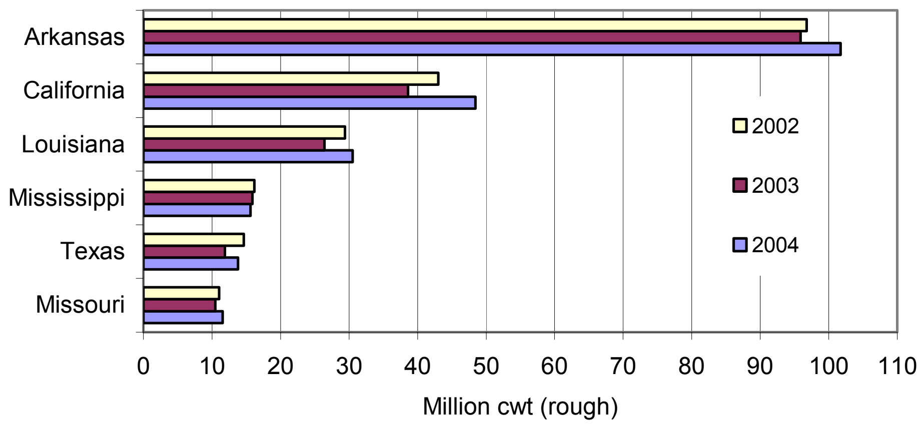
U.S. rice production is projected at a record 222 million cwt in 2004/05



Source: NASS, USDA.

Figure 2

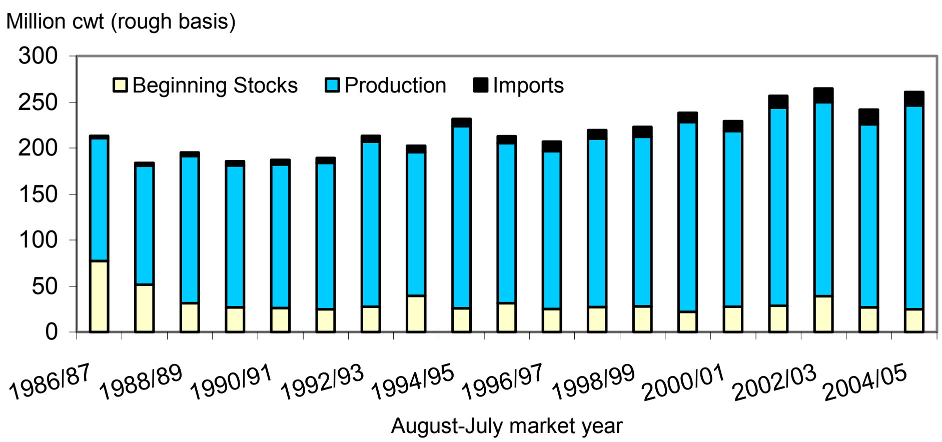
California's rice production is projected to increase 25 percent in 2004/05



Source: NASS/USDA.

Figure 3

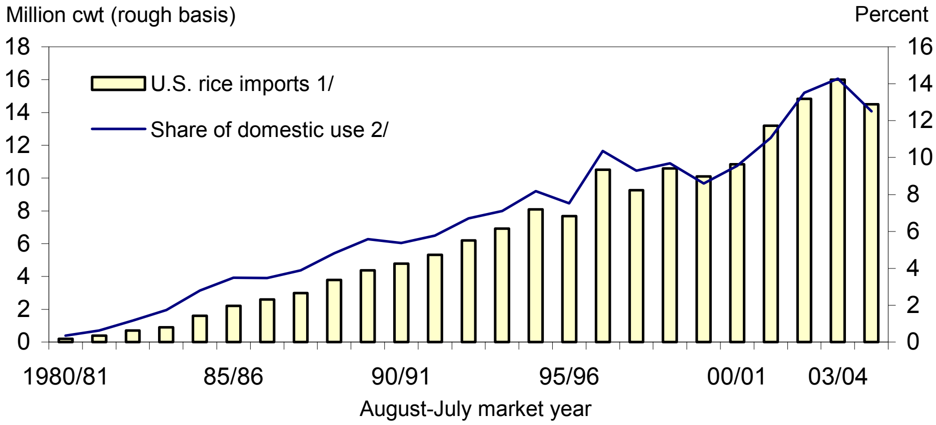
Total U.S. rice supplies are projected to increase to 261 million cwt in 2004/05



2003/04 and 2004/05 are forecasts.
Source: ERS/USDA.

Rice production in Louisiana is projected at 30.5 million cwt, an increase of 16 percent from a year earlier and the second highest on record. Expanded plantings account for all of the production increase. The yield of 5,600-pounds-per-acre is nearly 5 percent below a year earlier. At 13.8 million cwt, the Texas rice crop is up 16 percent from a year earlier, a result of greater plantings. The yield—projected at 6,500 pounds per acre—is down almost 2 percent. Both Texas and Louisiana experienced severe rains and wind early in the growing season that have adversely affected yields. Missouri's rice crop is projected at 13.8 million cwt, an increase of 10 percent from a year earlier, with expanded acreage accounting for most of the increase. The yield is projected at a record 6,250 pounds per acre. In contrast, Mississippi's rice crop is projected to decline 2 percent to 15.6 million cwt, a result of a smaller yield and a fractional decline in plantings.

Figure 4
U.S. rice imports are projected to decline in 2004/05



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 and 2004/05 USDA forecasts.

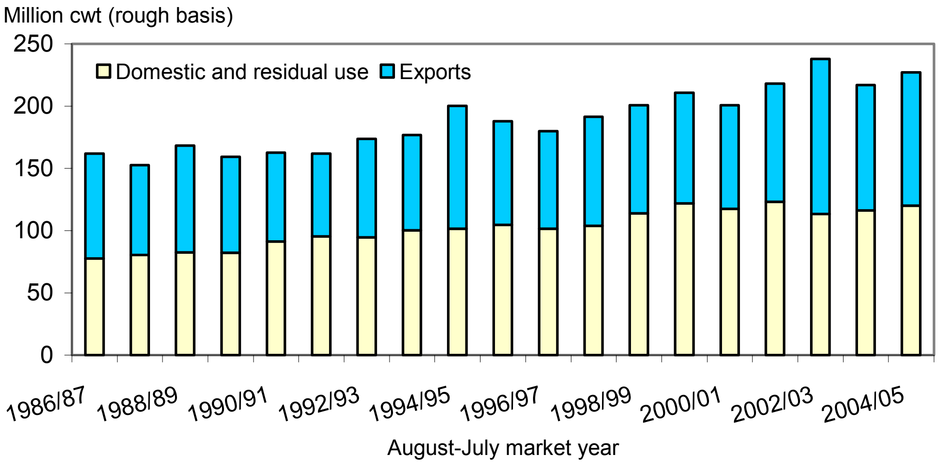
Total supplies for 2004/05 are projected at 260.9 million cwt, fractionally below last month's forecast but 8 percent larger than a year earlier and the second highest on record. This month, the weaker crop projection plus a reduced import forecast more than offset a larger carryin. Beginning stocks are projected at 24.8 million cwt, up 4 percent from last month's forecast but still down 7 percent from a year earlier. Imports are forecast at 14.5 million cwt, down more than 3 percent from last month's forecast and more than 9 percent below the 2003/04 record. Medium/short grain accounts for all of this month's downward revision in imports and the year-to-year decline. Most U.S. medium/short grain imports are purchased by Puerto Rico.

U.S. 2004/05 Export Projection Lowered to 107 Million Cwt

Total use for 2004/05 is projected at 227.1 million cwt, down 3 percent from last month but nearly 5 percent above a year earlier. Exports account for all of the month-to-month reduction in total use. Exports are projected at 107 million cwt, down 7 million from last month's forecast but still 6 percent larger than a year earlier and the second highest on record. This month's export reduction was based on continued import restrictions by Turkey as well as expectations of greater competition in the European Union (EU). On an annual basis, larger domestic supplies, lower prices, and expectations of a much smaller price difference over major Asian competitors are behind projections of a substantial U.S. export expansion.

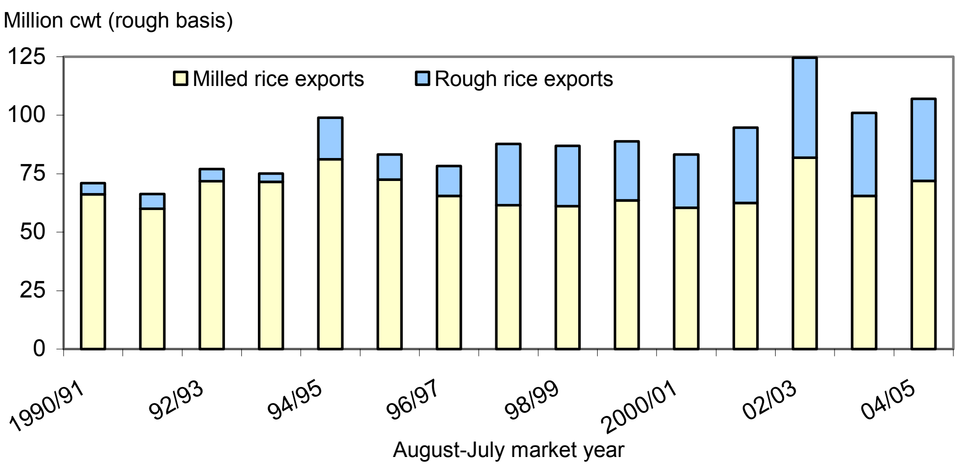
Rough rice exports are projected at 35 million cwt, down 2 million from last month's forecast and more than 1 percent below the 2003/04 revised forecast. Combined milled and brown rice exports (on a rough-rice basis) are projected at 72 million cwt, down 5 million cwt from last month but 9 percent larger than a year earlier. Expanded exports of milled and brown rice in 2004/05 are based on

Figure 5
Both exports and domestic use are projected to be larger in 2004/05



2003/04 and 2004/05 are forecasts.
Source: ERS/USDA.

Figure 6
Milled rice accounts for all of the projected increase in U.S. exports in 2004/05

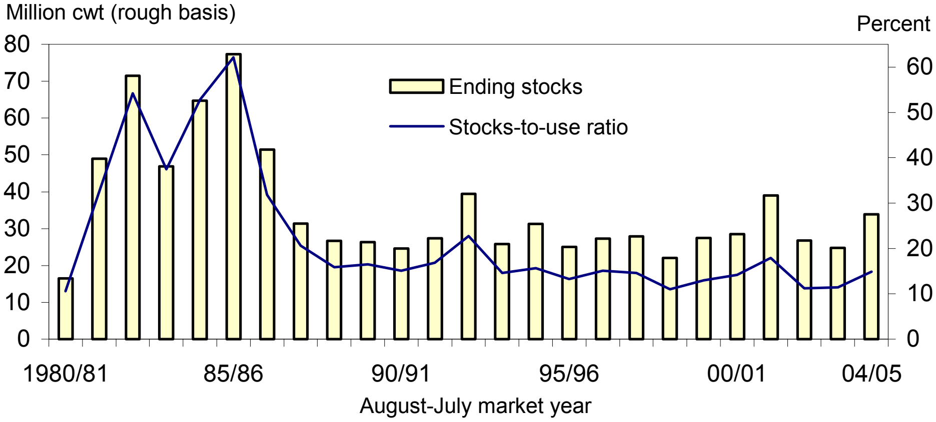


Sources: 1990/91 to 2002/03, Bureau of the Census; 2003/04 and 2004/05 USDA projections.

expectations that the United States will increase shipments to Sub-Saharan Africa and the Middle East, regions where the U.S. typically faces stiff competition with Asian exporters. By class, both long and combined medium/short grain export forecasts were lowered this month.

Total domestic and residual use remains projected at 120.1 million cwt, more than 3 percent larger than a year earlier. *Food, industrial, and residual use* remains projected at 116 million cwt, nearly 4 percent larger than a year earlier. Projected seed use is unchanged at 4.1 million cwt, a drop of more than 1 percent from a year earlier.

Figure 7
U.S. ending stocks are projected to increase 37 percent in 2004/05



2003/04 and 2004/05 are forecasts.
Sources: 1980/81-2002/03, NASS/USDA; 2003/04 and 2004/05 projections, WAOB/USDA.

Ending stocks for 2004/05 are projected at 33.9 million cwt, up 22 percent from last month's forecast and nearly 37 percent larger than a year earlier. The resulting stocks-to-use ratio of 11.4 percent is up fractionally from last month and slightly higher than a year earlier.

Rice Harvest-Pace in Louisiana & Texas Behind a Year Earlier & 5-Year Average

The 2004 rice harvest has only recently started on the Gulf Coast. For the week ending August 8, about 6 percent of the total crop had been harvested, 1 percentage point behind a year earlier and below the 5-year average of 9 percent. About 38 percent of Louisiana's crop was harvested by August 8, down from 41 percent a year earlier and a 5-year average of 44 percent. In Texas, just 12 percent of the crop had been harvested by August 8, down from 21 percent a year earlier and well below the 5-year average of 32 percent. Severe rains early in the summer delayed crop progress in both Gulf Coast rice growing States. Harvest had not yet begun in other States.

About 74 percent of the U.S. crop had headed by August 8, up 2 percentage points from a year earlier and ahead of the 5-year U.S. average of 69 percent. Heading was nearly complete in Texas and Louisiana, slightly behind both last year and the 5-year average for both States. Nearly 85 percent of the Mississippi rice crop had headed by August 8, about 5 percentage points behind a year earlier but up 5 percentage points from the State's average. Three-fourths of the Arkansas crop was reported headed by August 8, nearly unchanged from a year earlier and the State's 5-year average. In Missouri, 63 percent of the crop was reported headed by August 8, virtually even with a year earlier but well ahead of the 5-year average of 51 percent. Finally, half of the California crop was reported headed by August 8, almost double the share reported a year earlier and the State's 5-year average. California experienced severe weather problems in 2003.

For the week ending August 8, about 69 percent of the total U.S. crop was rated in good or excellent condition, virtually unchanged from a week earlier and a year earlier. California, Missouri, and Arkansas reported higher crop condition ratings than a year earlier. These States had weather-related difficulties in 2003. About 89 percent of Missouri's 2004 rice crop was rated in good or excellent condition for the week ending August 8, well above 73 percent a year earlier. In Arkansas, 77 percent of the crop was rated in good or excellent condition, up 7 percentage points from a year earlier. About 55 percent of the California crop was rated in good or excellent condition, up from 25 percent a year earlier. About 89 percent of Mississippi's rice crop was reported in good or excellent condition, unchanged from a year earlier.

Crop conditions were below a year earlier in Louisiana and Texas. Just 52 percent of the Louisiana crop was rated in good or excellent condition for the week of August 8, well below 80 percent reported a year earlier. In addition, 8 percent of the Louisiana crop was rated in poor condition. In Texas, 64 percent of the crop was rated in good or excellent condition, down from 85 percent a year earlier. About 3 percent of the Texas crop was rated in poor condition. In both States, excessive rain and severe winds earlier in the growing season account for this year's lower crop condition ratings.

Export Projections for 2004/05 for Medium/Short Grain & Long Grain Rice Lowered

Total U.S. supplies of combined medium/short grain rice in 2004/05 are projected at 74.1 million cwt, up 3 percent from last month's forecast and 13 percent larger than a year earlier. These are the largest supplies since 2000/01. This month, a larger crop forecast plus an increased carryin more than offset a reduced import forecast. On an annual basis, the much larger crop more than offsets a slightly smaller carryin and smaller imports.

At 9.1 million cwt, 2004/05 beginning stocks of medium/short grain rice are up a million cwt from last month's forecast but 2 percent below a year earlier. The revised combined medium/short grain crop forecast of 60.8 million cwt is 21 percent larger than a year earlier. This year's larger crop forecast is primarily due to a record California crop. Combined medium/short grain imports—projected at 4.25 million cwt—are down 500,000 cwt from last month's forecast and 29 percent below the 2003/04 revised record.

Total use of medium/short rice is projected at 59.1 million cwt, down 2 million from last month's forecast but 5 percent higher than a year earlier. Exports account for all of this month's downward revision in medium/short grain use. Exports are projected at 24 million cwt, down 2 million from last month's forecast but 9 percent larger than a year earlier. The reduction was based primarily on continued restrictions of imports by Turkey, a major market for U.S. medium/short grain rice. Expectations of stronger shipments to Northeast Asia are behind the year-to-year export expansion.

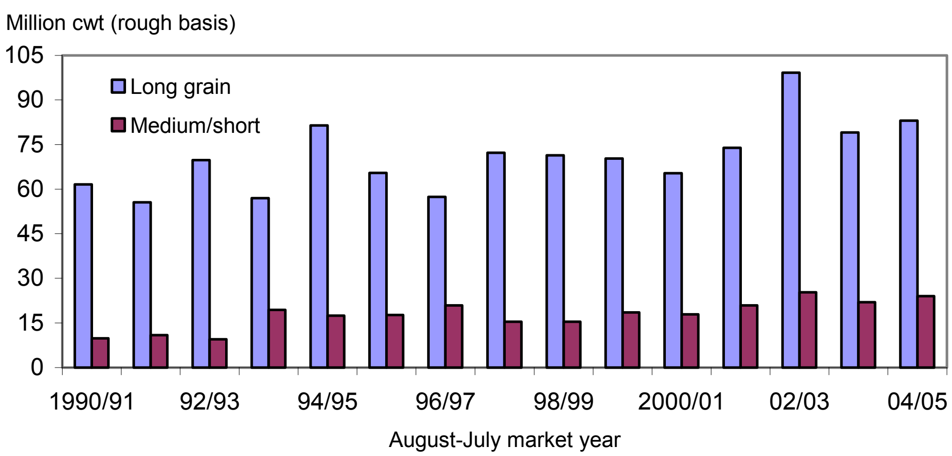
Total domestic and residual use of medium/short grain rice remains projected at 35.1 million cwt, 2 percent larger than a year earlier. Ending stocks of medium/short grain rice are projected at 15 million cwt, up almost 40 percent from last month and 65 percent larger than a year earlier. The stocks-to-use ratio is projected at 25.4 percent, up 8-9 percentage points from both last month's forecast and a year earlier. The combination of much larger supplies, expectations of a large carryover, and a high stocks-to-use ratio are expected to lower medium/short grain prices substantially from this year's extremely high levels.

Total U.S. 2004/05 long grain supplies are projected at 185.1 million cwt, down 3 million cwt from last month's forecast but 6 percent larger than a year earlier. A reduced crop forecast accounts for all of the downward revision in long grain supplies. On an annual basis, a larger crop and record imports more than offset smaller beginning stocks. Beginning stocks of 13.9 million cwt are unchanged from last month's forecast but more than 11 percent below a year earlier. The 160.9-million-cwt long grain crop is 8 percent above a year earlier and the second largest on record. Long grain imports are projected at a record 10.25 million cwt, nearly 3 percent larger than a year earlier. Nearly all U.S. long grain imports are Asian aromatic rices—jasmine from Thailand plus basmati from India and Pakistan.

Total long grain use is projected at 168 million cwt, down 5 million from last month's forecast but nearly 5 percent above a year earlier. Total long grain use is second only to the 2002/03 record. Exports account for all the downward revision in long grain total use. At 83 million cwt, long grain exports are down 5 million cwt from last month's forecast but up 5 percent larger than a year earlier. Latin America, Europe, Sub-Saharan Africa, and the Middle East (mostly Saudi Arabia) are the top export markets for U.S. long grain rice. Total domestic use of long grain rice remains projected at 85 million cwt, 4 percent higher than a year earlier.

Figure 8

Both long and medium/short grain U.S. exports are projected to be higher in 2004/05



Sources: 1990/91 to 2002/03, Bureau of the Census; 2003/04 and 2004/05 USDA projections.

Ending stocks of long grain rice are projected at 17.1 million cwt, up 13 percent from last month's forecast and 23 percent higher than a year earlier. The stocks-to-use ratio of 10.2 percent is up 1.5 percentage point from last month's forecast and a year earlier. Larger supplies and higher ending stocks are expected to put downward pressure on long grain prices throughout 2004/05.

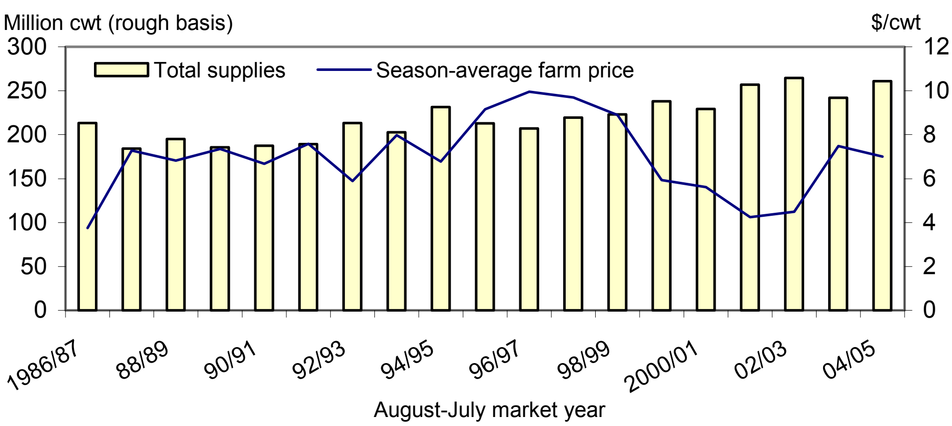
There was only one supply-side revision to the 2003/04 U.S. balance sheet this month. The import forecast was raised 1 million cwt to a record 16 million based on revised Census data for 2003. Combined medium/short grain imports—forecast at a record 6 million—account for all of this month's upward revision. China supplied most of the U.S. medium/short grain imports. The larger import forecast raised total ending stocks to 24.8 million cwt.

U.S. 2004/05 Season-Average Farm Price Raised to $6.75-$7.25 Per Cwt

The 2004/05 U.S. season-average farm price (SAFP) is projected at $6.75-$7.25 per cwt, up 50 cents on both the high and low end from last month's forecast but still below the year-earlier revised forecast of $7.48. The month-to-month increase for 2004/05 was based on expectations of higher global trading prices. Despite the higher U.S. price forecast, the price difference between the U.S. and major Asian competitors is expected to tighten substantially in 2004/05. Last month, USDA raised the June reported cash price to $8.69 per cwt from a preliminary $8.09 and reported a mid-month estimate of $8.76 for July.

Figure 9

The U.S. rough rice season-average price is projected to decline in 2004/05



2004/05 mid-point of $6.75-$7.25 projection range.
Sources: 1986/87 to 2002/03 NASS/USDA; 2003/04 and 2004/05 USDA projections.

The U.S. rough rice market is extremely quiet, a result of: very few new export sales, virtually all of the 2003 crop already marketed, and very little of the 2004 crop harvested yet. In fact, only Texas and Louisiana have reported any price quotes for the 2004 crop. For the week ending August 10, price quotes for 2004 long grain rough rice were around $8 per cwt in Southwest Louisiana, down more than $2 from late June when the last of the 2003 crop was marketed. In Texas, 2004 long grain rough rice was quoted at $8 per cwt, down 35 cents from late July and $2.80 below final quotes for the 2003 crop reported in late June.

There have been no price quotes for California medium grain rough rice since late May when prices were quoted around $12.25 per cwt, more than $5 above a year earlier. California medium grain prices in 2003/04 were the highest in a decade. 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. There have been no price quotes for 2004 southern medium grain rice and the last quotes for the 2003 crop were reported in early June.

International Outlook

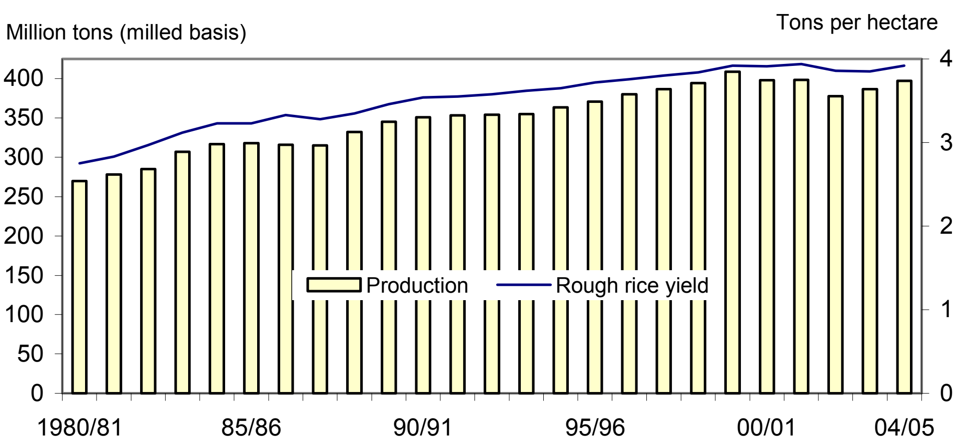
Unfavorable Monsoon Cuts 2004/05 Crop Forecasts for India and Bangladesh

Global rice production for 2004/05 is projected at 397.4 million tons (milled basis), down 7.9 million tons from last month's forecast but still nearly 3 percent larger than a year earlier. India accounts for the bulk of this month's downward revision in global rice production. China accounts for most of the year-to-year production expansion. Despite the year-to-year increase, the 2004/05 global rice crop is still almost 3 percent smaller than the 1999/2000 record.

Global rice consumption for 2004/05 is projected at a record 413 million tons. Ending stocks are projected at 68.1 million tons, 4 percent below last month's forecast and 19 percent smaller than a year earlier. These are the smallest ending stocks since 1982/83. At 16.5 percent, the stocks-to-use ratio is the lowest since 1976/77. India accounts for most of this month's downward revision in global ending stocks. China is responsible for most of the year-to-year decline. This is the fourth consecutive year of declining global ending stocks. China accounts for the bulk of the decline in global ending stocks over the past 4 years.

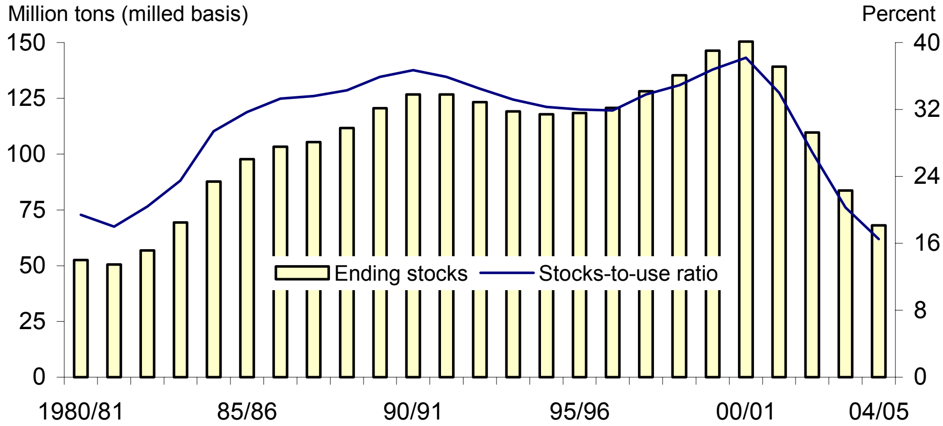
There were six downward revisions to the 2004/05 global rice production forecast this month. India's 2004/05 rice production forecast was lowered 7 million tons to 83 million, a result of a 1-million-hectare reduction in area to 43.5 million hectares and a slightly lower yield. A delay in July in the Southwest monsoon—critical to much of India's rice production—accounts for the substantial reduction in India's 2004/05 crop forecast. In Bangladesh, severe flooding in July is responsible for a 1-million-ton drop in the production forecast to 25.5 million tons. A 400,000-hectare reduction in harvested area accounts for all of the reduced crop forecast. South

Figure 10
Global rice production is projected to remain below the 1999/2000 record



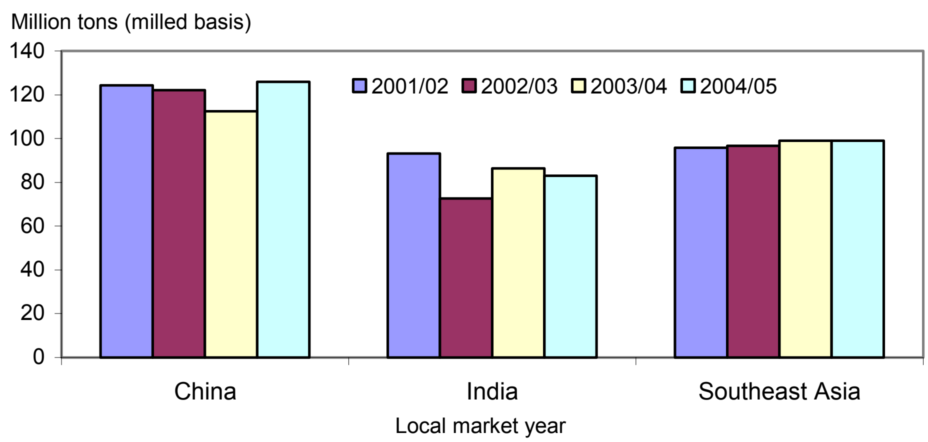
2003/04 and 2004/05 are forecasts.
Sources: FAS/USDA and ERS/USDA.

Figure 11
Global ending stocks are projected to be the smallest since 1982/83



2003/04 and 2004/05 are forecasts.
Sources: FAS/USDA and ERS/USDA.

Figure 12
India's crop is projected to be smaller in 2004/05



These three producing countries (regions) account for about 75 percent of global rice production.
Sources: 2000/01-2002/03, FAS, USDA; 2003/04 and 2004/05 USDA projections.

Korea’s 2004/05 crop forecast was lowered 100,000 tons to 4.7 million based on a slightly lower yield. In the Dominican Republic, severe flooding is responsible for a 25,000-ton cut in the production forecast to 280,000 tons. The U.S. crop was reduced 43,000 tons to 7.04 million—still a record—based on a slightly weaker yield. The Ukraine’s crop was lowered slightly based on smaller area.

These reductions were partially offset by two upward revisions. First, Cambodia’s 2004/05 crop forecast was raised 200,000 tons to a near-record 2.9 million based on larger plantings. And second, larger plantings increased the forecast for rice production in the Philippines 100,000 tons to a record 9.2 million.

On an annual basis, a big production boost in China—plus larger crops in the United States, Japan, South Korea, Australia, Thailand, Indonesia, Pakistan, Nigeria, and Vietnam are projected to more than offset weaker crops in India, Bangladesh, Burma, Brazil, Peru, Taiwan, and Malaysia. Globally rice area is projected to be higher in 2004/05, with China accounting for most of the expansion. China's area expansion is largely driven by higher prices and tighter supplies.

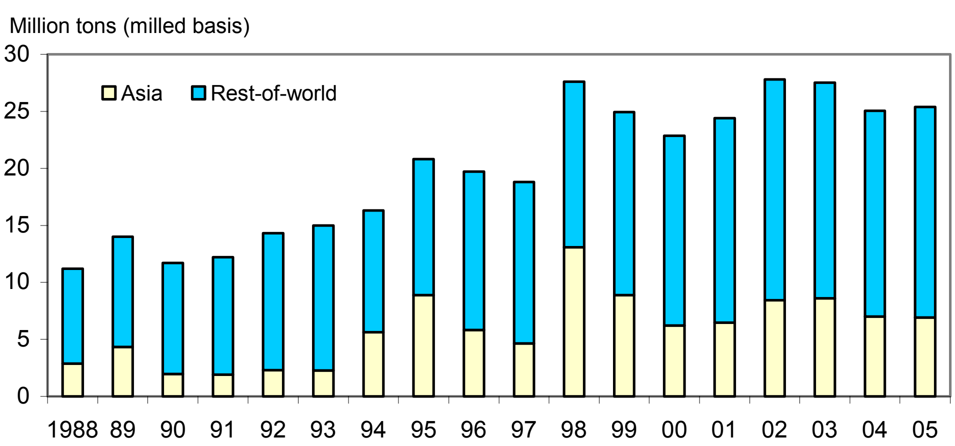
This month USDA fractionally raised its 2003/04 production forecast to 386.9 million, more than 2 percent above a year earlier. Cambodia accounts for the bulk of this month's upward revision in 2003/04 production. Cambodia's 2003/04 crop forecast was raised 314,000 tons to a record 2.96 million based on larger area. In addition, Lao's production estimate was raised 60,000 tons to 1.56 million based on a higher yield. These increases were partially offset by a 100,000-ton reduction in the Philippines' crop estimate to 9 million tons, a result of a weaker yield.

Export Forecasts for 2005 Raised for Thailand; Cut for China and the United States

Global rice trade for calendar year 2005 is projected at 25.4 million tons (milled basis), up 100,000 tons from last month's forecast and 1 percent higher than the 2004 revised trade forecast. Despite the expected year-to-year increase, global rice trade will remain well below the 2002 record of 27.8 million tons.

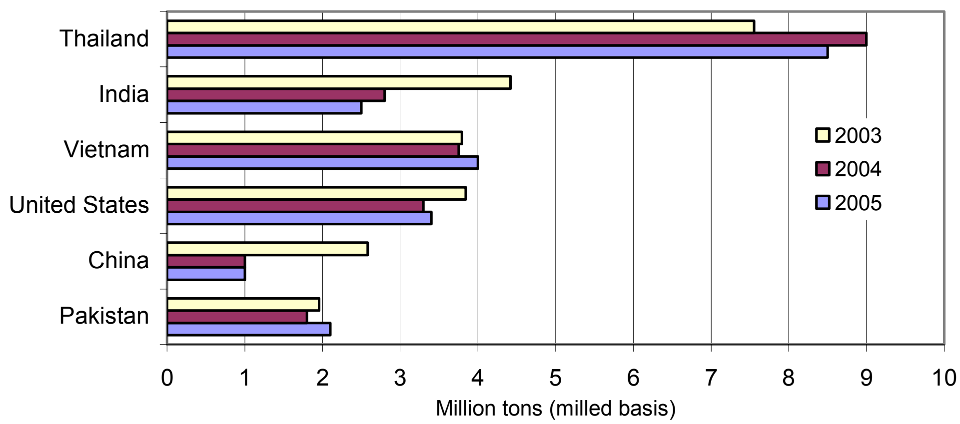
There were three export revisions to the 2005 trade forecast this month. First Thailand's export forecast was raised 500,000 tons to 8.5 million based on weaker shipments from competitors. Second, China's 2005 export forecast was lowered 200,000 tons to 1 million based on tight supplies. And third, the U.S. export forecast was lowered 200,000 tons to 3.4 million based on expectations of greater competition in the EU rice market.

Figure 13
Global rice imports are projected to increase slightly in 2005



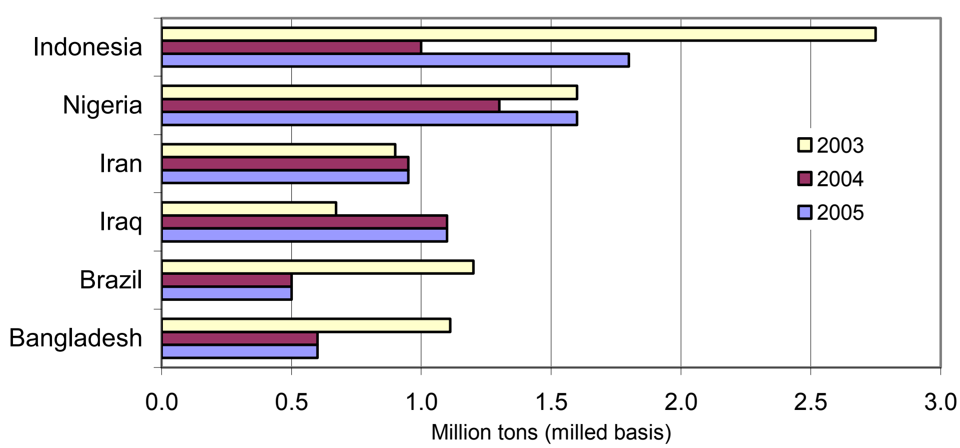
2004 and 2005 are forecasts.
Sources: FAS/USDA and ERS/USDA.

Figure 14
Thailand and India are projected to export less rice in 2005



These six countries account for more than 85 percent of global rice exports. 2004 and 2005 are projected.
Source: FAS/USDA.

Figure 15
Indonesia and Nigeria are projected to increase imports in 2005



2004 and 2005 are projected. These six countries account for about a third of global rice imports.
Source: FAS/USDA.

On the import side, 2005 imports by the Philippines were raised 200,000 tons to 800,000 based expectations regarding domestic needs. In addition, Bangladesh's import forecast was raised 100,000 tons to 600,000 based on a weaker 2004/05 crop. These increases were partially offset by a 200,000-ton cut in Indonesia's import forecast to 1.8 million based on adequate domestic supplies. In addition, the U.S. import forecast was lowered 20,000 tons to 460,000 based on larger U.S. medium grain supplies.

On a year-to-year basis, a decline in 2005 exports from Thailand and India is expected to be more than offset by greater shipments from Burma, the United States, Australia, Vietnam, the EU, Argentina, and Uruguay. On the import side, a reduction in imports by the Philippines, Peru, Cote d'Ivoire, South Africa, and the

Dominican Republic will be more than offset by a large increase in imports by Indonesia and, to a lesser degree—Turkey, Saudi Arabia, Colombia, Mexico and Syria.

This month USDA raised its 2004 global rice trade forecast fractionally to 25.1 million tons. Despite the upward revision, trade remains 9 percent below a year earlier. On the export side, India's exports were raised 300,000 to 2.8 million based on larger than expected shipments to Bangladesh and Saudi Arabia during the first half of the year. Offsetting this increase was a 200,000-ton cut in China's exports to 1 million based on shipment pace. In addition, Pakistan's 2004 export forecast was lowered 100,000 tons to 1.8 million, also based on shipment pace.

On the import side, North Korea's 2004 imports were raised 200,000 tons to 500,000 based on announced donations by South Korea, Japan, and Russia. Bangladesh's imports were raised 100,000 tons to 600,000 tons based on a stronger-than-expected delivery pace. Imports by the Philippines were raised 100,000 tons to 1 million, also based on delivery pace. The U.S. 2004 import forecast was raised 30,000 tons to and record 500,000 based on a stronger-than-expected pace. These upward revisions were partially offset by a 100,000-ton cut in Nigeria's imports to 1.3 million tons based on delivery pace through July.

Lack of Competition, New Sales Push Thailand's Export Prices Higher

Thailand's export price quotes for most grades of regular-milled white and parboiled rice have risen $7-$18 per ton since early July, primarily due to a lack of competition from other Asian sources, several new and pending sales, a strong pace of shipments to Iraq and Iran, and a higher announced intervention purchase price for the 2004/05 crop.

For the week ending August 9, price quotes for high-quality Thai white rice (100-percent, Grade B, f.o.b. vessel, Bangkok) were reported at $246 per ton, up $12-$14 from the first half of July. Prices for Thailand's 5-percent regular milled white rice were quoted at $240 per ton, up $13-$14 from the first half of July. Prices for Thailand's low-quality 35-percent brokens were quoted at $227 per ton for the week ending August 9, up $12 from early June.

Prices for parboiled rice have risen over the past month as well, a result of strong shipments to Nigeria. For the week ending August 9, prices for Thailand's 5-percent brokens, parboiled rice were quoted at $252 per ton, up $17-$18 from early July. Prices for Thailand's A-1 Special (100-percent brokens) were quoted at $215 per ton for the week ending August 9, up $7 from early July.

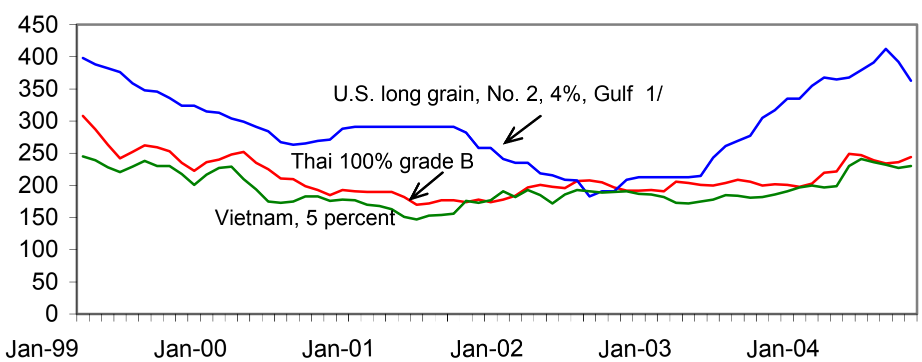
Price quotes for Vietnam's rice have increased a few dollars per ton since early July, a result of tight stocks and strong sales during the first 6 months of 2004. The government is currently prohibiting new sales except for sticky rice and fragrant rices. These two specialty rices account for an extremely small share of Vietnam's rice exports. Prices for Vietnam's 5-percent brokens (f.o.b. vessel Ho Chi Minh City) were quoted at $230 per ton for the week ending August 10, up $4 from early July.

Unlike quotes for Thailand's rice, price quotes for 2004 U.S. long grain milled rice have declined since early July. Price quotes for U.S. southern long grain regular milled white rice (No. 2, 4-percent brokens, U.S. Gulf) were reported in the *Creed Rice Market Report* at $331 per ton for the week ending August 10, down $60-$70 from a month earlier. The United States has made very few new export sales of milled rice during the past 2 months. As the U.S. rice industry transitions from the 2003 crop to the 2004 crop, most buyers and sellers are waiting for more price information on the 2004 crop. After adjusting the U.S. price to reflect a "free-on-board vessel" quote, U.S. price quotes for 2004-crop rice are about $100 per ton above prices for similar grades of Thai rice. In June, the price difference was $170-$180 per ton.

There has been virtually no new export activity for California medium grain rice over the past 2 months. Prices for 2003-crop California milled rice (No. 1, 4-percent brokens, bagged, Sacramento) have been quoted by USDA's Agricultural Marketing Service at $507 per ton since late June. Quotes for 2004-crop California milled rice were reported in the *Creed Rice Market Report* at $430 per ton for the week ending August 11. The harvest of a record California crop in 2004/05 is expected to significantly weaken prices for California rice. Much like the long grain market, buyers and sellers are waiting for more price information as the medium/short grain market transitions from old- to new-crop. Harvest of the California crop will not begin until late September.

Figure 16

The U.S. price difference over Thailand has narrowed since June



All prices quoted "free-on-board" vessel at local port. 1/ U.S. price quotes for July and August 2004 are for 2004 crop only and are reported in the weekly *Creed Rice Market Report*.
Sources: Thai prices, U.S. Ag Counselor, Bangkok; U.S. prices, AMS/USDA; Vietnam prices, 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.

Recent Report

Rice Sector Policies in Japan provides a detailed description and analysis of policies used by Japan to support its rice producers. The report is available at http://www.ers.usda.gov/publications/rcs/mar03/rcs030301/.

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

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

Item	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05 2/
TOTAL RICE						
Area			Million acres			
Planted	3.531	3.060	3.334	3.240	3.022	3.346
Harvested	3.512	3.039	3.314	3.207	2.997	3.318
			Pounds per harvested acre			
Yield	5,866	6,281	6,496	6,578	6,645	6,680
			Million cwt			
Beginning stocks	22.1	27.5	28.5	39.0	26.8	24.8
Production	206.0	190.9	215.3	211.0	199.2	221.6
Imports	10.1	10.9	13.2	14.8	16.0	14.5
Total supply	238.2	229.2	256.9	264.8	241.9	260.9
Food, industrial, & residual 3/	118.1	113.4	119.3	109.7	112.0	116.0
Seed	3.8	4.1	4.0	3.7	4.1	4.1
Total domestic use	121.9	117.5	123.3	113.4	116.1	120.1
Exports	88.8	83.2	94.7	124.6	101.0	107.0
Rough	25.2	22.8	32.2	42.8	35.5	35.0
Milled 4/	63.6	60.4	62.5	81.8	65.5	72.0
Total use	210.7	200.7	218.0	238.0	217.1	227.1
Ending stocks	27.5	28.5	39.0	26.8	24.8	33.9
			Percent			
Stocks-to-use ratio	13.0	14.2	17.9	11.2	11.4	14.9
			$/cwt			
Average farm price 5/	5.93	5.61	4.25	4.49	7.48	6.75 to 7.25
			Percent			
Average milling rate	69.6	68.6	68.8	68.3	70.5	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 August 12, 2004.

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

Item	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05 2/
LONG GRAIN						
			Million acres			
Planted	2.731	2.206	2.713	2.537	2.332	
Harvested	2.718	2.189	2.697	2.512	2.310	
			Pounds per harvested acre			
Yield	5,587	5,882	6,213	6,260	6,451	
			Million cwt			
Beginning stocks	14.1	15.6	11.6	26.8	15.7	13.9
Production	151.9	128.8	167.6	157.2	149.0	160.9
Imports	7.6	8.8	9.2	10.0	10.0	10.3
Total supply	173.5	153.1	188.3	194.1	174.7	185.1
Domestic use 3/	87.6	76.2	87.7	79.1	81.8	85.0
Exports	70.3	65.3	73.8	99.3	79.0	83.0
Total use	157.9	141.5	161.6	178.4	160.8	168.0
Ending stocks	15.6	11.6	26.8	15.7	13.9	17.1
			Percent			
Stocks-to-use ratio	9.9	8.2	16.6	8.8	8.7	10.2
MEDIUM & SHORT GRAIN						
			Million acres			
Planted	0.800	0.854	0.621	0.703	0.690	
Harvested	0.794	0.850	0.617	0.695	0.687	
			Pounds per harvested acre			
Yield	6,822	7,308	7,733	7,729	7,299	
			Million cwt			
Beginning stocks	6.8	10.4	15.6	10.7	9.3	9.1
Production	54.2	62.1	47.7	53.7	50.1	60.7
Imports	2.5	2.1	4.0	4.8	6.0	4.3
Total supply 4/	63.3	74.8	67.1	68.9	65.4	74.1
Domestic use 3/	34.3	41.3	35.5	34.3	34.3	35.1
Exports	18.6	17.9	20.9	25.3	22.0	24.0
Total use	52.9	59.2	56.4	59.6	56.3	59.1
Ending stocks	10.4	15.6	10.7	9.3	9.1	15.0
			Percent			
Stocks-to-use ratio	19.7	26.3	18.9	15.6	16.1	25.4
Ending stocks difference 1/	1.4	1.2	1.5	1.8	1.8	1.8

1/ Stock totals by type omit brokens, 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 brokens. 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 August 12, 2004.

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

	2003/04		2002/03		2001/02	
Month	$/cwt	1,000 cwt	$/cwt	1,000 cwt	$/cwt	1,000 cwt
August	5.27	9,692	3.94	10,892	5.01	12,443
September	6.13	15,923	4.09	12,313	4.67	9,496
October	6.44	19,247	4.03	14,429	4.39	12,415
November	6.99	11,750	4.24	12,338	4.25	11,093
December	7.57	16,424	4.46	15,059	4.29	11,215
January	8.19	19,884	4.66	19,860	4.30	16,415
February	7.74	12,921	4.24	13,141	4.16	11,694
March	8.01	14,046	4.31	14,553	3.99	9,718
April	8.13	11,891	4.61	14,502	3.94	11,270
May	8.27	10,473	4.84	10,113	3.98	9,841
June	8.69	10,227	5.43	9,691	3.92	8,884
July	8.76 1/		5.31	11,755	3.81	8,288
Average 2/	7.52 7.48 3/	13,862	4.49	13,221	4.25	11,064
Total 4/		152,478		158,646		132,772

1/ Mid-month estimate. 2/ Price is market year weighted average; 2003/04 is simple average through current month only. 3/ USDA season-average farm price. 4/ Total volume marketed; 2003/04 is summation of reported months only.

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

Last updated August 12, 2004.

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

	2004/05			2003/04			2002/03		
Month	Long	Medium	Short	Long	Medium	Short	Long	Medium	Short
								$/cwt	
August 1/	5.93	5.43	5.50	4.02	3.79	3.85	3.32	2.99	3.00
September				3.94	3.72	3.77	3.29	2.96	2.97
October				3.96	3.74	3.79	3.28	2.95	2.96
November				4.03	3.80	3.86	3.24	2.91	2.92
December				4.15	3.93	3.98	3.22	2.93	2.94
January				4.14	3.92	3.97	3.29	2.96	2.98
February				4.40	4.22	4.23	3.40	3.01	3.03
March				4.91	4.72	4.74	3.36	2.97	2.99
April				5.56	5.35	5.38	3.29	2.91	2.93
May				5.87	5.64	5.67	3.32	2.92	2.94
June				5.86	5.64	5.67	3.60	3.21	3.24
July				5.96	5.73	5.77	3.82	3.43	3.45
Average 2/	5.93	5.43	5.50	4.73	4.52	4.56	3.37	3.01	3.03

1/ Preliminary. 2/ Simple average of weekly announced world market price.
Source: Farm Service Agency, USDA.
Last updated August 12, 2004.

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

Country or region	2004/05 as of 8/5/04	2003/04 as of 8/7/03	2003/04 Market year	2002/03 Market year	2001/02 Market year	2000/01 Market year
			1,000 metric tons			
European Union 25	34.0	48.6	259.6	385.2	336.3	363.5
Other Europe	5.2	8.5	14.6	25.8	14.6	13.2
Turkey	0.0	0.0	59.6	209.9	141.3	170.8
Former Soviet Union	0.2	0.3	1.8	55.7	59.7	0.7
NORTHEAST ASIA	5.1	38.2	507.0	532.6	379.4	296.4
Japan	0.6	4.1	355.9	387.8	349.3	296.4
South Korea	0.0	0.0	55.2	40.1	30.1	0.0
Taiwan	4.5	34.1	95.9	104.7	0.0	0.0
OTHER ASIA & MIDDLE EAST	28.2	13.9	247.1	312.2	238.2	318.1
Indonesia	0.1	0.1	0.6	90.7	0.2	23.2
Jordan	8.6	0.4	17.9	18.7	23.7	13.7
Philippines	0.0	0.0	117.8	38.3	35.8	104.4
Saudi Arabia	8.2	7.2	80.8	115.7	101.0	140.1
AFRICA	11.5	39.1	72.0	219.3	181.2	181.6
Algeria	0.0	0.0	0.0	21.0	16.3	3.0
Cote d'Ivoire	2.0	0.0	0.8	29.9	13.7	12.3
Ghana	8.0	10.0	38.1	70.5	77.4	72.6
Liberia	0.8	7.9	10.7	8.9	8.0	9.3
South Africa	0.0	18.0	18.1	74.8	54.7	57.0
WESTERN HEMISPHERE	195.7	380.1	2,173.9	2,336.4	1,936.3	1,305.3
Brazil	0.0	70.9	221.1	327.0	0.2	2.0
Costa Rica	0.1	0.1	134.3	161.3	160.7	81.6
Canada	19.9	64.2	153.1	157.1	105.5	99.8
Colombia	0.1	0.1	5.1	1.9	1.4	17.2
Cuba	0.0	10.0	113.5	118.6	71.6	0.0
Dominican Republic	0.3	0.1	59.6	0.0	1.0	56.0
Guatemala	0.0	1.3	70.0	53.6	76.2	35.6
Haiti	6.1	54.8	283.4	297.6	249.7	157.9
Honduras	3.3	6.0	133.2	128.7	163.1	105.6
Jamaica	7.0	14.7	56.2	58.7	19.4	31.5
Leeward & Windward Is.	0.1	2.4	8.9	7.4	7.2	4.2
Mexico	109.3	92.5	677.7	694.7	740.3	582.6
Nicaragua	31.3	18.7	112.1	118.0	156.7	85.2
Panama	0.1	0.2	0.2	8.5	38.9	2.3
Peru	0.0	1.0	4.6	1.3	0.7	1.0
El Salvador	16.4	2.1	61.4	74.2	93.5	40.4
Trinidad	0.0	5.0	25.1	22.7	15.6	9.0
Venezuela	0.0	30.0	39.0	56.2	0.2	0.2
Unknown	0.0	14.1	0.0	0.0	0.0	0.0
TOTAL	279.9	542.9	3,335.8	4,077.1	3,269.0	2,650.8

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 August 12, 2004.

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

Month or marketing year 1/	U.S. 2/ Long grain 3/ Texas	U.S. 2/ Long grain parboiled Texas	U.S. 2/ Medium grain 4/ California	Thailand 5/ 100% Grade B	Thailand 5/ 5% parboiled	Thailand 5/ 15% brokens	Thailand 5/ 35% brokens	Thailand 5/ A.1 7/ Special	Viet. 6/ 5% brokens
				$ / metric ton 8/					
1997/98	415	455	396	302	292	275	237	197	269
1998/99	369	418	470	284	276	261	236	217	257
1999/2000	284	395	454	231	242	209	185	160	202
2000/01	272	357	313	184	187	167	149	132	165
2001/02	267	334	243	191	202	160	149	141	176
Aug. 2002	176	265	265	197	195	183	171	148	190
Sep. 2002	195	283	265	192	194	179	169	149	191
Oct. 2002	198	287	265	192	195	179	171	157	187
Nov. 2002	198	287	265	193	196	180	173	158	186
Dec. 2002	198	287	265	191	190	180	171	154	182
Jan. 2003	198	287	265	206	196	193	182	152	173
Feb. 2003	198	287	282	204	196	191	179	150	172
Mar. 2003	200	289	287	201	193	188	177	146	175
Apr. 2003	229	306	287	200	191	186	175	141	178
May 2003	246	309	287	204	193	189	177	143	185
June 2003	254	309	331	209	200	195	183	151	184
July 2003	262	309	370	206	203	190	179	151	181
2002/03	213	292	286	199	195	186	175	150	182
Aug. 2003	290	334	425	200	199	185	175	150	182
Sep. 2003	302	342	430	202	203	187	177	155	186
Oct. 2003	320	342	485	201	204	187	178	157	191
Nov. 2003	320	342	485	198	201	185	176	158	197
Dec. 2003	340	349	511	203	198	189	181	162	200
Jan. 2004	353	364	521	220	209	204	195	171	197
Feb. 2004	350	364	507	222	215	207	197	183	199
Mar. 2004	353	372	507	249	247	236	227	212	230
Apr. 2004	364	397	573	247	253	234	226	215	241
May 2004	376	414	568	239	252	226	220	213	236
June 2004	397	452	533	234	244	222	217	212	232
July 2004 9/	397	474	507	236	240	225	219	210	227
2003/04	347	379	504	220	221	207	198	183	210
Aug 2004 9/	397	474	507	244	252	233	226	215	230
2004/05 10/	397	474	507	244	252	233	226	215	230

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. Agricultural counselor, Bangkok. 6/ f.o.b. Saigon. Price quotes from industry sources. 7/ 100-percent brokens. 8/ Bagged. 9/ U.S. price quotes are for old-crop only. 10/ Preliminary.
Last updated August 12, 2004.

Table 7--Global rice production, major producers and monthly revisions

	2003/04 1/			2004/05 1/			
	July	August	Monthly change	July	August	Monthly change	Annual change
	1,000 metric tons						
Argentina	640	640	0	637	637	0	-3
Australia	383	383	0	550	550	0	167
Bangladesh	26,000	26,000	0	26,500	25,500	-1,000	-500
Brazil	8,600	8,600	0	8,100	8,100	0	-500
Burma	10,730	10,730	0	10,150	10,150	0	-580
Cambodia	2,646	2,960	314	2,700	2,900	200	-60
China	112,462	112,462	0	126,000	126,000	0	13,538
Colombia	1,367	1,367	0	1,385	1,385	0	18
Cuba	135	135	0	165	165	0	30
Dominican Republic	315	315	0	305	280	-25	-35
Egypt	3,972	3,972	0	4,000	4,000	0	28
India	86,400	86,400	0	90,000	83,000	-7,000	-3,400
Indonesia	34,250	34,250	0	34,400	34,400	0	150
Iran	2,180	2,180	0	2,200	2,200	0	20
Japan	7,091	7,091	0	7,800	7,800	0	709
Korea, South	4,450	4,450	0	4,800	4,700	-100	250
Korea, North	1,500	1,500	0	1,520	1,520	0	20
Laos	1,500	1,560	60	1,500	1,500	0	-60
Madagascar	1,824	1,824	0	1,632	1,632	0	-192
Malaysia	1,500	1,500	0	1,450	1,450	0	-50
Mexico	200	200	0	194	194	0	-6
Nepal	2,500	2,500	0	2,500	2,500	0	0
Nigeria	2,200	2,200	0	2,300	2,300	0	100
Pakistan	4,900	4,900	0	5,000	5,000	0	100
Peru	1,597	1,597	0	1,150	1,150	0	-447
Philippines	9,100	9,000	-100	9,100	9,200	100	200
Sri Lanka	1,900	1,900	0	2,000	2,000	0	100
Taiwan	1,164	1,164	0	1,027	1,027	0	-137
Thailand	17,700	17,700	0	17,900	17,900	0	200
Ukraine	55	55	0	60	50	-10	-5
Uruguay	887	887	0	847	847	0	-40
Vietnam	21,337	21,337	0	21,500	21,500	0	163
EU-25	1,680	1,680	0	1,732	1,732	0	52
United States	6,369	6,369	0	7,081	7,038	-43	669
Others	7,099	7,099	0	7,046	7,046	0	-53
World total	386,633	386,907	274	405,231	397,353	-7,878	10,446

1/ Projected.

Source: Global production projections are provided monthly by USDA's Interagency Commodity Estimates Committee.

Last updated August 18, 2004.

Table 8--Global rice trade, calendar years 2004 and 2005; major exporters and monthly revisions

	2004 1/			2005 1/			
	July	August	Monthly change	July	August	Monthly change	Annual change
	1,000 metric tons (milled basis)						
Exporters:							
Argentina	375	375	0	400	400	0	25
Australia	300	300	0	500	500	0	200
Burma	100	100	0	400	400	0	300
China	1,200	1,000	-200	1,200	1,000	-200	0
Egypt	700	700	0	700	700	0	0
India	2,500	2,800	300	2,500	2,500	0	-300
Pakistan	1,900	1,800	-100	2,100	2,100	0	300
Russia	10	45	35	10	10	0	-35
Thailand	9,000	9,000	0	8,000	8,500	500	-500
Uruguay	775	775	0	800	800	0	25
Vietnam	3,750	3,750	0	4,000	4,000	0	250
European Union	225	225	0	300	300	0	75
Others	886	886	0	776	776	0	-110
United States	3,300	3,300	0	3,600	3,400	-200	100
World total	25,021	25,056	35	25,286	25,386	100	330

All trade data are reported on a calendar year basis.
1/ Projected.
Source: Foreign Agricultural Service, USDA.
Last updated August 18, 2004.

Table 9--Global rice trade, calendar years 2004 and 2005; major importers and monthly revisions

	2004 1/			2005 1/			
	July	August	Monthly change	July	August	Monthly change	Annual change
	1,000 metric tons (milled basis)						
Importers:							
Bangladesh	500	600	100	500	600	100	0
Brazil	500	500	0	500	500	0	0
Canada	250	250	0	250	250	0	0
China	1,000	1,000	0	600	600	0	-400
Colombia	60	60	0	100	100	0	40
Costa Rica	125	125	0	100	100	0	-25
Cote d'Ivoire	750	750	0	650	650	0	-100
Cuba	650	650	0	700	700	0	50
Dominican Republic	150	150	0	75	75	0	-75
El Salvador	75	75	0	75	75	0	0
Ghana	300	300	0	300	300	0	0
Guinea	300	300	0	300	300	0	0
Haiti	300	300	0	300	300	0	0
Honduras	100	100	0	100	100	0	0
Indonesia	1,000	1,000	0	2,000	1,800	-200	800
Iran	950	950	0	950	950	0	0
Iraq	1,100	1,100	0	1,100	1,100	0	0
Jamaica	50	50	0	50	50	0	0
Japan	650	650	0	650	650	0	0
Korea, North	300	500	200	300	300	0	-200
Korea, South	210	210	0	210	210	0	0
Malaysia	650	650	0	550	550	0	-100
Mexico	550	550	0	600	600	0	50
Nigeria	1,400	1,300	-100	1,600	1,600	0	300
Nicaragua	100	100	0	100	100	0	0
Peru	150	150	0	100	100	0	-50
Philippines	900	1,000	100	600	800	200	-200
Russia	350	350	0	350	350	0	0
Saudi Arabia	1,150	1,150	0	1,100	1,100	0	-50
Senegal	750	750	0	750	750	0	0
Singapore	375	375	0	375	375	0	0
South Africa	750	750	0	650	650	0	-100
Sri Lanka	100	100	0	100	100	0	0
Syria	170	170	0	190	190	0	20
Taiwan	125	125	0	125	125	0	0
Turkey	200	150	-50	300	300	0	150
Uzbekistan	25	25	0	25	25	0	0
UAE	80	80	0	80	80	0	0
Venezuela	80	80	0	80	80	0	0
Yemen	250	250	0	250	250	0	0
EU-25	1,000	1,000	0	1,050	1,050	0	50
Other Europe	215	215	0	220	220	0	5
United States	470	500	30	480	460	-20	-40
Other 2/	5,861	5,616	-245	5,801	5,821	20	205
World total	25,021	25,056	35	25,286	25,386	100	330

All trade data are 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 August 18, 2004.