

# Mississippi Rice Council 2009

---

by: Jay Davis  
Coastal Rice & Futures, Inc.  
East Bernard Rice Marketing  
Houston, Texas

**Some say the market is going up,  
Some say the market is going  
down.**

---

**I Agree!**

U.S. Rice Supply and Use 1/  
(Rough Equivalent of Rough and Milled Rice)

| Item                            | 2006/07 | 2007/08 | 2008/09 Projections   |             |          |
|---------------------------------|---------|---------|-----------------------|-------------|----------|
|                                 |         |         | Est.                  | January     | February |
| TOTAL                           |         |         |                       |             |          |
| Area                            |         |         | Million acres         |             |          |
| Planted                         | 2.84    | 2.76    | 3.00                  | 3.00        |          |
| Harvested                       | 2.82    | 2.75    | 2.98                  | 2.98        |          |
| Yield per harvested:            |         |         | Pounds                |             |          |
| acre                            | 6,898   | 7,219   | 6,846                 | 6,846       |          |
|                                 |         |         | Million hundredweight |             |          |
| Beginning stocks 2/             | 43.0    | 39.3    | 29.4                  | 29.4        |          |
| Production                      | 194.6   | 198.4   | 203.7                 | 203.7       |          |
| Imports                         | 20.6    | 23.9    | 18.0                  | 18.0        |          |
| Supply, total                   | 258.2   | 261.6   | 251.2                 | 251.2       |          |
| Domestic/residual <sup>3/</sup> | 128.1   | 124.2   | 127.0                 | 127.0       |          |
| Exports, total 4/               | 90.8    | 107.9   | 101.0                 | 98.0        |          |
| Rough                           | 32.1    | 40.2    | 38.0                  | 38.0        |          |
| Milled (rough equiv.)           | 58.7    | 67.8    | 63.0                  | 60.0        |          |
| Use, total                      | 218.8   | 232.2   | 228.0                 | 225.0       |          |
| Ending stocks                   | 39.3    | 29.4    | 23.2                  | 26.2        |          |
| Avg. milling yield              | 71.0    | 70.5    | 70.5                  | 70.5        |          |
| Avg. farm price 6/              | 9.96    | 12.80   | 16.50-17.50           | 16.00-17.00 |          |

U.S. Rice Supply and Use 1/  
(Rough Equivalent of Rough and Milled Rice)

| Item                        | 2006/07 | 2007/08<br>Est. | 2008/09 Projections |             |
|-----------------------------|---------|-----------------|---------------------|-------------|
|                             |         |                 | January             | February    |
| <b>LONG GRAIN</b>           |         |                 |                     |             |
| Harvested acres (mil.)      | 2.19    | 2.05            | 2.35                | 2.35        |
| Yield (pounds/acre)         | 6,727   | 6,980           | 6,522               | 6,522       |
| Beginning stocks            | 32.7    | 28.5            | 19.0                | 19.0        |
| Production                  | 147.1   | 143.2           | 153.3               | 153.3       |
| Supply, total 7/            | 194.0   | 189.4           | 187.3               | 187.3       |
| Domestic & Residual 3/      | 93.4    | 88.5            | 95.0                | 95.0        |
| Exports 8/                  | 72.0    | 81.9            | 77.0                | 74.0        |
| Use, total                  | 165.4   | 170.4           | 172.0               | 169.0       |
| Ending stocks               | 28.5    | 19.0            | 15.3                | 18.3        |
| Avg. farm price (\$/cwt) 6/ | 9.47    | 12.40           | 15.50-16.50         | 15.00-16.00 |

February '09 Long Grain WASDE

U.S. Rice Supply and Use 1/  
(Rough Equivalent of Rough and Milled Rice)

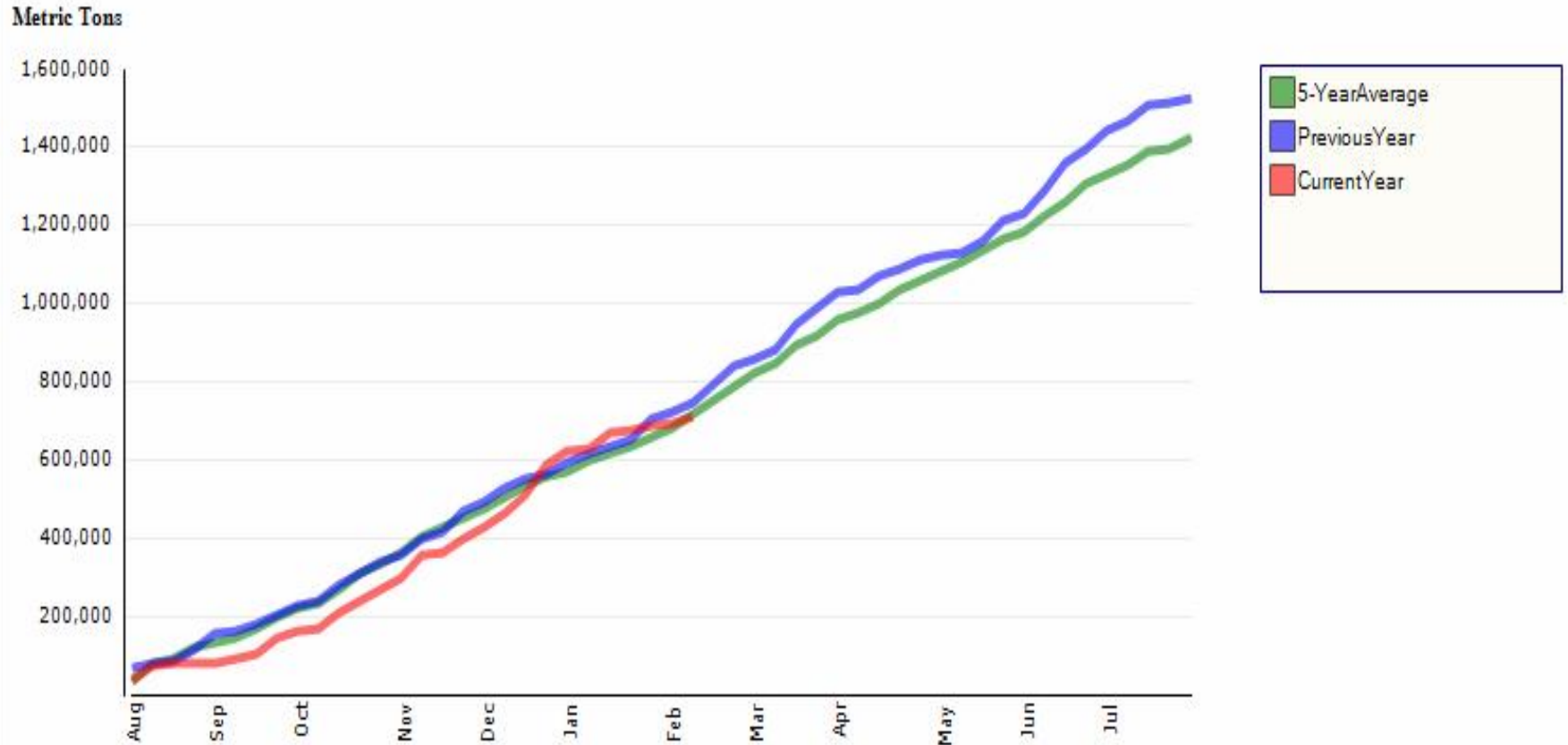
| Item | 2006/07 | 2007/08 | 2008/09 Projections |          |
|------|---------|---------|---------------------|----------|
|      |         |         | January             | February |

MEDIUM & SHORT GRAIN :

|                             |       |       |             |             |
|-----------------------------|-------|-------|-------------|-------------|
| Harvested acres (mil.):     | 0.64  | 0.70  | 0.63        | 0.63        |
| Yield (pounds/acre) :       | 7,484 | 7,924 | 8,063       | 8,063       |
| Beginning stocks :          | 9.4   | 10.0  | 9.1         | 9.1         |
| Production :                | 47.5  | 55.2  | 50.5        | 50.5        |
| Supply, total 7/ :          | 63.4  | 70.8  | 62.6        | 62.6        |
| Domestic & Residual 3/:     | 34.6  | 35.7  | 32.0        | 32.0        |
| Exports 8/ :                | 18.8  | 26.1  | 24.0        | 24.0        |
| Use, total :                | 53.4  | 61.8  | 56.0        | 56.0        |
| Ending stocks :             | 10.0  | 9.1   | 6.6         | 6.6         |
| Avg. farm price(\$/cwt) 6/: | 12.10 | 14.60 | 21.50-22.50 | 20.50-21.50 |

# Accumulated Exports - World Total Rice - IG Rough Selected Year: 2008-2009 as of 02/12/2009

Source: USDA/FAS 2/20/2009



## Rough Rice Highlights:

---

- Total sales and exports behind '07 crop by 204,000 m.t but near normal range for 5 years.
- Mexico - behind '07 crop by 193,000 m.t, but will continue to buy.
- Panama - behind '07 crop by 100,000 m.t, but will buy.
- Nicaragua - behind '07 crop by 63,000 m.t, but will continue to buy.
- Venezuela and Colombia - have purchased 243,000 m.t more than '07 crop.
- ?? Could end '08 crop year 200,000 m.t above '07 crop year.

# Accumulated Exports - World Total

## Rice - Long Grain, Milled Selected Year: 2008-2009

### as of 02/12/2009

Source: USDA/FAS 2/20/2009

Metric Tons

1,200,000

1,000,000

800,000

600,000

400,000

200,000

Aug

Sep

Oct

Nov

Dec

Jan

Feb

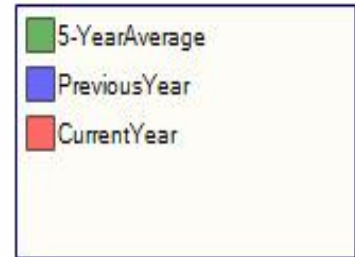
Mar

Apr

May

Jun

Jul



# Milled Rice Highlights:

---

- ❑ Milled Rice Exports are 439,000 m.t behind this time last year.
- ❑ Iraq accounts for 219,000 m.t of this total.
- ❑ The Western Hemisphere accounts for 109,000 m.t. of this drop, with Haiti alone down 62,300 m.t. and Canada down 19,000 m.t.
- ❑ Ghana is down 46,000 m.t.
- ❑ Iran purchases 31,000 m.t.

# What you don't see!

---

- ❑ Crop production overstated - 4.8 mil.cwt in long grain production.
- ❑ Carryover from 2007 crop to 2008 crop USDA - 29.4 mil.cwt. (65.3 mil. bu.)??? Where was It? Overstated a least 4.5 - 5.0 mil.cwt.
- ❑ Normal to see decline in export sales in declining market. Buyer's tend to buy more hand to mouth.

U.S. Rice Supply and Use 1/  
(Rough Equivalent of Rough and Milled Rice)

| Item                   | 2006/07 | 2007/08 | 2008/09 Projections |         | Jay's    |
|------------------------|---------|---------|---------------------|---------|----------|
|                        |         |         | Est.                | January | February |
| <b>LONG GRAIN</b>      |         |         |                     |         |          |
| Harvested acres (mil.) | 2.19    | 2.05    | 2.35                | 2.35    | 2.35     |
| Yield (pounds/acre)    | 6,727   | 6,980   | 6,522               | 6,522   | 6,318    |
| Beginning stocks       | 32.7    | 28.5    | 19.0                | 19.0    | 15.4     |
| Production             | 147.1   | 143.2   | 153.3               | 153.3   | 148.5    |
| Supply, total 7/       | 194.0   | 189.4   | 187.3               | 187.3   | 178.9    |
| Domestic & Residual 3/ | 93.4    | 88.5    | 95.0                | 95.0    | 95.0     |
| Exports 8/             | 72.0    | 81.9    | 77.0                | 74.0    | 74.0     |
| Use, total             | 165.4   | 170.4   | 172.0               | 169.0   | 169.0    |
| Ending stocks          | 28.5    | 19.0    | 15.3                | 18.3    | 9.9      |

# Conclusions!

---

- ❑ USDA is correct or I am! Either way...
- ❑ Normal buying and new buyers will move final export numbers closer to a normal year.
- ❑ US rice is competitive with Thai rice in many markets.
- ❑ Don't be too quick to surrender to this market!



---

**Thank you!**