



Rice Outlook

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World Market Price Value Factors	This Week 4/15/09 CWT (BLS)	Last Week 4/08/09 CWT(BLS)	Loan 2008/2009 Cwt	LDP
Long Grain	\$18.71 (30.31)	\$18.71 (30.31)	\$10.00	\$.00
Medium Grain	\$18.47 (29.92)	\$18.47 (29.92)	\$9.78	\$.00
Short Grain	\$18.47 (29.92)	\$18.47 (29.92)	\$9.78	\$.00
Brokens	\$12.59 (20.40)	\$12.59 (20.40)	\$6.67	
Calculations				
55/70 Long Grain	\$12.18 (19.73)	\$12.18 (19.73)	\$6.50	
55/70 Medium Grain	\$12.05 (19.52)	\$12.05 (19.52)	\$6.50	

The biggest news in the market this crop year is the sale of 120,000 mt of long grain milled rice to Iraq in the last weeks of March. This business was so dearly needed and now provides the mills an opportunity to fill their production schedules through May and into June. The market's attention is now on another tender by Iraq for 30,000 mt of milled rice for June/July shipment. Bid closing date was April 5 for reply by April 12, however no word from the Iraq Grain Board as to their decision. Although the tender calls for only 30,000 mt, many feel that final total of tonnage could be significantly more if the price is right.

On March 31, USDA released the Planting Intentions report for all corps. Rice planting intentions for 2009 are expect up 6% from last year for the U. S. and up 2% for Louisiana. Long grain is up 7%, but the biggest change is in Southern medium grain which is up 56% and Louisiana's numbers seem somewhat low. USDA also released the stocks report and in round figures, rough rice in all positions is down 13% and milled rice is down 16% from last year. If one uses a carry out of about 30 million cwt, these numbers reflect that there is still about 1/3 of the crop left to market in the last 1/3 of the marketing year.

On April 9, USDA issued is monthly supply/demand report with the most significant change a reduction in ending stocks from 30.2 million cwt to 22.2 million. All of this reduction was in the carry out for long grain. Many in the industry felt USDA had never fully adjusted its estimates of yields and production as a result of the damage from the hurricanes in September 2008.

In South Louisiana, bidding for long grain continues at \$20/barrel (\$12.35/cwt) for No. 2/62/70, with light selling. In Texas, the market continues to be mostly quiet with prices at \$4.75 and \$6.00/cwt over loan (hybrid vs. conventional) with just a very small amount of trading. In the Mid-South the barge market is quiet as buyer's ideas are around \$12.75/cwt loaded barge and seller's ideas are around \$13.50 or higher.

In Thailand demand remains extremely thin for regular white rice due to support from the intervention program and formerly uncompetitive prices. However, Thai prices have been falling over the past several weeks and 100% B in now quoted at around \$540-550/mt. U.S. No. 2 long grain is quoted at \$550/mt. In Vietnam the situation is virtually unchanged as the export ban remains intact. However, export shipments against old contracts with Cuba, The Philippines, Iraq and Africa continue on a rampant pace.

A new Iraq tender, growing congressional support for ending the embargo of Cuba and increasing export sales are positive factors in the long grain market. The medium grain market

remains bullish, with supply tight and active demand from Mideast and South Pacific.