United States Department of Agriculture

RCS-05b

Feb. 10, 2005

Electronic Outlook Report from the Economic Research Service

www.ers.usda.gov

Rice Outlook

Nathan Childs

Production Forecasts for 2004/05 Raised for India, Vietnam, and Brazil

Contents

The next release is Mar. 11, 2005

Approved by the World Agricultural Outlook Board.

There were no supply-side revisions this month to the U.S. 2004/05 rough rice balance sheet. The U.S. rough rice crop remains estimated at a record 230.8 million hundredweight (cwt), up 16 percent from a year earlier. Total supplies remain projected at a record 268 million cwt, up 11 percent. At 23.7 million cwt, carryin was down 12 percent from 2003/04. Imports remain projected at 13.5 million cwt, down 13 percent.

Total U.S. rice use in 2004/05 remains projected at 228 million cwt, 4 percent larger than a year earlier and the second highest on record. Total domestic and residual use remains projected at a near-record 123 million cwt, an increase of 7 percent. Exports remain projected at 105 million cwt (rough equivalent of rough and milled exports), up 1 percent from a year earlier. The rough rice export forecast was lowered 2 million cwt this month while the combined milled and brown rice export forecast was raised 2 million. By class, long grain exports were raised a million cwt this month while combined medium/short grain exports were lowered a million cwt.

U.S. ending stocks of all rice for 2004/05 remain projected at 40.1 million cwt, 69 percent above a year earlier and the largest since 1986/87. The 2004/05 U.S. season-average farm price (SAFP) remains projected at $7.25-$7.55 per cwt, down from a revised $8.08 in 2003/04.

Global rice production in 2004/05 is projected at 402.1 million tons (milled basis), up 4 million tons from last month's forecast and 3 percent larger than a year earlier. Production forecasts were raised for India, Vietnam, and Brazil. Global ending stocks for 2004/05 are projected at 76.8 million tons, up 5 million tons from last month's forecast but 11 percent below a year earlier. Global ending stocks are the lowest since 1983/84.

Global rice trade for calendar year 2005 is projected at 25.4 million tons (milled basis), up 500,000 tons from last month's forecast but down 4 percent from a year earlier. Export forecasts for 2005 were raised for Vietnam, India, and Thailand while reduced for China. Import forecasts were raised for the Philippines and China.

Export prices for most grades of Thailand’s milled white rice have increased $6-$11 per ton since early January, a result of Thailand’s intervention purchases, concerns over dryness, a stronger Thai baht, and generally tight exportable supplies across Asia. Vietnam's prices have increased at a faster pace than Thailand’s over the past month, a result of a large sale to the Philippines, loadings for old purchases by Cuba, Africa, and Iran, and tight supplies until the harvest of the winter-spring crop begins. Prices for U.S. long grain milled rice are down $6 per ton from early January. The U.S. price difference over Thailand continues to contract.

Domestic Outlook

Total Domestic Supplies Are Projected at a Record 268 Million Cwt

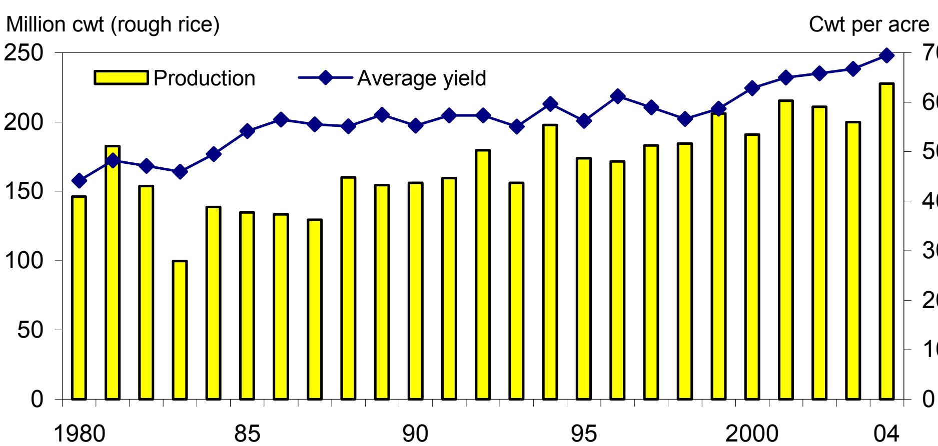
There were no supply-side revisions this month to the U.S. 2004/05 rough rice balance sheet. The 2004/05 U.S. rough rice crop remains estimated at a record 230.8 million cwt, up almost 16 percent from a year earlier. The bumper crop was the result of both larger plantings and a record yield. At 6,942 pounds per acre, the 2004 field yield was up 272 pounds from a year earlier. This was the fifth consecutive year of a record yield. Planted area remains estimated at 3.35 million acres, nearly 11 percent above a year earlier and the largest since 1999.

Rice acreage was larger in 2004/05 in all reporting States except Mississippi where area was unchanged from a year earlier. Arkansas, California, and Louisiana account for the bulk of this year's 325,000-acre increase in total rice planted area. Field yields were higher for all reporting States in 2004 except Louisiana, with record yields achieved in Arkansas, Mississippi, and Missouri. California's average yield was the highest since the mid-1990s. The weather was extremely favorable to growers in California in 2004. Weather conditions were quite favorable in 2004 in most of the Delta rice growing areas as well. Rice production was larger this year in all reporting States, with record crops harvested in Arkansas, California, and Missouri. Arkansas and California account for nearly three-fourths of the 30.9-million-cwt increase in U.S. rice production in 2004/05.

Total U.S. rice supplies for 2004/05 remain projected at a record 268 million cwt, almost 11 percent larger than a year earlier. On an annual basis, a record crop more than offset a smaller carryin and a decline in imports. At 23.7 million cwt, the 2004/05 carryin was nearly 12 percent smaller than a year earlier and the smallest since 1999/2000. Imports remain projected at 13.5 million cwt, more than 13

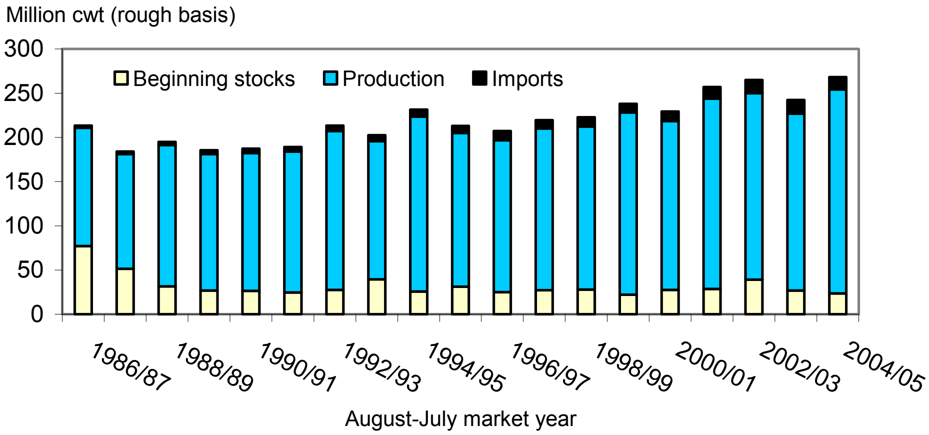
Figure 1

U.S. rough rice production is estimated at a record 230.8 million cwt in 2004



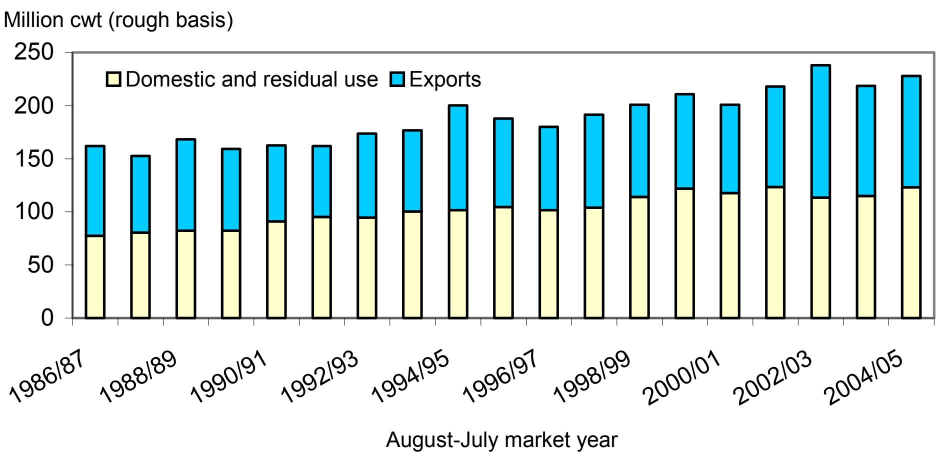
Source: NASS/ USDA.

Figure 2
Total U.S. rice supplies are projected at a record 268 million cwt in 2004/05



2004/05 are forecasts.
Source: ERS/USDA.

Figure 3
Total U.S. rice use is projected to increase 4 percent in 2004/05



2004/05 are forecasts.
Source: ERS/USDA.

percent below a year earlier. All of the year-to-year decline in imports is for medium/short grain rice. Puerto Rico—the largest U.S. territory—purchases the bulk of the medium/short grain rice imported by the United States. China supplied most of the medium/short grain rice imported by the United States in 2004/05.

U.S. 2004/05 Total Rice Use Projected To Be the Second Highest On Record

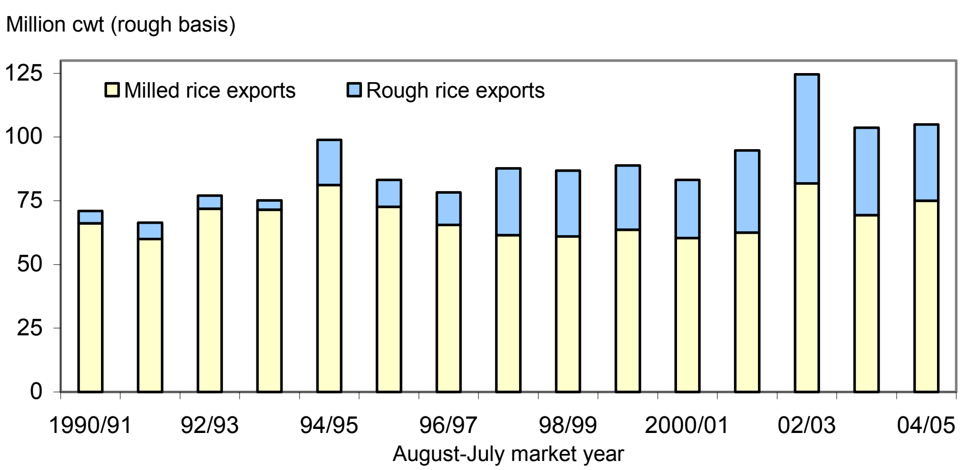
Total U.S. rice use in 2004/05 remains projected at 228 million cwt, more than 4 percent larger than a year earlier and the second highest on record. Total domestic use (including the residual, or unreported losses in handling, processing, and marketing plus any statistical errors) accounts for most of the year-to-year increase in total use. Total domestic and residual use remains projected at a near-record 123 million cwt, 7 percent larger than a year earlier. *Food, industrial, and residual use* is projected at 119 million cwt, almost 8 percent above a year earlier but fractionally below the 2001/02 record. Seed use remains projected at 3.95 million cwt, 4 percent below a year earlier.

U.S. rice exports in 2004/05 remain projected at 105 million cwt (rough equivalent of both rough and milled rice exports), up more than 1 percent from a year earlier. Exports are second only to the record 124.6 million cwt shipped in 2002/03. A big boost in U.S. supplies, lower U.S. prices, a much smaller price difference over major Asian competitors, and tight supplies of exportable rice in several major exporting countries—especially China and Australia—are behind the projected increase in U.S. rice exports in 2004/05. By type of rice, U.S. rough rice exports are projected to decline while combined milled and brown rice exports are projected to increase. By class, combined medium/short grain rice is expected to account for the bulk of the year-to-year export increase.

U.S. rough rice exports for 2004/05 are projected at 30 million cwt, down 2 million from last month's forecast and 13 percent below a year earlier. This month's downward revision was based on shipment pace to date, outstanding sales, and expectations regarding shipments for the remainder of the market year. Brazil accounts for most of the expected decline in U.S. rough rice exports in 2004/05. In 2003/04 Brazil imported about 6.6 million cwt of U.S. rough rice, all long grain.

Combined milled and brown rice exports (on a rough basis) are projected at 75 million cwt, up 2 million cwt from last month's forecast and more than 8 percent larger than a year earlier. This month's upward revision was based on a declining price difference over major competitors increasing U.S. shipments to key milled rice markets, primarily Sub-Saharan Africa and the Middle East, two regions where the United States typically faces stiff competition from Asian exporters.

Figure 4
U.S. rough rice exports are projected to drop 13 percent in 2004/05



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

U.S. 2004/05 Ending Stocks Projected To Climb to 40.1 Million Cwt

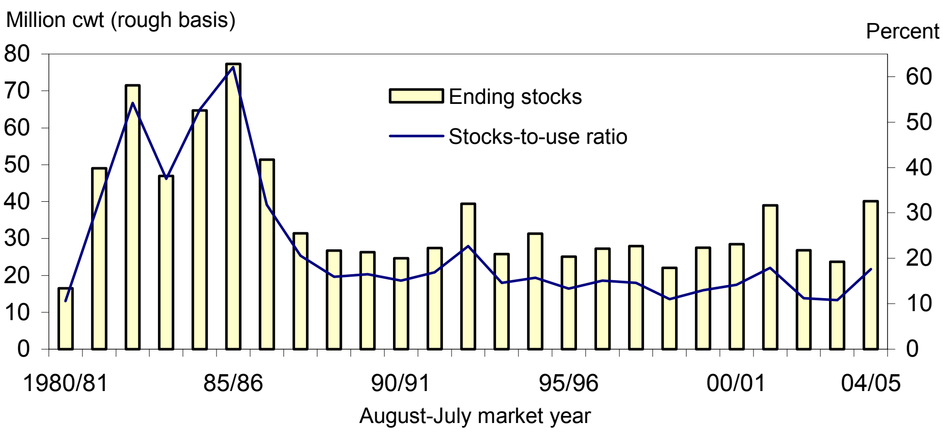
U.S. ending stocks of all rice for 2004/05 remain projected at 40.1 million cwt, 69 percent above a year earlier and the largest since 1986/87. A carryover of this magnitude will keep U.S. rice prices under substantial downward pressure for the remainder of the 2004/05 market year. The resulting stocks-to-use ratio is projected at 17.6 percent, well above 10.9 percent a year earlier.

According to the *U.S. Export Sales* report (Foreign Agricultural Service, USDA), for the week ending January 27, 2005, combined outstanding sales and commercial exports of U.S. rice totaled 2.18 million tons (product weight), 4 percent below a year earlier. This difference has narrowed sharply since the start of the market year on August 1. Outstanding sales were reported at 671,600 tons, 39 percent above a year earlier. Exports were reported at 1.51 million tons, 15 percent below a year earlier.

Commercial shipments through January 27, 2005, were behind last year's pace to Brazil, Cuba, Haiti, Mexico, Japan, the Philippines, and Turkey. Brazil accounts for the largest share of this year's slower export pace. By January 29, 2004, the United States had exported 221,100 tons of rice to Brazil, compared with just 100 tons exported to Brazil by January 27, 2005. In contrast to these markets, commercial shipments through January 27, 2005, were ahead of a year earlier to Ghana, South Korea, Taiwan, Costa Rica, Nicaragua, Peru, Guatemala, Saudi Arabia, and Jordan.

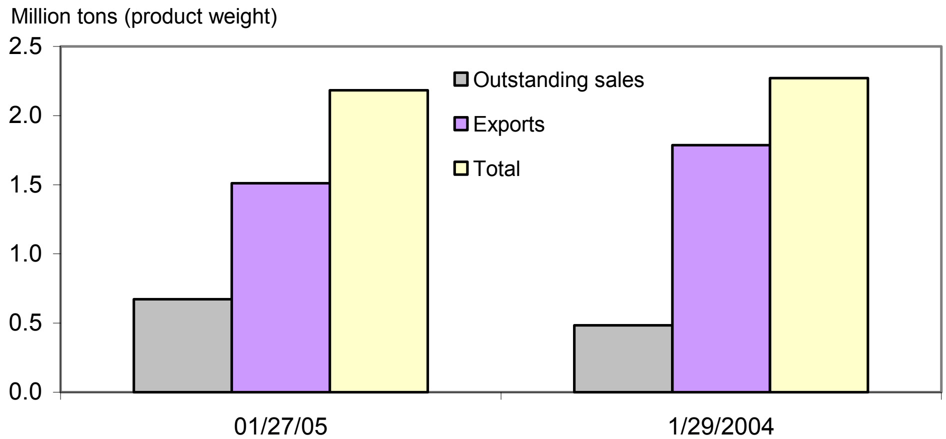
Figure 5

U.S. ending stocks in 2004/05 are projected to be increase 69 percent



2004/05 are forecasts.
Sources: Ending stocks, 1980/81-2003/04, NASS, USDA; 2004/05 USDA projections.
Stocks-to-use ratio, ERS, USDA.

Figure 6
U.S. rice exports were 15 percent behind a year earlier through January 2005



Source: *U.S. Export Sales,* FAS, USDA. Data do not include donations.

U.S. 2004/05 Medium/Short Grain Export Forecast Lowered 1 Million Cwt to 24 Million

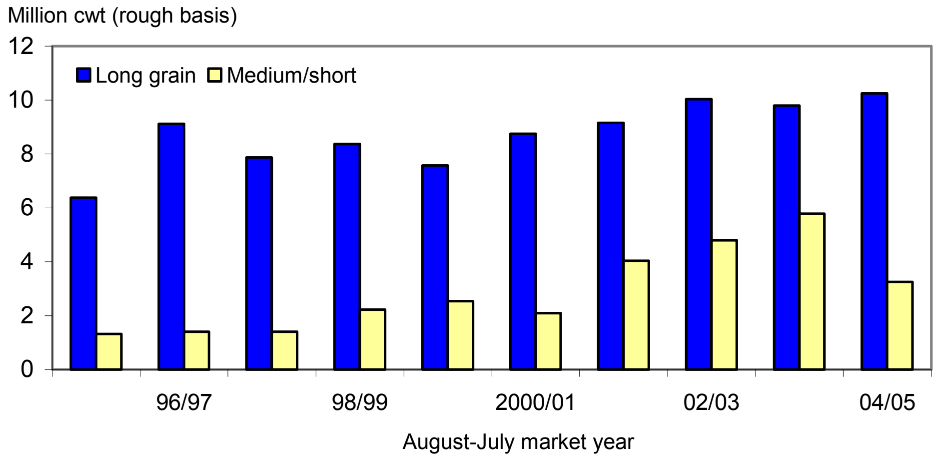
Total U.S. supplies of combined medium/short grain rice in 2004/05 remain projected at 77.5 million cwt, 16 percent larger than a year earlier and the largest since 1983/84. In 2004/05 a larger crop and bigger carryin more than offset a major drop in imports. At 12.4 million cwt, 2004/05 beginning stocks of medium/short grain rice were 33 percent above a year earlier. The medium/short grain crop forecast of 61.9 million cwt is 22 percent larger than a year earlier and the largest since 2000/01. This year's bumper medium/short grain crop is primarily due to record California production. In contrast, combined medium/short grain imports—projected at 3.25 million cwt—are 44 percent below the 2003/04 record.

Total use of medium/short rice is projected at 61 million cwt, down 1 million cwt from last month's forecast but 12 percent higher than a year earlier. Exports account for all of the month-to-month reduction. Total domestic and residual use of medium/short grain rice remains projected at 37 million cwt, 18 percent larger than a year earlier.

Exports of medium/short grain rice are projected at 24 million cwt, down 1 million cwt from last month's forecast but more than 4 percent larger than a year earlier. This month's downward revision was based on a slower-than-expected pace of shipments for medium/short grain exports. In contrast, sales and shipments to Jordan and Oceania through January 27, 2005, were well ahead of a year earlier. These two buyers import almost exclusively milled rice. On an annual basis, the higher export forecast for 2004/05 is based on near-record U.S. supplies, much lower prices, and another year of very tight supplies in Australia—a major U.S. competitor in the global medium/short grain market.

Figure 7

Medium/short grain U.S. rice imports are projected to drop 44 percent in 2004/05



Sources: 1995/96 to 2003/04, Bureau of the Census; 2004/05 USDA projections.

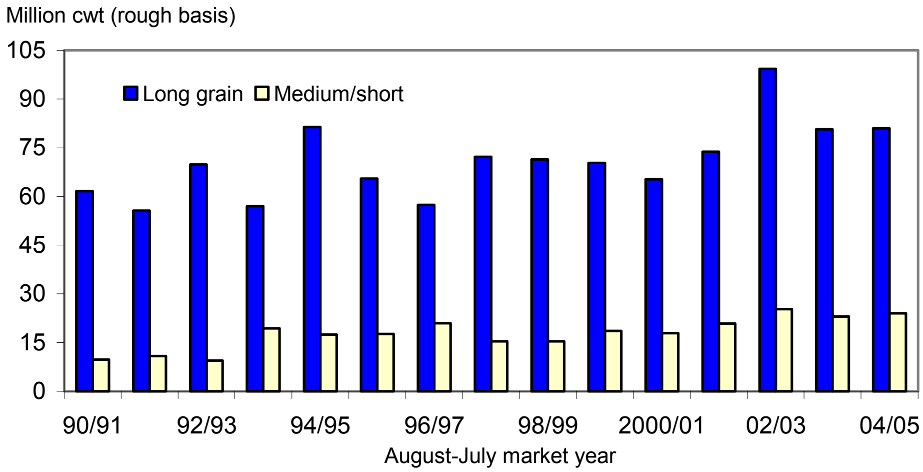
Ending stocks of medium/short grain rice are projected at 16.6 million cwt, up 1 million cwt from last month's forecast and 34 percent larger than a year earlier. These are the highest ending stocks of medium/short grain rice since 1986/87. The stocks-to-use ratio is projected at 27.1 percent, up 2 percentage points from last month and above a year earlier's 22.7 percent. The combination of much larger supplies, expectations of a big carryover, and a high stocks-to-use ratio are behind the substantial drop in medium/short grain prices in 2004/05.

U.S. 2004/05 Long Grain Ending Stocks Are Projected To Increase 117 Percent

Total U.S. 2004/05 long grain supplies remain projected at 189.5 million cwt, almost 9 percent larger than a year earlier and the second highest on record. A record crop and larger imports are expected to more than offset a smaller carryin. Beginning stocks of 10.3 million cwt are 34 percent below a year earlier. The 168.9-million-cwt long grain crop is 13 percent above a year earlier. Long grain imports remain projected at a record 10.25 million cwt, almost 5 percent larger than a year earlier. Nearly all U.S. long grain imports are Asian aromatic rices—jasmine rice from Thailand plus basmati rice from India and Pakistan.

Total long grain use is projected at 167 million cwt, up 1 million cwt from last month's forecast and almost 2 percent above a year earlier. Exports account for all of the month-to-month increase. At 81 million cwt, long grain exports are up 1 million from last month but virtually unchanged from 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. In 2004/05, stronger shipments of milled rice—mostly to Africa and the Middle East—are expected to offset weaker exports of long grain rough rice to Brazil. Total domestic and residual use of long grain rice remains projected at 86 million cwt, 3 percent larger than a year earlier.

Figure 8
Little change is projected in 2004/05 U.S. long grain exports



Source: 1990/91 to 2003/04, Bureau of the Census; 2004/05 USDA projections.

Ending stocks of long grain are projected at 22.5 million cwt, down 1 million cwt from last month but 117 percent higher than a year earlier. The stocks-to-use ratio of 13.5 percent is down from 14.1 percent from last month but well above the year-earlier 6.3 percent. Larger supplies and expectations of a big boost in ending stocks are expected to put downward pressure on U.S. long grain prices throughout the remainder of 2004/05.

Revised Monthly Prices and Marketings Raise the U.S. 2003/04 Season-Average Farm Price to $8.08 Per Cwt

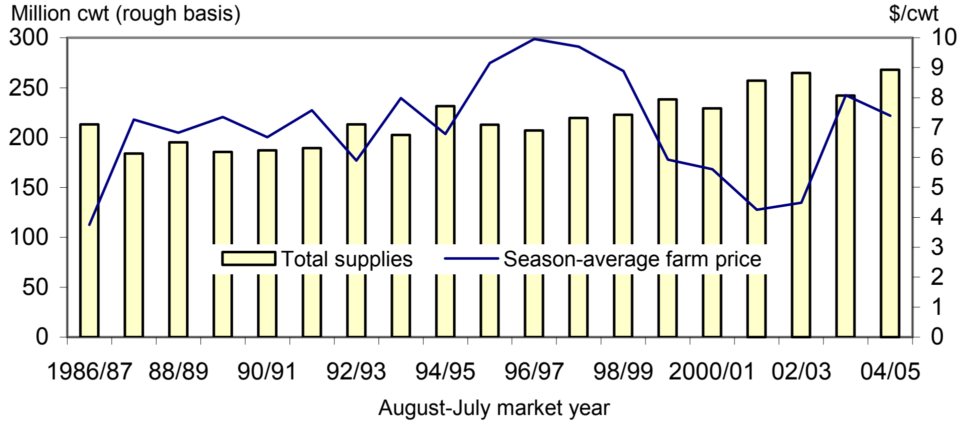
The 2004/05 U.S. season-average farm price (SAFP) remains projected at $7.25-$7.55 per cwt, down from a revised $8.08 in 2003/04. In the January 2005 *Agricultural Prices*, the U.S. Department of Agriculture's (USDA) National Agricultural Statistics Service (NASS) raised its 2003/04 SAFP estimate 59 cents based on revisions for both price and marketings for each month in the August-July market year. The 2003/04 SAFP was raised from preliminary estimates for each rice producing State.

Last month, USDA raised the December price to $7.43 from a preliminary $7.41 and reported a mid-month price of $7.41 for January. Through January 2005, the weighted-average of the monthly prices is estimated at $7.81 per cwt. Monthly prices will have to decline the remainder of the 2004/05 market year to achieve the projected SAFP of $7.25-$7.55 per cwt. However, marketing of the 2004 crop is well behind last year's pace, which reduces the impact of the early-season high prices on the 2004/05 SAFP.

Weekly rough rice price quotes reported in the *Creed Rice Market Report* are down from a month earlier across the South. For the week ending February 8, prices for long grain rough rice in Texas were quoted at $7.22 per cwt, down 50-55 cents from

Figure 9

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



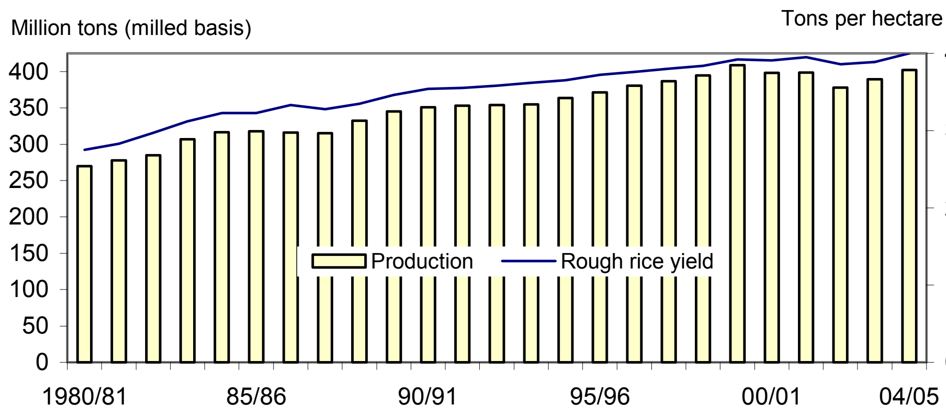
2004/05 mid-point of $7.25-$7.55 projection range.
Sources: 1986/87 to 2003/04 NASS/USDA; 2004/05 USDA projections.

a month earlier. Long grain rough rice prices were quoted at $7.37 per cwt in Southwest Louisiana, a decrease of 38 cents from early January. For both regions, these are the lowest quotes since November 2003. In the Delta, long grain rough rice was quoted at $6.66 per cwt for the week ending February 9, down 20 cents from early January and the lowest since August 2003. Price quotes for southern medium grain rice in the Delta were quoted at $6.66 per cwt, down about 10 cents from a month earlier. There have been virtually no rough rice price quotes for the 2004 California crop.

Production Forecasts for 2004/05 Raised for India, Brazil, and Vietnam; Lowered for Panama

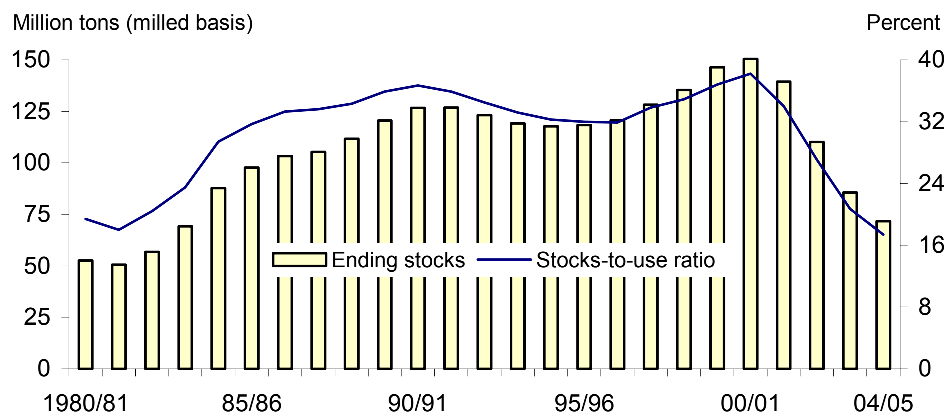
Global rice production in 2004/05 is projected at 402.1 million tons (milled basis), up almost 4 million tons from last month's forecast and more than 3 percent larger than a year earlier. However, production still remains below the 1999/2000 record of 408.7 million tons. Global consumption is projected at 411.2 million tons, down slightly from last month's forecast and 2.5 million tons below the year-earlier record. Global ending stocks for 2004/05 are projected at 76.8 million tons, up 5 million tons from last month's forecast but 11 percent below a year earlier. Ending stocks projections were raised this month for India, China, and Brazil. Global ending stocks are the lowest since 1983/84. At 18.7 percent, the stocks-to-use ratio is the lowest since 1981/82.

Figure 10
Global rice production is projected to increase 3 percent in 2004/05



2003/04 and 2004/05 are USDA forecasts.
Sources: Historic data, FAS/USDA; forecasts, USDA.

Figure 11
Global ending stocks are projected to be the smallest since 1983/84



2004 and 2005 are forecasts.
Sources: 2004 and 2005, USDA forecasts; historic estimates, FAS/USDA.

India—the world's second largest rice producing country—accounts for the bulk of this month's upward revision in the 2004/05 global production forecast. India's production forecast was raised 3 million tons to 86 million based on information from the Government of India reporting a larger crop. Production forecasts were raised for four other countries this month. First, Brazil's 2004/05 crop was raised 300,000 tons to 8.2 million based on larger area. Despite the upward revision, area and production in Brazil are down from a year earlier. Second, Vietnam's production was raised 636,000 tons to a record 22.14 million based on both larger area and a higher yield. Vietnam's 2003/04 production estimate was revised up this month as well. Expectations of a higher yield raised Uruguay's 2004/05 production forecast 51,000 tons to 800,000. Finally, Senegal's production forecast was increased 34,000 tons to 164,000 tons, a result of both larger plantings and a higher yield. India, Vietnam, and Uruguay export rice, while Brazil and Senegal import rice.

There were two relatively small 2004/05 crop reductions this month, both in Latin America. First, Panama's 2004/05 production forecast was lowered 50,000 tons to 150,000 based on a much lower yield. Panama's recently harvested crop was severely damaged by the spinky mite pest. USDA is closely monitoring the extent of the damage to Panama's rice crop caused by the pest. And second, the Dominican Republic's crop was lowered 5,000 tons to 275,000 due to smaller plantings. The country experienced severe storms in late 2004 that damaged the rice crop.

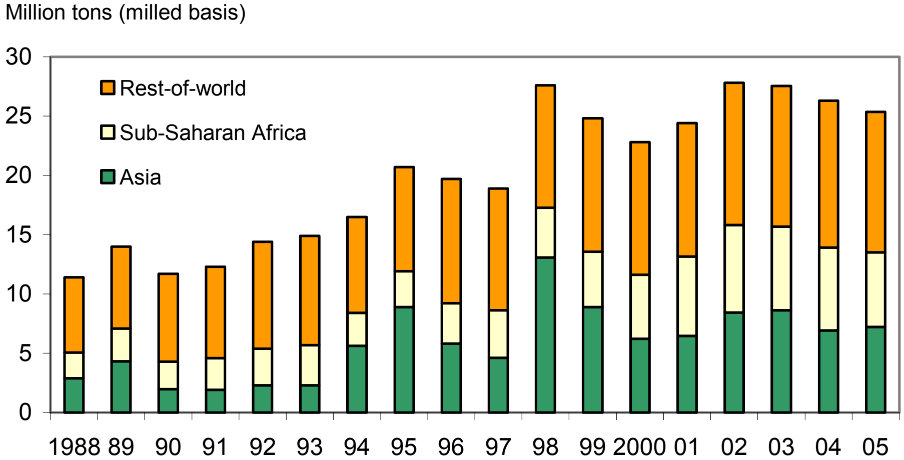
There was only one production revision for 2003/04. Vietnam's production estimate was increased 114,000 tons to 22.08 million tons based on larger plantings of the summer-autumn crop.

Export Forecasts for 2005 Raised for Thailand, Vietnam, and India

Global rice trade for calendar year 2005 is projected at 25.4 million tons (milled basis), up 500,000 tons from last month's forecast but down 4 percent from a year earlier. This is the third consecutive year of declining global rice trade, and trade remains well below the 2002 record of 27.9 million tons. Weaker trade in 2004 and 2005 is primarily due to record and near-record supplies in several large rice importing countries—primarily Indonesia, the Philippines, Bangladesh, Brazil, and Nigeria.

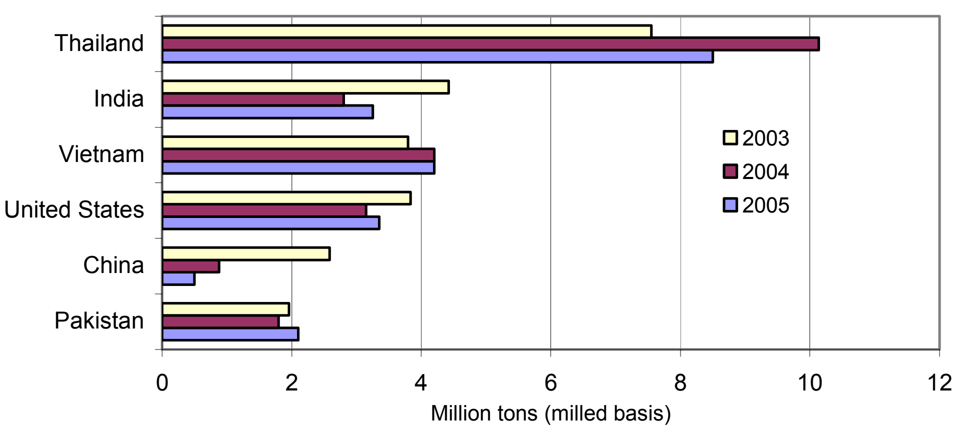
There were four 2005 export revisions this month. First, Thailand's exports were raised 250,000 tons to 8.5 million based on stronger demand, mostly from the Philippines and China. Second, India's exports were increased 250,000 tons to 3.25 million based on a larger 2004/05 crop. Third, Vietnam's 2005 export forecast was raised 300,000 tons to 4.2 million, a result of both a larger crop and expected stronger demand. Partially offsetting these upward revisions was a 300,000-ton reduction in China's 2005 exports to 500,000 tons based on tight domestic grain supplies. The weaker export forecast for China supported larger shipments from other sources.

Figure 12
Global rice imports are projected to decline 4 percent in 2005



2004 and 2005 are forecasts.
Source: 2004 and 2005, USDA forecasts; historic estimates, FAS/USDA.

Figure 13
China's rice exports have dropped sharply since 2003

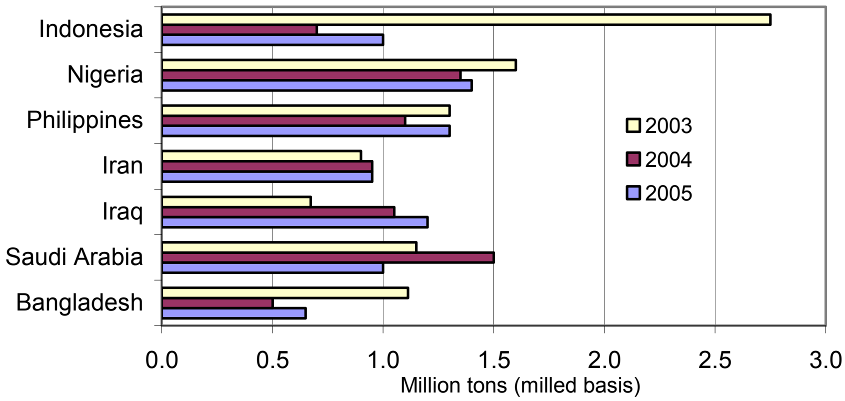


These six countries account for more than 85 percent of global rice exports. 2004 and 2005 are projections.
Source: FAS/USDA.

There were five country-specific import revisions to the 2005 global rice trade forecast this month. First, the Philippines' 2005 import forecast was raised 500,000 tons to 1.3 million tons, the second highest on record. The higher import forecast is based on government statements expressing concern over a possible El Nino this spring and summer and an expected delay in the harvest of its 2004/05 spring crop due to typhoons last fall. China's 2005 imports were raised 300,000 tons to 900,000 based on expectations of tight grain supplies in 2004/05. Partially offsetting these increases were three reductions. First, Brazil's 2005 import forecast

Figure 14

Saudi Arabia's imports are projected to drop 33 percent from the 2004 record



2004 and 2005 are projections. These seven countries account for about 30 percent of global rice imports.
Source: FAS/USDA.

was lowered 150,000 tons to 550,000 based on a larger crop. Second, Saudi Arabia's imports were lowered 100,000 tons to 1 million due to extremely large supplies resulting from record imports in 2004. Finally, imports by the Dominican Republic were lowered 15,000 tons to 60,000 tons based on government statements indicating a return to a more normal level of imports.

For 2004, global rice trade is estimated at 26.3 million tons, up almost 450,000 tons from last month's forecast but nearly 5 percent below a year earlier. On the export side, Thailand's 2004 export estimate was raised 137,000 tons to a record 10.137 based on year-end trade data. Uruguay's exports were raised 104,000 tons to 804,000, also based on government trade data. Finally, China's 2004 exports were raised 55,000 tons to 880,000 based on stronger-than-expected shipments in December.

There were 15 revisions this month on the 2004 import side, mostly based on shipment data. Angola's imports were raised 50,000 tons to 250,000 tons based on greater shipments from Thailand. Senegal's imports were increased 50,000 tons to 850,000 based on larger shipments from Vietnam and Thailand. Sri Lanka's 2004 imports were raised 50,000 tons to 150,000 based on food aid from India and Pakistan. Mozambique's imports were boosted 50,000 tons to 300,000 based on stronger shipments from Thailand. Stronger shipments from Thailand raised South Africa's 2004 imports 50,000 tons to a record 850,000. Smaller upward revisions were made this month for Benin, Yemen, China, Colombia, Ghana, Costa Rica, Honduras, and Nicaragua. Partially offsetting these upward revisions were three reductions. The Dominican Republic's imports were lowered 25,000 tons to 100,000; U.S. imports were cut 15,000 tons to 485,000; and Jamaica's imports were reduced 15,000 tons to 35,000.

Government Purchases and a Stronger Baht Continue To Push Thailand's Prices Higher

Export prices for most grades of Thailand's milled white rice (including brokens and parboiled rice) have increased $6-$11 per ton since early January. Prices are up almost 22 percent since early October and are the highest since February 1999. The price increases since October are due to stronger prices this year for Thailand's intervention purchases of its 2004/05 main crop, concerns over dryness in major rice growing areas in Thailand, a stronger Thai baht, and generally tight exportable supplies across much of Asia. Thailand's 2004/05 intervention purchases of its main-season crop began on November 1 and are scheduled to continue through March. The Government of Thailand has indicated there will be another intervention purchase for the dry season crop starting in April at the onset of its harvest.

Prices for Thailand's 100 percent Grade B (free on board vessel, Bangkok) were quoted at $296 per ton for the week ending February 7, up $7 from early January. Prices for Thailand's 5 percent brokens were quoted at $291 per ton, up $8 from early January. Prices for Thailand's low-quality (100 percent brokens) A-1 Special were quoted at $232 per ton for the week ending February 7, up $11 from a month earlier.

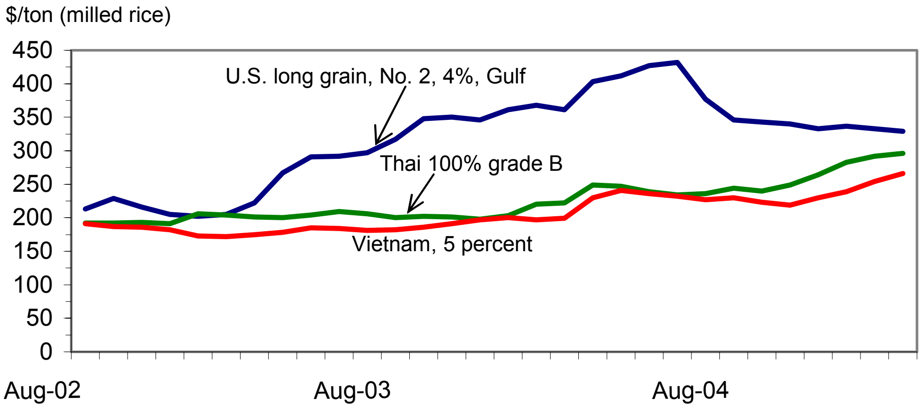
Like regular milled rice, price quotes for Thailand's parboiled rice have increased since early January. For the week ending February 7, prices for Thailand's 5 percent parboiled rice were quoted at $292 per ton, up $6 from a month earlier. The price difference over Indian parboiled rice has narrowed sharply over the past month. Price quotes for Thailand are from the U.S. agricultural counselor in Bangkok.

Vietnam's prices have increased at a faster pace than Thailand's over the past month. A large recent sale to the Philippines, loadings for old purchases by Cuba, Africa, and Iran, and tight supplies until the harvest of the winter-spring crop begins in a couple weeks are behind the firmer prices. Price quotes for Vietnam's 5 percent brokens (free on board vessel, Ho Chi Minh City) were reported in the *Creed Rice Market Report* at $266 per ton for the week ending February 7, up $26 from a month earlier. Prices are the highest since November 1998. Vietnam's rice is currently selling at a $25-$30 per ton discount to Thailand for similar grades of rice, down from $45 a month earlier.

U.S. prices for long grain milled rice are down slightly from a month earlier and have dropped sharply since June. For the week ending February 8, prices for high quality U.S. southern long grain (No. 2, 4 percent brokens, bagged, free on board vessel U.S. Gulf port) were quoted at $314 per ton, down $6 from early January. U.S. price quotes have dropped more than $100 per ton since early June. U.S. prices (free on board vessel U.S. Gulf port) are around $30 per ton above prices for comparable grades of Thailand's rice, down from around $55 in early January and almost $200 last spring.

Figure 15

The U.S. price difference over Thailand continues to contract



Monthly prices are simple average of weekly quotes. All prices quoted "free-on-board" vessel at local port.

Sources: Thai price quotes, U.S. Ag Counselor, Bangkok; U.S. and Vietnam's price quotes, *Creed Rice Market Report.*

Price quotes for 2004-crop California medium grain rice (package quality, bagged, free on board truck at a California mill) for domestic sales were reported at $397 per ton for the week ending February 8, unchanged from a month earlier but down $88 from early October. The California 2004 harvest was the largest on record. In both the text and tables of this report, price quotes for U.S. long and medium grain milled rice are from the weekly *Creed Rice Market Report*.

Contacts and Links

Contact Information
Nathan Childs, (202) 694-5292, nchilds@ers.usda.gov

Subscription Information
Subscribe to ERS' e-mail notification service at http://www.ers.usda.gov/updates/ to receive timely notification of newsletter availability. Printed copies can be purchased from the USDA Order Desk by calling 1-800-999-6779 (specify the issue number). To order printed copies of the five-field crop newsletters—cotton and wool, feed, rice, oil crops, and wheat—as a series, specify series SUB-COR-4043.

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 production, use, prices, and trade.

Recent Reports

China: A Study of Dynamic Growth. China's rapid economic growth has been driven by high rates of investment, gains in productivity, and liberalized foreign trade and investment. China's growth is likely to continue, but the Chinese economy faces some possibly unsustainable pressures. The report is available at http://www.ers.usda.gov/publications/WRS0408/

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	3.347
Harvested	3.512	3.039	3.314	3.207	2.997	3.325
			Pounds per harvested acre			
Yield	5,866	6,281	6,496	6,578	6,670	6,942
			Million cwt			
Beginning stocks	22.1	27.5	28.5	39.0	26.8	23.7
Production	206.0	190.9	215.3	211.0	199.9	230.8
Imports	10.1	10.9	13.2	14.8	15.6	13.5
Total supply	238.2	229.2	256.9	264.8	242.2	268.0
Food, industrial, & residual 3/	118.1	113.4	119.3	109.7	110.7	119.0
Seed	3.8	4.1	4.0	3.7	4.1	4.0
Total domestic use	121.9	117.5	123.3	113.4	114.9	123.0
Exports	88.8	83.2	94.7	124.6	103.7	105.0
Rough	25.2	22.8	32.2	42.8	34.4	30.0
Milled 4/	63.6	60.4	62.5	81.8	69.3	75.0
Total use	210.7	200.7	218.0	238.0	218.6	228.0
Ending stocks	27.5	28.5	39.0	26.8	23.7	40.1
			Percent			
Stocks-to-use ratio	13.0	14.2	17.9	11.2	10.8	17.6
			$/cwt			
Average farm price 5/	5.93	5.61	4.25	4.49	8.08	7.25 to 7.55
			Percent			
Average milling rate	69.6	68.6	68.8	68.3	70.8	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 February 10, 2005.

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	2.587
Harvested	2.718	2.189	2.697	2.512	2.310	2.571
			Pounds per harvested acre			
Yield	5,587	5,882	6,213	6,260	6,451	6,569
			Million cwt			
Beginning stocks	14.1	15.6	11.6	26.8	15.7	10.3
Production	151.9	128.8	167.6	157.2	149.0	168.9
Imports	7.6	8.8	9.2	10.0	9.8	10.3
Total supply	173.5	153.1	188.3	194.1	174.5	189.5
Domestic use 3/	87.6	76.2	87.7	79.1	83.4	86.0
Exports	70.3	65.3	73.8	99.3	80.7	81.0
Total use	157.9	141.5	161.6	178.4	164.2	167.0
Ending stocks	15.6	11.6	26.8	15.7	10.3	22.5
			Percent			
Stocks-to-use ratio	9.9	8.2	16.6	8.8	6.3	13.5
MEDIUM & SHORT GRAIN						
			Million acres			
Planted	0.800	0.854	0.621	0.703	0.690	0.760
Harvested	0.794	0.850	0.617	0.695	0.687	0.754
			Pounds per harvested acre			
Yield	6,822	7,308	7,733	7,729	7,407	8,212
			Million cwt			
Beginning stocks	6.8	10.4	15.6	10.7	9.3	12.4
Production	54.2	62.1	47.7	53.7	50.9	61.9
Imports	2.5	2.1	4.0	4.8	5.8	3.3
Total supply 4/	63.3	74.8	67.1	68.9	66.8	77.5
Domestic use 3/	34.3	41.3	35.5	34.3	31.4	37.0
Exports	18.6	17.9	20.9	25.3	23.0	24.0
Total use	52.9	59.2	56.4	59.6	54.4	61.0
Ending stocks	10.4	15.6	10.7	9.3	12.4	16.6
			Percent			
Stocks-to-use ratio	19.7	26.3	18.9	15.6	22.7	27.2
Ending stocks difference 1/	1.4	1.2	1.5	1.8	1.0	1.0

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 February 10, 2005.

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

	2004/05		2003/04		2002/03	
Month	$/cwt	1,000 cwt	$/cwt	1,000 cwt	$/cwt	1,000 cwt
August	8.85	9,003	5.93	8,542	3.94	10,892
September	8.38	14,197	6.56	13,489	4.09	12,313
October	7.59	13,422	7.15	16,507	4.03	14,429
November	7.39	11,314	7.80	11,217	4.24	12,338
December	7.43	13,416	8.55	16,408	4.46	15,059
January	7.41 1/	12,270 2/	8.57	19,554	4.66	19,860
February			8.23	12,641	4.24	13,141
March			8.45	12,861	4.31	14,553
April			8.65	10,176	4.61	14,502
May			8.82	8,723	4.84	10,113
June			9.30	9,021	5.43	9,691
July			9.37	8,180	5.31	11,755
Average 2/	7.81 3/ $7.25-$7.55 4/	12,270	8.08	12,277	4.49	13,221
Total 5/		73,622		147,319		158,646

1/ Mid-month estimate. 2/ Average of previous months. 3/ Price is market year weighted average; 2004/05 is weighted average through current month only. 4/ USDA season-average farm price forecast.
5/ Total volume marketed; 2004/05 is through current month only.
Source: Monthly cash price and marketings, *Agricultural Prices* , National Agricultural Statistics Service, USDA.
Last updated February 10, 2005.

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

Month	2004/05 Long	2004/05 Medium	2004/05 Short	2003/04 Long	2003/04 Medium	2003/04 Short	2002/03 Long	2002/03 Medium	2002/03 Short
					$/cwt				
August	5.91	5.40	5.47	4.02	3.79	3.85	3.32	2.99	3.00
September	5.98	5.46	5.54	3.94	3.72	3.77	3.29	2.96	2.97
October	5.94	5.42	5.50	3.96	3.74	3.79	3.28	2.95	2.96
November	6.13	5.61	5.69	4.03	3.80	3.86	3.24	2.91	2.92
December	6.44	5.82	5.90	4.15	3.93	3.98	3.22	2.93	2.94
January	6.37	5.76	5.84	4.14	3.92	3.97	3.29	2.96	2.98
February 1/	6.46	5.82	5.86	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/	6.18	5.61	5.69	4.73	4.52	4.56	3.37	3.01	3.03

1/ Preliminary. 2/ Simple average of weekly announced adjusted world market price.
Source: Farm Service Agency, USDA.
Last updated February 10, 2005.

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

Country or region	2004/05 as of 1/27/05	2003/04 as of 1/29/04	2003/04 Market year	2002/03 Market year	2001/02 Market year	2000/01 Market year
	1,000 metric tons					
European Union 25	208.7	185.2	259.6	385.2	336.3	363.5
Other Europe	21.3	16.1	14.6	25.8	14.6	13.2
Turkey	3.2	70.8	59.6	209.9	141.3	170.8
Former Soviet Union	1.4	1.0	1.8	55.7	59.7	0.7
NORTHEAST ASIA	395.7	298.2	507.0	532.6	379.4	296.4
Japan	245.2	232.3	355.9	387.8	349.3	296.4
South Korea	65.1	2.8	55.2	40.1	30.1	0.0
Taiwan	85.4	63.1	95.9	104.7	0.0	0.0
OTHER ASIA & MIDDLE EAST	228.6	245.8	247.1	312.2	238.2	318.1
Indonesia	0.1	0.3	0.6	90.7	0.2	23.2
Jordan	54.4	2.8	17.9	18.7	23.7	13.7
Philippines	58.2	117.8	117.8	38.3	35.8	104.4
Saudi Arabia	58.9	55.0	80.8	115.7	101.0	140.1
AFRICA	111.8	51.8	72.0	219.3	181.2	181.6
Algeria	0.0	0.0	0.0	21.0	16.3	3.0
Cote d'Ivoire	5.0	0.3	0.8	29.9	13.7	12.3
Ghana	86.3	18.3	38.1	70.5	77.4	72.6
Liberia	8.2	10.7	10.7	8.9	8.0	9.3
South Africa	0.0	18.1	18.1	74.8	54.7	57.0
WESTERN HEMISPHERE	1,212.3	1,403.1	2,173.9	2,336.4	1,936.3	1,305.3
Brazil	0.1	221.2	221.1	327.0	0.2	2.0
Costa Rica	98.8	0.7	134.3	161.3	160.7	81.6
Canada	153.7	114.6	153.1	157.1	105.5	99.8
Colombia	0.7	0.8	5.1	1.9	1.4	17.2
Cuba	25.2	36.3	113.5	118.6	71.6	0.0
Dominican Republic	1.3	0.2	59.6	0.0	1.0	56.0
Guatemala	21.6	65.3	70.0	53.6	76.2	35.6
Haiti	138.9	198.5	283.4	297.6	249.7	157.9
Honduras	66.3	68.6	133.2	128.7	163.1	105.6
Jamaica	44.9	48.8	56.2	58.7	19.4	31.5
Leeward & Windward Is.	7.2	5.2	8.9	7.4	7.2	4.2
Mexico	421.3	469.2	677.7	694.7	740.3	582.6
Nicaragua	136.2	50.5	112.1	118.0	156.7	85.2
Panama	9.1	0.2	0.2	8.5	38.9	2.3
Peru	30.4	4.6	4.6	1.3	0.7	1.0
El Salvador	46.8	54.8	61.4	74.2	93.5	40.4
Trinidad	0.7	12.5	25.1	22.7	15.6	9.0
Venezuela	0.2	38.9	39.0	56.2	0.2	0.2
Unknown	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	2,182.9	2,270.7	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 February 10, 2005.

Table 6--U.S., Thailand, and Vietnam price quotes

Month or market year 1/	United States 2/ Southern long grain milled 3/	Southern long grain rough 4/	California medium grain milled 5/	Thailand 6/ 100% grade B	5% parboiled	15% Brokens	35% Brokens	A.1 7/ Special	Vietnam 8/ 5% brokens
				$ / metric ton 9/					
2000/01	275	157	304	184	186	167	149	132	165
2001/02	207	107	285	192	197	178	164	145	185
Aug. 2002	201	100	265	197	195	183	171	148	190
Sep. 2002	198	97	268	192	194	179	169	149	191
Oct. 2002	214	93	276	192	195	179	171	157	187
Nov. 2002	201	102	287	193	196	180	173	158	186
Dec. 2002	190	108	287	191	190	180	171	154	182
Jan. 2003	187	108	309	206	196	193	182	152	173
Feb. 2003	190	109	318	204	196	191	179	150	172
Mar. 2003	207	113	329	201	193	188	177	146	175
Apr. 2003	252	143	350	200	191	186	175	141	178
May 2003	276	168	358	204	193	189	177	143	185
June 2003	277	165	397	208	200	194	183	151	183
July 2003	282	168	478	205	202	189	178	150	181
2002/03	223	123	327	199	195	186	175	150	182
Aug. 2003	302	175	518	200	199	185	175	150	182
Sep. 2003	333	179	518	202	203	187	177	155	186
Oct. 2003	335	175	502	201	204	187	178	157	191
Nov. 2003	331	185	535	198	201	185	176	158	197
Dec. 2003	346	205	551	203	198	189	181	162	200
Jan. 2004	353	205	551	220	209	204	195	171	197
Feb. 2004	346	195	570	220	214	205	197	182	199
Mar. 2004	388	225	558	244	241	231	222	207	230
Apr. 2004	397	228	540	247	253	234	226	215	241
May 2004	412	258	540	239	252	226	220	213	236
June 2004	413	250	529	234	244	222	217	212	232
July 2004	362	194	482	236	240	225	219	210	227
2003/04	360	206	533	220	222	207	199	183	210
Aug. 2004	331	185	441	244	253	233	225	212	230
Sep. 2004	328	188	468	240	251	229	222	206	223
Oct. 2004	325	179	441	249	254	237	227	201	219
Nov. 2004	318	181	397	264	264	252	241	212	230
Dec. 2004	322	185	397	283	281	271	257	220	239
Jan. 2005	318	181	397	292	289	279	265	226	254
Feb. 2005 9/	314	170	397	296	292	283	269	232	266
2004/05 9/	322	181	420	267	269	255	244	216	237

1/ Simple average of weekly quotes. 2/ All U.S. price quotes are from the weekly *Creed Rice Market Report* . 3/ Number 2, 4-percent brokens, sacked, free alongside vessel, U.S. Gulf port 4/ Bulk, free on board vessel, New Orleans. 5/ Number 1, maximum 4 percent brokens, package-quality for domestic sale, free on board, local mill, low-end of reported price range.
6/ Nominal price quotes, long grain, sacked, free on board vessel, Bangkok, U.S. Agricultural Counselor, Bangkok.
7/ 100 percent brokens. 8/ Long grain, bagged, free on board vessel, Ho Chi Minh City, *Creed Rice Market Report* .
9/ Preliminary.
Last update February 10, 2005.

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

	2003/04 1/			2004/05 1/			
	January	February	Monthly change	January	February	Monthly change	Annual change
	1,000 metric tons						
Argentina	640	640	0	637	637	0	-3
Australia	383	383	0	400	400	0	17
Bangladesh	26,152	26,152	0	25,500	25,500	0	-652
Brazil	8,708	8,708	0	7,900	8,200	300	-508
Burma	10,730	10,730	0	10,150	10,150	0	-580
Cambodia	2,960	2,960	0	2,750	2,750	0	-210
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
Dominican Republic	315	315	0	280	275	-5	-40
Egypt	4,030	4,030	0	4,225	4,225	0	195
EU-25	1,723	1,723	0	1,834	1,834	0	111
India	87,000	87,000	0	83,000	86,000	3,000	-1,000
Indonesia	35,024	35,024	0	34,991	34,991	0	-33
Iran	2,180	2,180	0	2,200	2,200	0	20
Japan	7,091	7,091	0	7,950	7,950	0	859
Korea, South	4,451	4,451	0	5,000	5,000	0	549
Korea, North	1,460	1,460	0	1,540	1,540	0	80
Laos	1,560	1,560	0	1,500	1,500	0	-60
Madagascar	1,824	1,824	0	1,696	1,696	0	-128
Malaysia	1,500	1,500	0	1,450	1,450	0	-50
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
Panama	200	200	0	200	150	-50	-50
Peru	1,200	1,200	0	1,300	1,300	0	100
Philippines	9,000	9,000	0	9,200	9,200	0	200
Senegal	150	150	0	130	164	34	14
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	18,011	18,011	0	17,400	17,400	0	-611
Uruguay	884	884	0	749	749	0	-135
Vietnam	21,968	22,082	114	21,500	22,136	636	54
United States	6,420	6,420	0	7,329	7,329	0	909
Others	7,096	7,096	0	7,140	7,191	51	95
World total	389,153	389,267	114	398,163	402,129	3,966	12,862

1/ Projected.

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

Last updated February 16, 2005.

Table 8--Global rice exporters, calendar years 2004 and 2005

	2004 1/			2005 1/			
	January	February	Monthly change	January	February	Monthly change	Annual change
	1,000 metric tons (milled basis)						
Exporters:							
Argentina	250	250	0	400	400	0	150
Australia	225	225	0	250	250	0	25
Burma	125	125	0	300	300	0	175
China	825	880	55	800	500	-300	-380
Egypt	775	775	0	700	700	0	-75
India	2,800	2,800	0	3,000	3,250	250	450
Pakistan	1,800	1,800	0	2,100	2,100	0	300
Thailand	10,000	10,137	137	8,250	8,500	250	-1,637
Uruguay	700	804	104	750	750	0	-54
Vietnam	4,200	4,200	0	3,900	4,200	300	0
European Union	225	225	0	300	300	0	75
Others	928	928	0	761	761	0	-167
United States	3,000	3,150	150	3,350	3,350	0	200
World total	25,853	26,299	446	24,861	25,361	500	-938

All trade data are reported on a calendar year basis.
1/ Projected.
Source: Global production projections are provided monthly by USDA's Interagency Commodity Estimates Committee.
Last updated February 16, 2005.

Table 9--Global rice importers, calendar years 2004 and 2005

	2004 1/			2005 1/			
	January	February	Monthly change	January	February	Monthly change	Annual change
	1,000 metric tons (milled basis)						
Importers:							
Angola	200	250	50	125	125	0	-125
Bangladesh	500	500	0	650	650	0	150
Benin	115	150	35	115	115	0	-35
Brazil	700	700	0	700	550	-150	-150
Canada	250	250	0	250	250	0	0
China	1,100	1,125	25	600	900	300	-225
Colombia	60	85	25	100	100	0	15
Costa Rica	125	140	15	100	100	0	-40
Cote d'Ivoire	750	750	0	650	650	0	-100
Cuba	650	650	0	700	700	0	50
Dominican Republic	125	100	-25	75	60	-15	-40
El Salvador	75	75	0	75	75	0	0
Ghana	400	425	25	350	350	0	-75
Guinea	350	350	0	300	300	0	-50
Haiti	250	250	0	300	300	0	50
Honduras	100	110	10	100	100	0	-10
Indonesia	700	700	0	1,000	1,000	0	300
Iran	950	950	0	950	950	0	0
Iraq	1,050	1,050	0	1,200	1,200	0	150
Jamaica	50	35	-15	50	50	0	15
Japan	650	650	0	650	650	0	0
Kenya	250	250	0	175	175	0	-75
Korea, North	500	500	0	500	500	0	0
Korea, South	210	210	0	210	210	0	0
Madagascar	100	100	0	200	200	0	100
Malaysia	800	800	0	550	550	0	-250
Mexico	525	525	0	550	550	0	25
Mozambique	250	300	50	200	200	0	-100
Nigeria	1,350	1,350	0	1,400	1,400	0	50
Nicaragua	100	105	5	100	100	0	-5
Panama	5	5	0	25	25	0	20
Peru	80	80	0	70	70	0	-10
Philippines	1,100	1,100	0	800	1,300	500	200
Russia	350	350	0	350	350	0	0
Saudi Arabia	1,500	1,500	0	1,100	1,000	-100	-500
Senegal	800	850	50	750	750	0	-100
Singapore	375	375	0	375	375	0	0
South Africa	800	850	50	700	700	0	-150
Sri Lanka	100	150	50	150	150	0	0
Syria	200	200	0	190	190	0	-10
Taiwan	125	125	0	125	125	0	0
Turkey	200	200	0	250	250	0	50
Uzbekistan	25	25	0	25	25	0	0
UAE	80	80	0	80	80	0	0
Yemen	250	275	25	250	250	0	-25
EU-25	1,000	1,000	0	1,050	1,050	0	50
Other Europe	230	230	0	220	220	0	-10
United States	500	485	-15	460	460	0	-25
Other 2/	4,898	4,984	86	4,966	4,931	-35	-53
World total	25,853	26,299	446	24,861	25,361	500	-938

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: Global production projections are provided monthly by USDA's Interagency Commodity Estimates Committee.
Last updated February 16, 2005.