



Rice Outlook

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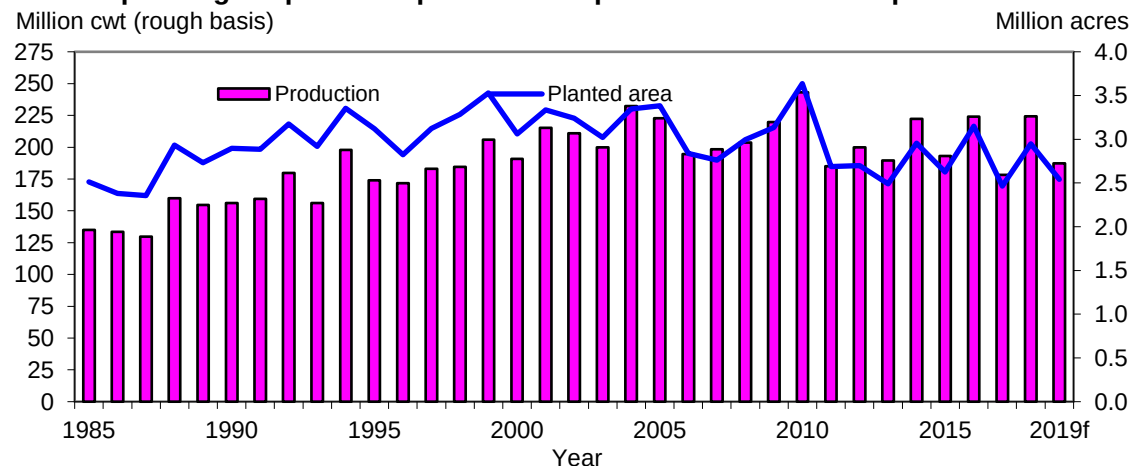
Rice Outlook monthly tables, in excel format, can be found on the Rice Outlook report page on USDA's Economic Research Service website.

U.S. 2019/20 Rice Crop Forecast Lowered

There were three supply-side revisions this month to the 2019/20 U.S. rice balance sheet. The U.S. total supply forecast was lowered 23 percent to 261.8 million cwt due to much smaller forecasts for production and carryin. Total supplies are 7 percent below a year earlier. The 2019/20 beginning stocks estimate was lowered 5.7 million cwt, and the U.S. all rice import forecast was raised 0.4 million cwt. On the use side, forecasts for both exports and domestic and residual use were lowered due to the smaller supplies. The U.S. ending stocks forecast was reduced 24 percent to 35.8 million cwt. The 2019/20 season-average farm price forecasts were raised for both classes of rice. In the global market, the world production forecast was lowered 3.6 million tons to 494.2 million, mostly due to smaller crop forecasts for India and the United States. Global rice trade is projected to increase slightly in 2020, with China, India, and Thailand showing the strongest export growth. U.S. prices were nearly unchanged from last month.

Figure 1

Smaller plantings expected to pull U.S. rice production down 16.5 percent for 2019



Cwt = Hundredweight. 2019f = forecast.

Sources: 1985-2016, *Rice Yearbook Data Set*, Economic Research Service, USDA; 2017-2019, *World Agricultural Supply and Demand Estimates*, World Agricultural Outlook Board, USDA.

Domestic Outlook

U.S. 2019/20 Rice Crop Forecast Lowered 18.1 Million Cwt

In September USDA lowered the 2019/20 U.S. rice production forecast 9 percent to 187.3 million cwt, based on forecasts for a much lower harvested area and a slightly lower average yield. If realized, 2019/20 U.S. rice production will be 16.5 percent lower a year earlier, a result of a 15-percent drop in harvested area and an almost 2 percent reduction in the average yield. The substantial area decline in 2019/20 is largely due to excessive spring rainfall in most of the southern rice growing States, especially in the northern Mississippi River Delta, that prevented several hundred thousand acres of rice from being planted and slowed crop progress and operations throughout the market year.

By class, the U.S. 2019/20 long-grain crop is forecast at 126.7 million cwt, down 15 percent from the August forecast and 23 percent smaller than a year earlier. This would be the smallest U.S. long-grain rice crop since 2011/12. In contrast, the combined medium- and short-grain rice crop is forecast at 60.7 million cwt, up nearly 8 percent from the August forecast and fractionally above a year earlier. Production is forecast to decline in all reported States in 2019/20, with Arkansas accounting for 64 percent of the 36.9-million cwt decline.

At 2.48 million acres, the September U.S. rice harvested area forecast was decreased nearly 9 percent from the August forecast—which was unchanged from July. This month, NASS revised its 2019/20 rice planted and harvested area forecasts, largely based on FSA-certified acreage data. Harvested area forecasts were reduced from the June plantings survey for all reported States except California and Louisiana; the California forecast was raised slightly and Louisiana was unchanged. By class, the long-grain harvested area forecast was lowered 291,000 acres to 1.74 million acres, down 20 percent from a year earlier. In contrast, medium- and short-grain harvested area was raised 57,000 acres to 741,000 acres, almost 1 percent above a year earlier. Rice harvested area is forecast below a year earlier in all reported States, with Arkansas accounting for 69 percent of the 438,000-acre decline.

The September average field yield projection for all rice of 7,563 pounds per acre in 2019/20 is 14 pounds below the August forecast and 129 pounds below the year-earlier near-record. The Texas 2019/20 yield forecast was lowered 600 pounds per acre, while Missouri's 2019/20 forecast yield was raised 200 pounds. Yield projections in September were unchanged from the August forecast in the remaining four reported States. On an annual basis, yields are anticipated to be below 2018/19 in all reported States except California and Mississippi. At 7,300 pounds per acre, the 2019/20 Texas yield is forecast to be more than 8 percent below a year earlier. In nearby Louisiana, the average yield is projected to drop 6 percent from 2018/19 to 6,700 pounds per acre. Missouri's yield of 7,500 pounds per acre is 3.5 percent below the 2018/19 record yield. At 7,450 pounds per acre, Arkansas' 2019/20 average yield is down almost 1 percent from a year earlier. Mississippi's 2019/20 average field yield of 7,350 pounds per acre is unchanged from 2018/19. In contrast, California's 2019/20 average yield of 8,700 pounds per acre is up almost 1 percent from 2018/19. Field conditions in California have been quite favorable to producing rice, with the entire crop rated in good or excellent condition by NASS throughout the season.

U.S. 2019/20 Carryin Forecast Lowered; Imports Raised

The 2019/20 beginning stocks estimate was lowered 5.7 million cwt in September to 44.9 million cwt based on data reported in the August 23, 2019 *Rice Stocks* report. Despite this month's downward revision, the 2019/20 all rice carryin is still 53 percent larger than a year earlier. Long-grain beginning stocks were reduced 1.0 million cwt to 32.6 million cwt, still more than 60 percent higher than a year

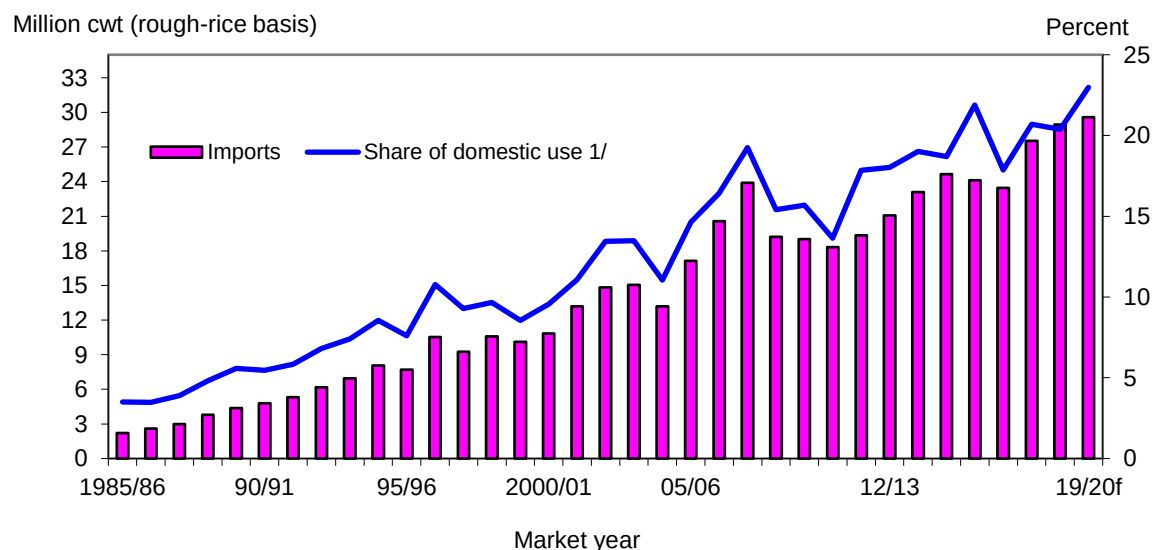
earlier. The combined medium- and short-grain beginning stocks estimate was lowered 5.4 million cwt to 10.2 million cwt, still up 34 percent from a year earlier. Stocks of broken—reported by length of grain—are estimated at 2.1 million cwt, up 46 percent from a year earlier.

Based on the smaller U.S. rice crop likely encouraging greater imports for processing uses, the 2019/20 U.S. all rice import forecast was raised 0.4 million cwt this month to a record 29.6 million cwt, up 2 percent from the year earlier revised estimate. The 2019/20 long-grain import forecast was raised 0.5 million cwt to a record 24.0 million cwt, up 2.5 percent from the year earlier revised estimate. The medium- and short-grain import forecast was lowered 0.1 million cwt to 5.6 million, fractionally above the year-earlier revised estimate. The medium- and short-grain import forecast assumes continued purchases by Puerto Rico of rice from China.

In total, September supply side revisions to U.S. production, beginning stocks, and import estimates resulted in an 8-percent reduction in the 2019/20 total U.S. supply forecast to 261.8 million cwt, 7 percent below a year earlier. The long-grain 2019/20 total supply forecast is lowered 11 percent to 183.3 million cwt, 12 percent below a year earlier. The medium- and short-grain supply forecast is lowered 1.4 percent to 76.5 million cwt, up 5 percent from 2018/19.

Table 2

U.S. rice imports are projected to be record high in 2019/20



Cwt = Hundredweight. 2019/20 is forecast.

1/ Does not include seed use.

Sources: 1985/86-2017/18, *Rice Yearbook Data Set*, Economic Research Service, USDA; 2017/18-2019/20, *World Agricultural Supply and Demand Estimates*, World Agricultural Outlook Board, USDA.

Forecasts Lowered for 2019/20 Domestic and Residual Use and for Exports

The substantial reduction in the 2019/20 total supply forecast was largely responsible for reductions in both the total domestic and residual use forecast and the 2019/20 export forecast. The 2019/20 total domestic and residual use forecast for all rice was lowered 6.0 million cwt to 131.0 million cwt, 9 percent below a year earlier and the smallest since 2015/16. The 2019/20 long-grain domestic and residual use forecast was lowered 7.0 million cwt to 98.0 million cwt, more than 10 percent smaller than a year earlier. In contrast, the medium- and short-grain domestic and residual use forecast was raised 1.0 million cwt—based on larger supplies—to 33.0 million cwt, still 5 percent below a year earlier.

The 2019/20 all rice export forecast was lowered 6.0 million cwt—all long-grain—to 95.0 million cwt, just 1.5 percent above the year earlier revised estimate. The 2019/20 long-grain export forecast was lowered 6.0 million cwt to 66.0 million cwt, nearly unchanged from a year earlier. Latin America is projected to remain the top market for U.S. long-grain rice in 2019/20. The Middle East and Canada are projected to account for most of the remaining U.S. long-grain exports. Projections for medium- and short-grain exports remain at 29.0 million cwt, up 4 percent from a 2018/19. A large carryover of outstanding sales to Japan from the 2018/19 market and an expected increase in sales to North Africa and the Middle East are behind projections for expanded medium- and short-grain exports. Northeast Asia (primarily Japan, South Korea, and Taiwan) is expected to remain the top market for U.S. medium- and short-grain exports. Rice imports by these three countries are made as part of World Trade Organization agreements, with the U.S. accounting for around half of their purchases.

U.S. 2019/20 rough rice exports are now forecast at 33.0 million cwt, 5.0 million cwt below the August forecast but nearly unchanged from the year-earlier revised forecast. Long-grain shipments to Latin America account for the bulk of U.S. rough rice exports, with Mexico and Central America top markets. Currently, Libya is the only remaining market for significant medium- and short-grain rough rice exports. Prior to 2018/19, Turkey was a regular buyer.

Milled rice exports (combined milled and brown rice exports on a milled basis) in 2019/20 are projected at 62.0 million cwt, down 1.0 million cwt from the previous forecast but 2 percent above the revised 2018/19 estimate. Haiti and Japan are expected to account for most of the increase in U.S. milled rice exports in 2019/20, with Japan's increase due to a large carryover of sales from 2018/19. U.S. sales to Sub-Saharan Africa are projected to remain quite small as the U.S. is not price competitive commercially in this large and growing market.

Balance sheet revisions resulted in a 24-percent reduction in the 2019/20 U.S. ending stocks forecast to 35.8 million cwt, 20 percent below a year earlier. The 2019/20 all rice stocks-to-use ratio is forecasted at 15.8 percent, down from a revised 18.9 percent a year earlier. The long-grain ending stocks forecast was lowered 4.7 million cwt to 29.2 million cwt, 41 percent smaller than a year earlier. The long-grain stocks-to-use ratio is forecast at 11.7 percent, down from a revised 18.6 percent in 2018/19 and the smallest since 2013/14. The medium- and short-grain ending stocks forecast was lowered 13 percent to 14.5 million cwt, up 42 percent from a year earlier. The medium- and short-grain stocks-to-use ratio is forecast at 23.3 percent, well above a revised 16.3 percent in 2018/19.

U.S. 2019/20 Season-Average Farm Price Forecasts Raised from August

Season-average farm price (SAFP) forecasts for 2019/20 were raised for both classes of rice and for both regions. The 2019/20 long-grain SAFP was raised \$1.00 to \$12.00 per cwt based on much tighter supplies; if realized, up \$1.20 from 2018/19. The 2019/20 southern medium- and short-grain SAFP forecast was also raised \$1.00, to \$12.50 per cwt, up 20 cents from the year-earlier revised estimate. The upward revision was largely based on higher expected long-grain prices. Based on recent monthly prices and expectations of slightly tighter supplies, the California medium- and short-grain SAFP was raised 50 cents to \$18.50 per cwt, up 50 cents from a year earlier. The U.S. medium- and short-grain SAFP was raised 70 cents to \$16.60 per cwt, up 30 cents from a year earlier, a result of higher expected prices in both regions. The September estimate for the U.S. all rice 2019/20 SAFP is \$13.20 per cwt; up \$1.00 from the August projection and \$1.20 higher than the 2018/19 price.

There were several minor revisions to the 2018/19 U.S. rice balance sheet based on the July Census trade data and data from the August NASS *Rice Stocks* report. On the supply side, 2018/19 imports were lowered 15,000 cwt to 28.9 million cwt. On the use side, the export estimate was raised 584,000

cwt to 93.58 million cwt. These trade revisions, plus revisions to the August 1 stocks estimates, resulted in a 5.14-million cwt increase in the 2018/19 total domestic and residual use estimate to a record 144.1 million cwt. Revisions were also made to the 2018/19 SAFP. NASS data for July 2019 monthly cash prices and marketings resulted in a 10-cent increase in the 2018/19 southern medium- and short-grain SAFP price to \$12.30 per cwt. However, the 2018/19 all rice SAFP was lowered 10 cents to \$12.00 per cwt based on the July marketings and prices by class.

International Outlook

Production Forecasts for 2019/20 Lowered for India and the United States; but Raised for Sri Lanka

Global rice production in 2019/20 is projected at 494.2 million tons (milled basis), down 3.6 million tons from the previous forecast and almost 1 percent below the year-earlier record. The projected year-to-year global production decline is due to a 1.34-million-hectare drop in global rice harvested area from the year-earlier record to 162.1 million hectares. India and the United States account for the bulk of the expected decline global rice harvested area in 2019/20.

Table A - Global rice production revisions, September 2019						
Country or region	Current forecast	Change from last month's forecast	Percent change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation and comments on revisions
1,000 metric tons (milled basis)						
Rice production, 2020						
Brazil	7,140	-68	0.0%	↓	→	Reduced harvested area forecast based on revised 2018/19 area and price outlook.
Chile	118	-20	6.3%	↓	↑	Smaller area forecast.
Guyana	663	-52	5.7%	↓	↑	Paddy bug problems impacting the second crop.
Honduras	50	-20	-28.6%	↓	↓	Reduced yield forecast due to below average rainfall in the Dry Corridor of Central America.
India	112,000	-3,000	-3.8%	↓	↓	Dryness in the east has slowed planting pace for the kharif crop. Reduced harvested area 1.0 million hectares to 43.0 million hectares, 3.4 percent below 2018/19.
Nicaragua	280	-20	-6.7%	↓	↓	Reduced yield forecast due to below average rainfall in the Dry Corridor of Central America.
Panama	150	-56	-27.2%	↓	↓	Excessive rainfall during the flowering stage that led to disease and pest problems. Lowered area and yield.
Sri Lanka	3,060	170	3.4%	↑	↑	Raised the yield based on Government of Sri Lanka data reporting 2019 maha and yala crop production.
United States	5,948	-574	-16.4%	↓	↓	Based on a much lower harvested area forecast and a slightly lower average yield reported by NASS.
Rice production, 2019						
Brazil	7,140	-170	-13.0%	↓	↓	Lower area and yield reported by CONAB.
Chile	111	-16	-11.2%	↓	↓	Smaller area estimate.
India	116,420	790	3.2%	↑	↑	Increase based on data from the Government of India's Fourth Advance Estimates indicating a higher yield. Production is the highest on record.
Philippines	11,732	-68	-4.1%	↓	↓	Fourth quarter data from the Government of the Philippines indicating a slightly lower market year yield.
Thailand	20,340	-210	-1.2%	↓	↓	Based on Government of Thailand data reporting smaller second crop harvested area and production.

Source: Created by USDA, Economic Research Service with data from USDA, Foreign Agricultural Service, Production, Supply and Distribution Database.

Bolivia, China, Cuba, Ecuador, Honduras, India, Mali, Nepal, Nicaragua, Panama, Paraguay, United States, and Venezuela account for most of projected 2019/20 decline in global rice production. In contrast, crops are projected to be larger than a year earlier in Bangladesh, Burma, Cambodia, Cote d'Ivoire, Egypt, EU, Indonesia, Iraq, Laos, Madagascar, Nigeria, Pakistan, the Philippines, Senegal, Sierra Leone, Sri Lanka, Thailand, and Vietnam. The average global yield of 4.56 tons per hectare (rough basis) is unchanged from the year-earlier record. See table A below for more details.

The 2018/19 global production estimate was raised 0.3 million tons to 498.95 million tons in September, up nearly 1 percent from a year earlier and the highest on record. Production increases in 2018/19 were especially large for Bangladesh, India, Madagascar, Mali, Nepal, Sri Lanka, and the United States. These production expansions more than offset smaller harvests in 2018/19 in Argentina, Australia, Brazil, China, Colombia, Egypt, Indonesia, Iraq, North Korea, Laos, Pakistan, the Philippines, Sierra Leone, Taiwan, and Thailand.

Global Rice Trade in 2020 Projected to Increase Slightly Over 2019

Global rice trade in 2020 is projected at 46.2 million tons, down 0.7 million tons from the previous forecast but still 0.25 million tons above 2019. On an annual basis, expanded exports in 2020 from Cambodia, China, India, Thailand, and the United States are projected to more than offset reduced shipments from Argentina, Australia, Brazil, Burma, South Korea, Pakistan, and Paraguay. China's exports continue the rapid pace of expansion that began in 2017, with substantial amounts of rice shipped to Sub-Saharan Africa, North Africa, and the Middle East. In contrast, exports from the top two global suppliers—India and Thailand—have dropped significantly since 2017. On the 2020 global import side, increased imports in 2020 by Australia, Brazil, Guinea, Indonesia, Kenya, Madagascar, Nepal, Nigeria, Panama, Senegal, South Africa, the United Arab Emirates, and the United States are projected to more than offset reduced imports by Bangladesh, China, Egypt, EU, Iran, Iraq, Laos, and the Philippines. China's imports continue to decline from the 2017 record of 5.9 million tons as China attempts to reduce its huge stocks of rice. See table B below for more detail.

Global rice consumption is projected to be a record 493.3 million tons in 2019/20, down 1.2 million tons from the August forecast, but still 3.9 million tons above a year earlier. The largest downward revision in the 2019/20 global consumption and residual use forecast was for the United States, which was lowered 0.2 million tons to less than 4.2 million tons. On an annual basis, consumption and residual use is projected to be higher than a year earlier in Bangladesh, Cambodia, China, India, Nigeria, the Philippines, and Vietnam. In contrast, rice consumption is expected to continue to decline in Japan and South Korea due to continued diet diversification.

Global ending stocks in 2019/20 are projected at a record 172.7 million tons, down 1.9 million tons from the previous forecast but up 0.9 million tons from a year earlier. This is the thirteenth consecutive year of increasing global ending stocks. The global stocks-to-use ratio is forecast at 35.0 percent, down from 35.7 percent a year earlier but still below the 2000/01 record of 37.3 percent.

Table B - Rice imports at a glance (1,000 MT), September 2019						
Country or region	Current forecast	Change from last month's forecast	Change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation of month-to-month change in forecast
Thousand metric tons						
Rice Imports, 2020						
China	3,100	-200	-150	↓	↓	Large supplies and a recent slowdown in purchases.
Libya	200	40	-10	↑	↓	Expectations of continued imports from China.
Nicaragua	100	5	5	↑	↑	Smaller crop.
Panama	130	45	50	↑	↑	Smaller crop.
Sri Lanka	40	-10	-10	↓	↓	A larger crop.
United States	940	15	15	↑	↑	Forecast for smaller production in 2019/20.
Rice Imports, 2019						
Egypt	900	100	670	↑	↑	Increased pace of imports from China through July.
Libya	210	50	35	↑	↑	Increased pace of imports from China through July.
Mexico	770	-10	-6	↓	↓	Slower import pace and reduced of re-exports of imported rice to Venezuela.
Nicaragua	95	5	4	↑	↑	Smaller crop and increased purchases from the U.S.

Table C - Rice exports at a glance (1,000 MT), September 2019						
Country or region	Current forecast	Change from last month's forecast	Change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation of month-to-month change in forecast
Thousand metric tons						
Rice Exports, 2020						
China	3,600	100	300	↑	↑	Recent increase in pace of shipments, especially to Africa and the Middle East.
Honduras	3	-3	0	↓	→	Smaller crop.
India	11,800	-200	200	↓	↑	Smaller production and a continued decline in sales to Bangladesh and Sri Lanka.
Nicaragua	8	-3	1	↓	↑	Smaller crop.
Thailand	9,000	-500	300	↓	↑	Uncompetitive prices and a recent slowdown in sales.
United States	3,100	-75	100	↓	↑	Tighter supplies, higher prices.
Rice Exports, 2019						
Cambodia	1,200	-100	-100	↓	↓	Reduced exports to the EU due to import duties implemented earlier this year and the loss of benefits under the Everything But Arms program.
China	3,300	300	1,242	↑	↑	Stronger than expected sales through July, especially to Africa and the Middle East.
Honduras	3	-3	3	↓	↑	Smaller crop.
India	11,600	-200	-191	↓	↓	Continued decline in sales to Bangladesh and Sri Lanka.
Mexico	30	-5	-79	↓	↓	Expectations of reduced rough rice sales to Venezuela and smaller rice shipments.
Nicaragua	7	-3	-3	↓	↓	Smaller crop.
Thailand	8,700	-300	-2,356	↓	↓	Slower pace of recent sales and uncompetitive prices.

Source: Created by USDA, Economic Research Service with data from USDA, Foreign Agricultural Service, Production, Supply and Distribution Database.

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Contacts & Additional Information

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Data

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