



Louisiana Agricultural Outlook Forum
LSU AgCenter Dean Lee Research Station
Wednesday, January 10, 2024
Alexandria, Louisiana

Rice and Cotton Outlook for 2024



Dr. Michael Deliberto

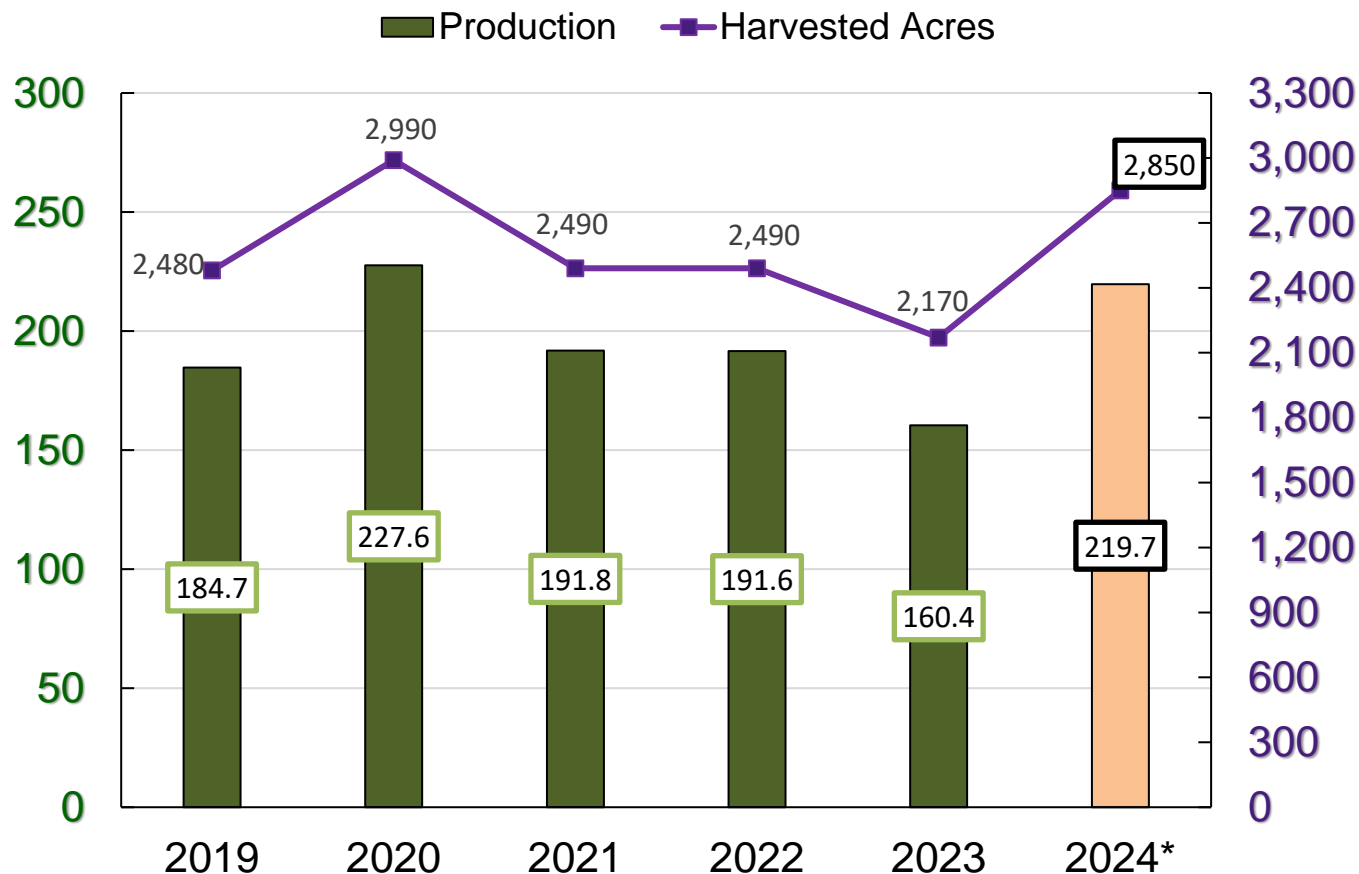
Associate Professor &
Louisiana Farm Bureau Endowed Professor in Agricultural Policy
Department of Agricultural Economics and Agribusiness
Louisiana State University Agricultural Center

U.S. Total Rice Production

Five-year Summary of Acreage and Production with the November WASDE

(Million cwt)

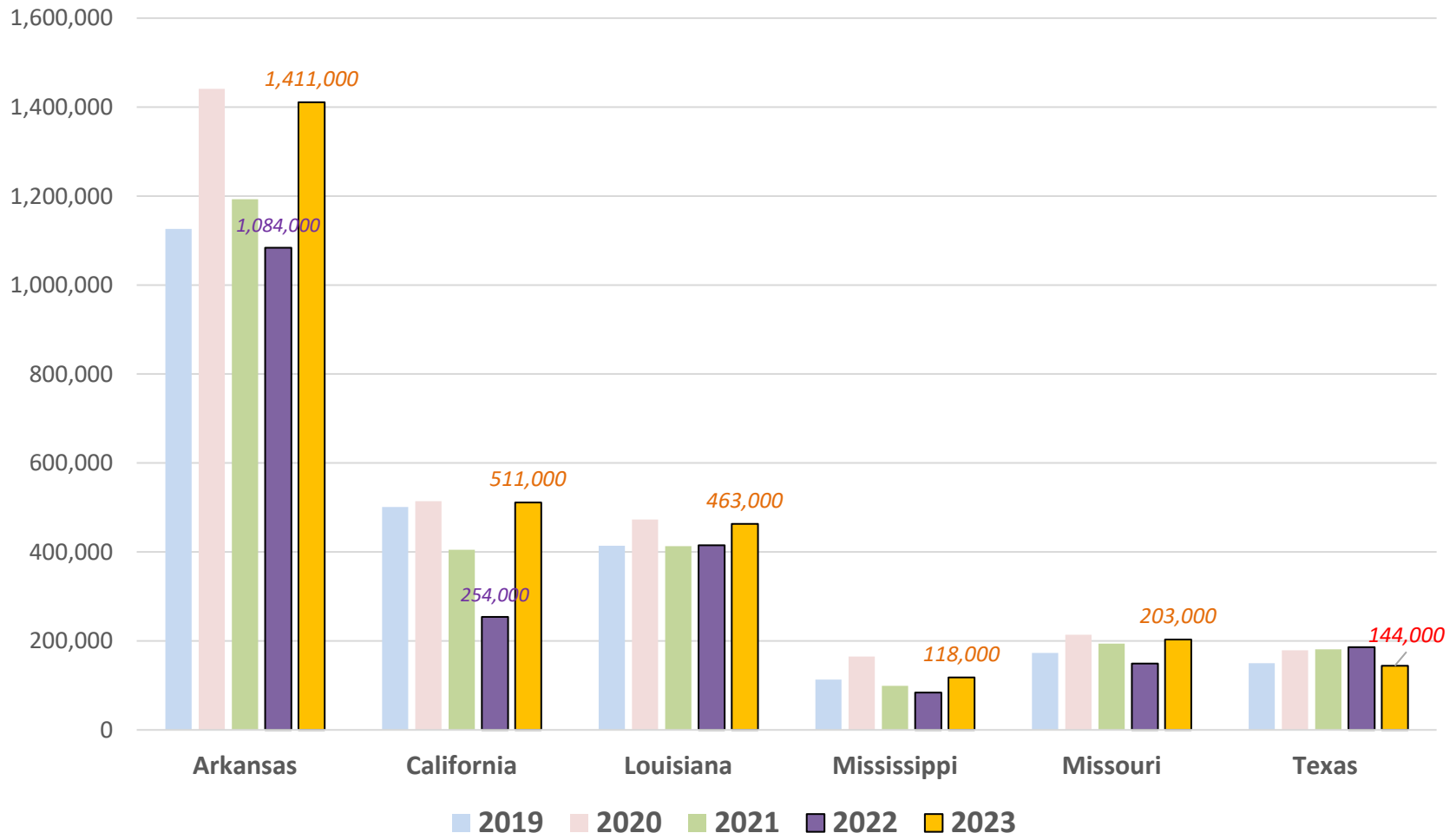
(Million acres)



Source: USDA WASDE Report. November 9, 2023.

U.S. Rice Harvested Acres

The 2023 harvested area is estimated 31% larger year-over-year



Source: USDA NASS.

U.S. Total Rice Supply and Use

2022/23 and 2023/24 Marketing Year Comparison

Total U.S. (All) Rice	2022/23 (M cwt)	2023/24 (M cwt)	Percent Change
Beginning stocks	39.7	30.3	-23.7%
Production	160.4	219.7	+37.0%
Imports	39.9	40.0	+0.3%
Total Rice Supply	240.0	289.9	+20.8%
Domestic use	145.4	162.0	+11.4%
Exports	64.3	86.0	+33.7%
Total Rice Use	209.7	248.0	+18.3%
Ending stocks	30.3	41.9	+38.2%
Stocks-to-Use Ratio	14.5%	16.9%	+2.4%

U.S. Long Grain Supply and Use

2022/23 and 2023/24 Marketing Year Comparison

Total U.S. <u>Long Grain Rice</u>	2022/23 (M cwt)	2023/24 (M cwt)	Percent Change
Beginning stocks	24.6	21.2	-13.8%
Production	128.2	152.1	+18.6%
Imports	31.9	33.0	+3.4%
Total Rice Supply	184.7	206.2	+11.6%
Domestic use	113.7	124.0	+9.1%
Exports	49.8	61.0	+22.5%
Total Rice Use	163.5	185.0	+13.1%
Ending stocks	21.2	21.2	--
Stocks-to-Use Ratio	13.0%	11.4%	-1.6%
Average Farm Price (\$/cwt)	\$16.70	\$16.00	

Source: USDA WASDE Report. December 8, 2023.

\$27.05/bbl

\$25.92/bbl

U.S. Medium and Short Grain Supply and Use

2022/23 and 2023/24 Marketing Year Comparison

Total U.S. <u>MG & SG Rice</u>	2022/23 (M cwt)	2023/24 (M cwt)	Percent Change
Beginning stocks	13.0	6.8	-47.7%
Production	32.2	67.6	+109.9%
Imports	8.0	7.0	-12.5%
Total Rice Supply	53.0	81.4	+53.6%
Domestic use	31.7	38.0	+19.9%
Exports	14.5	25.0	+72.4%
Total Rice Use	46.2	63.0	+36.3%
Ending stocks	6.8	18.4	+170.5%
Stocks-to-Use Ratio	14.7%	29.2%	+14.5%
Average Farm Price (\$/cwt)	\$18.20	\$17.50	

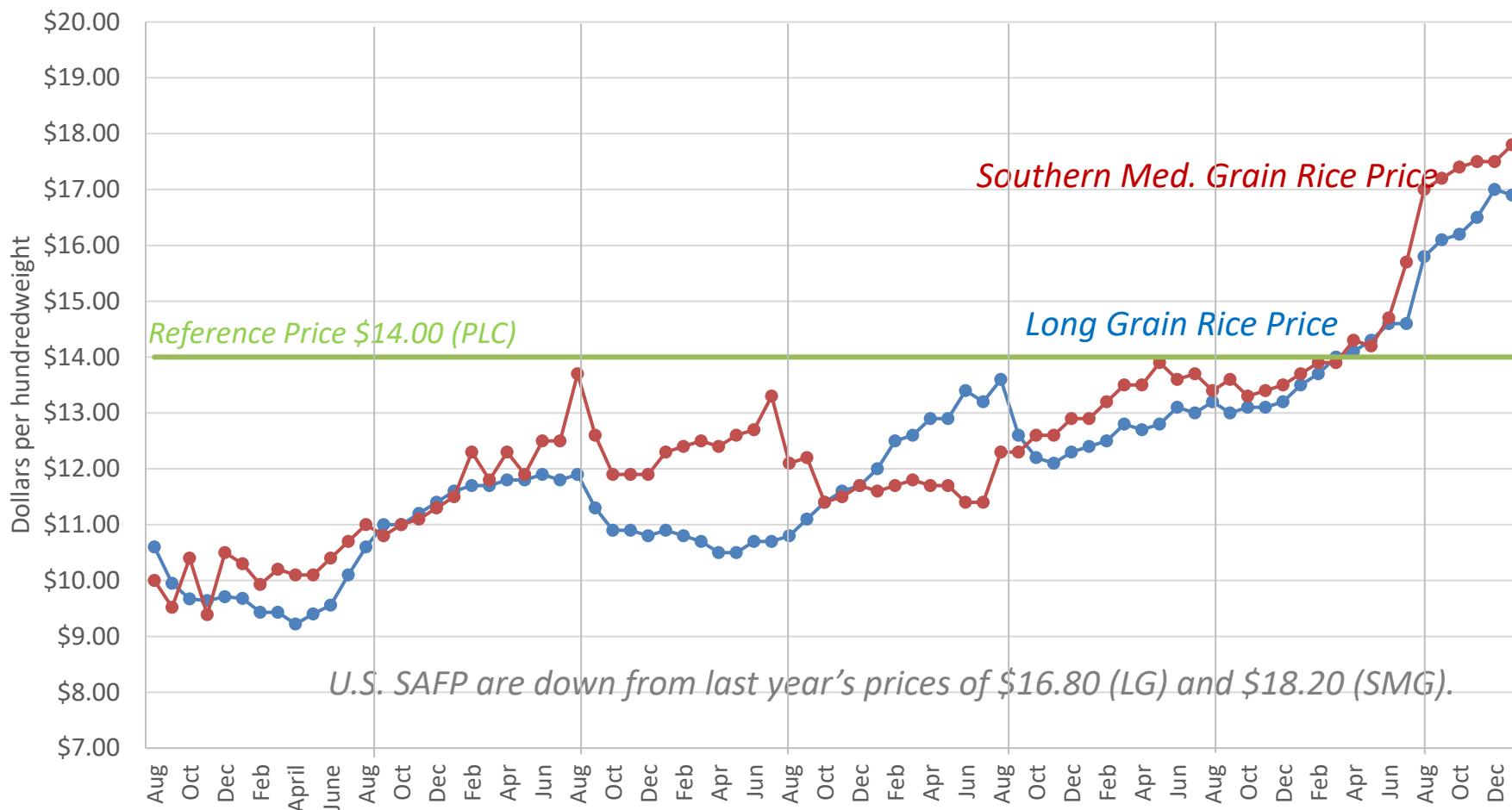
\$29.48/bbl

\$28.35/bbl

Source: USDA WASDE Report. December 8, 2023.

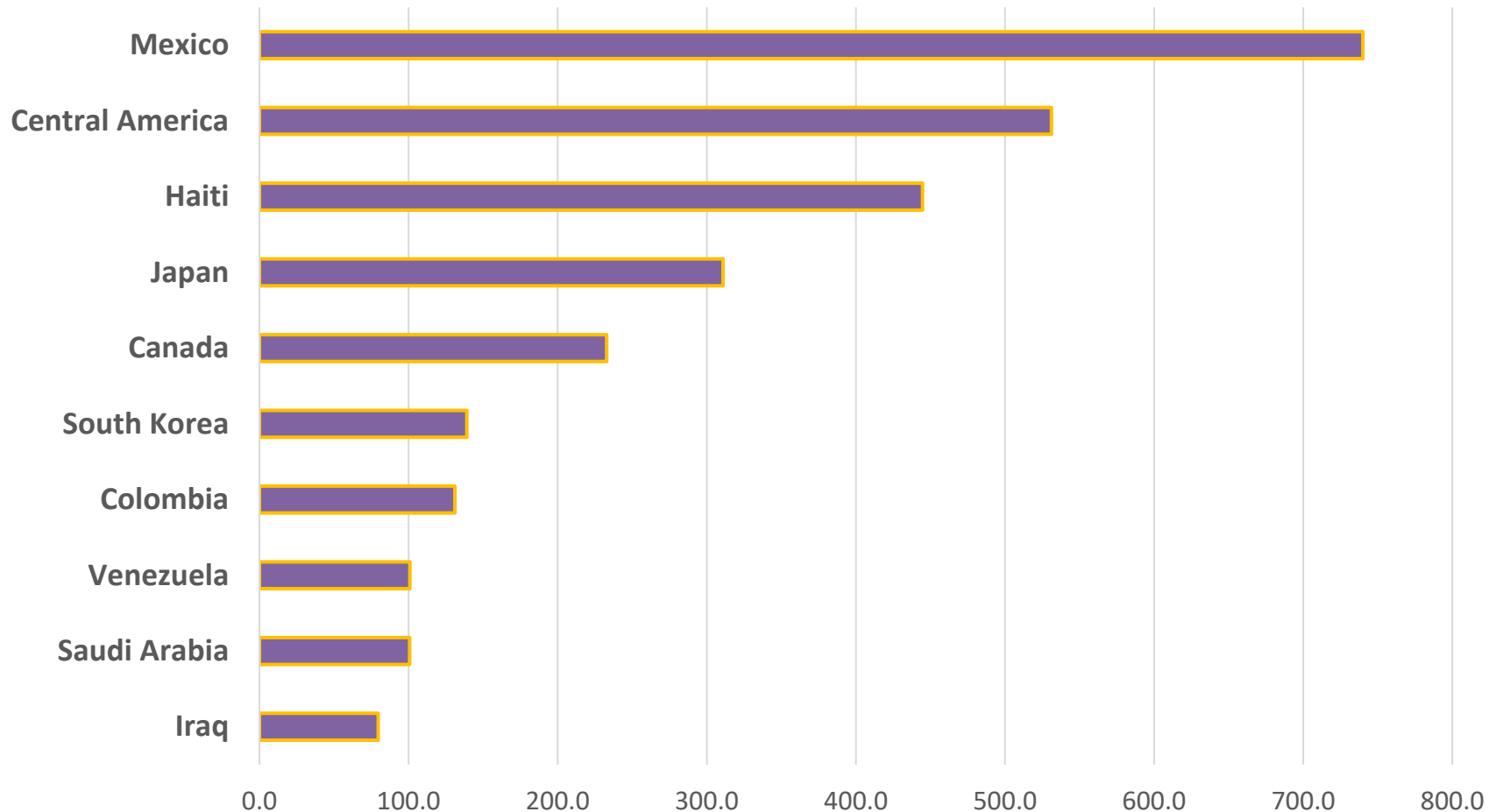
U.S. Rice Monthly Prices by Class, 2016 to present

SAFP for 2023/24 estimated at \$16.00 LG and \$17.50 for South.MG (\$/cwt)



Top 10 Markets for U.S. Rice

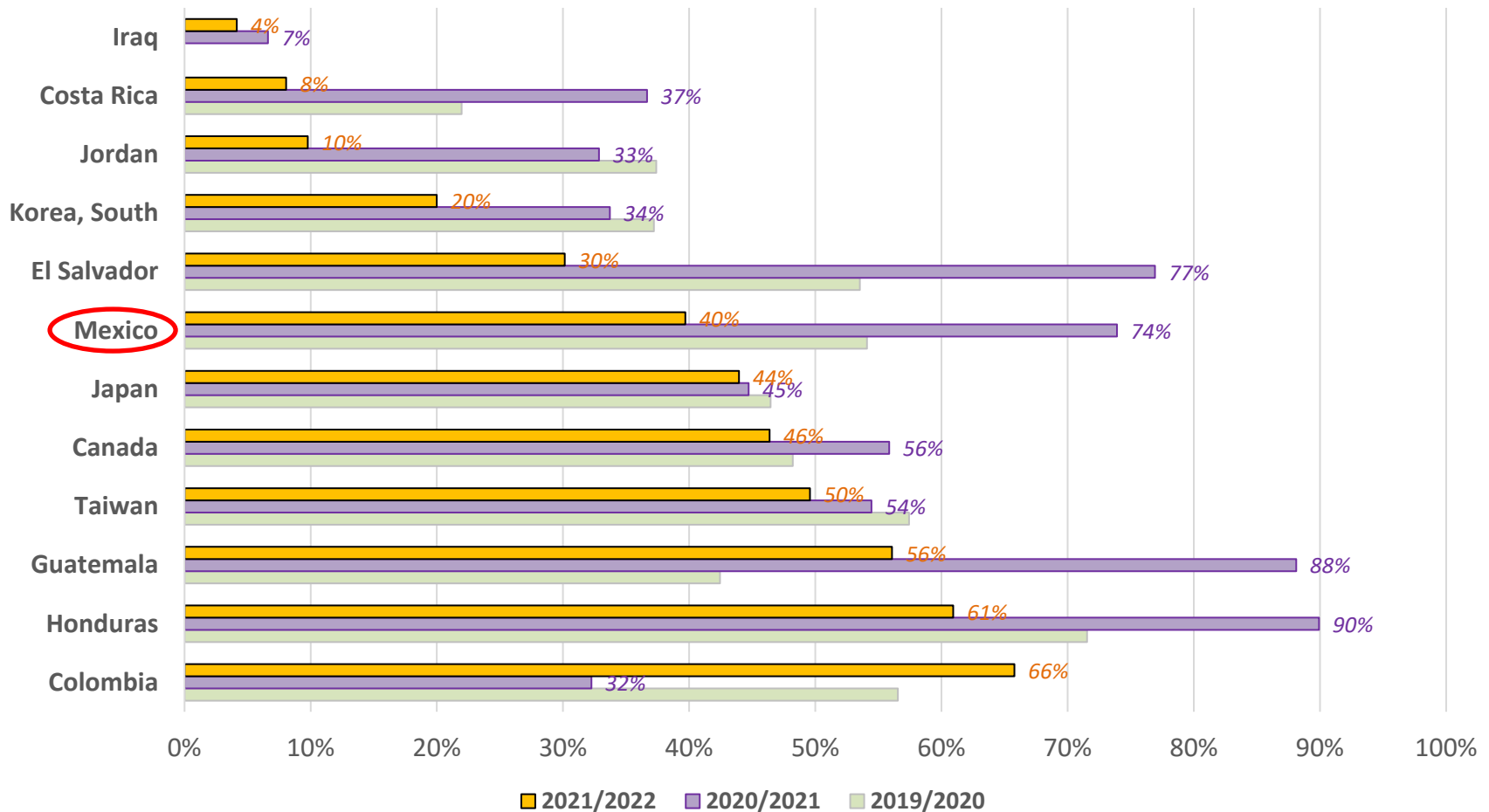
Average annual shipments (1,000 tons) selected markets, recent five-year period



Source: USDA ERS.

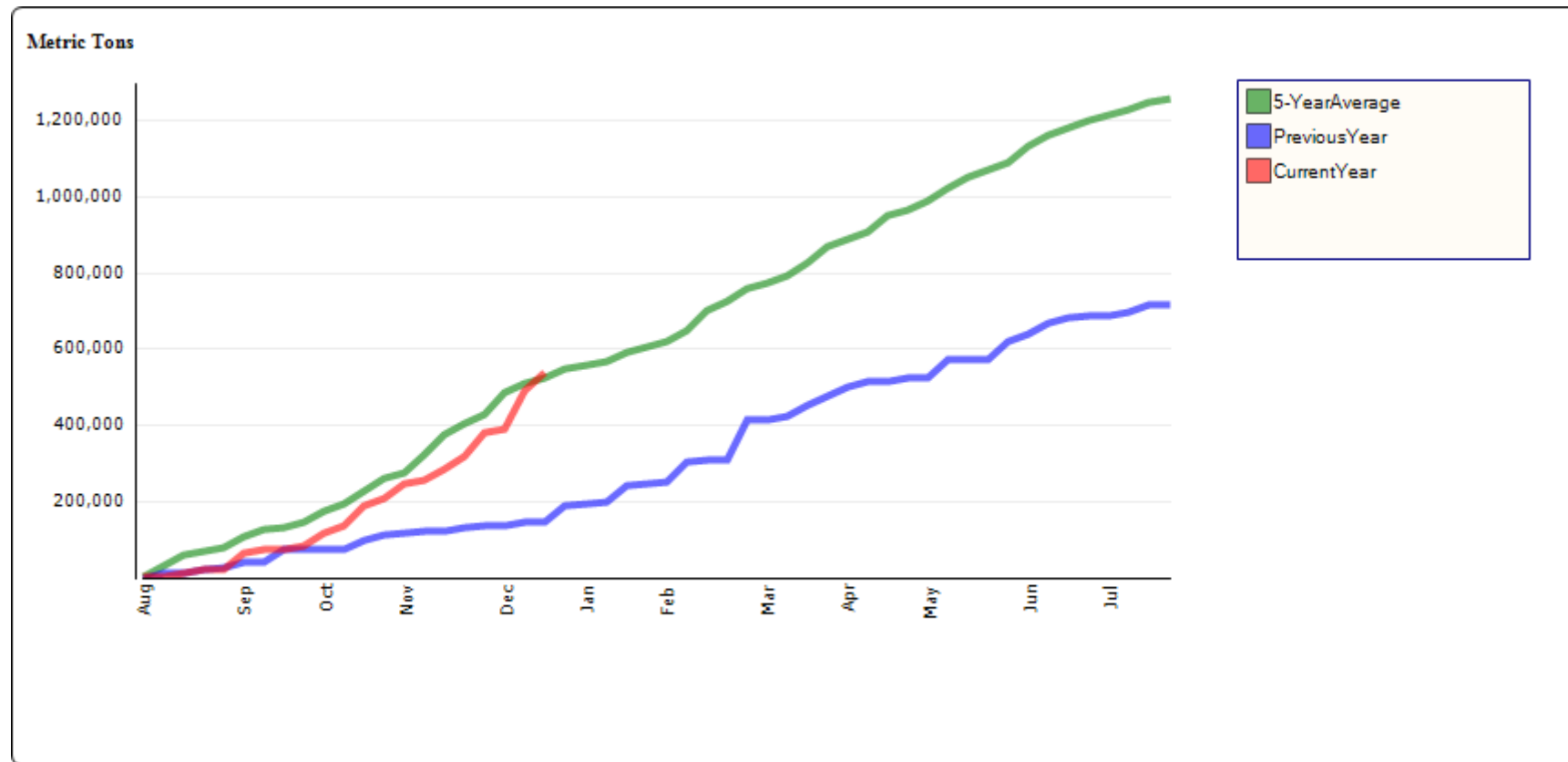
Market Shares for U.S. Rice, selected countries

U.S. rice imports by country expressed as percent of total import share



U.S. Long Grain Rough Rice Exports to World

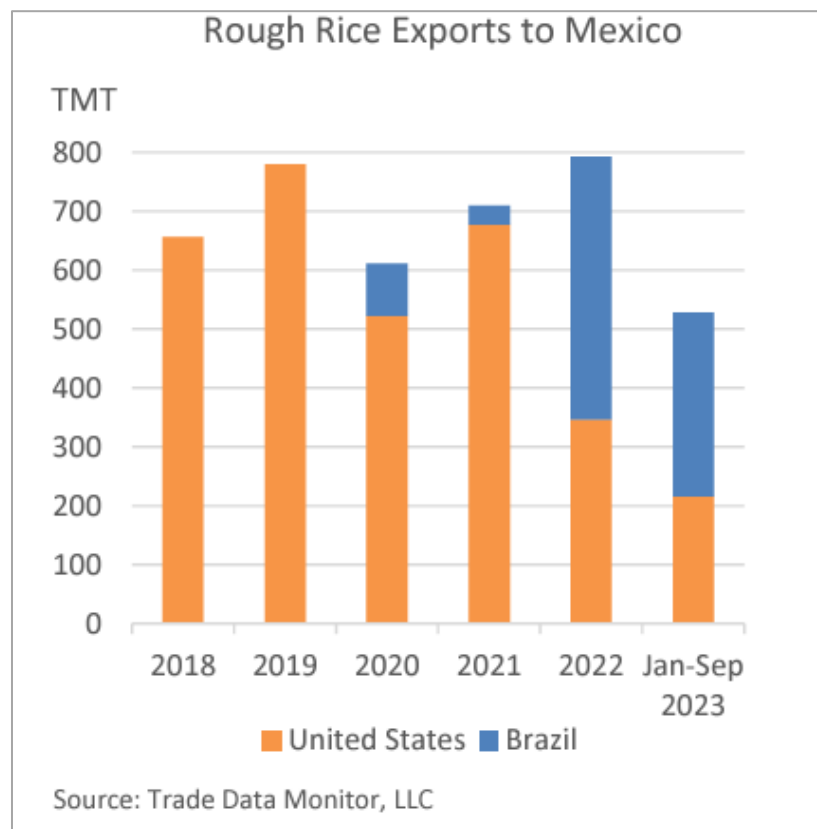
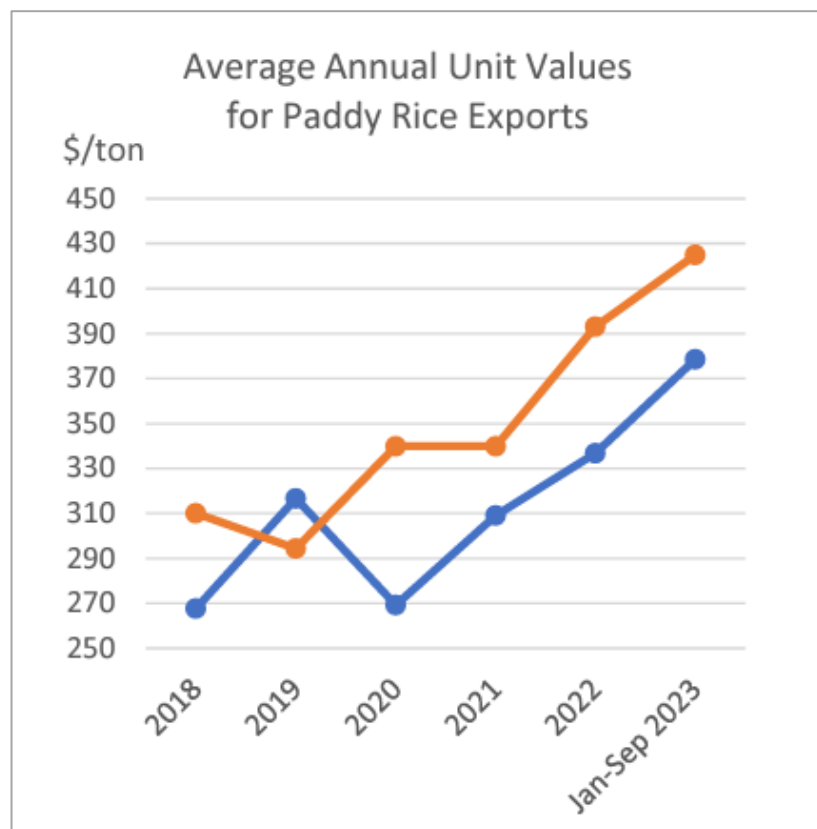
Accumulated exports compared to the previous year and five-year average



Source: USDA FAS. December 21, 2023.

Competition for Western Hemisphere Market Share

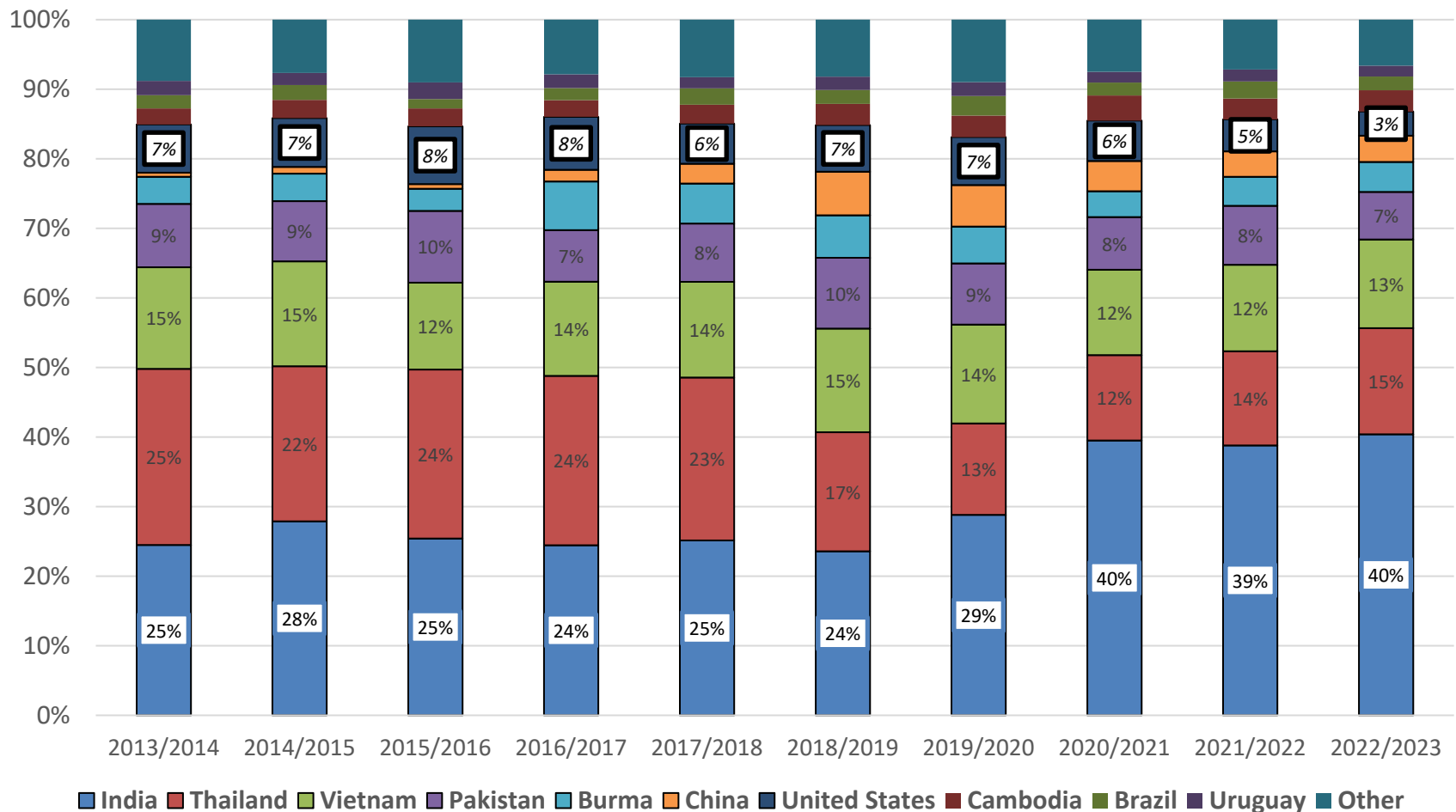
U.S. and Brazil are competing for market share



Global Rice Exports, by Share

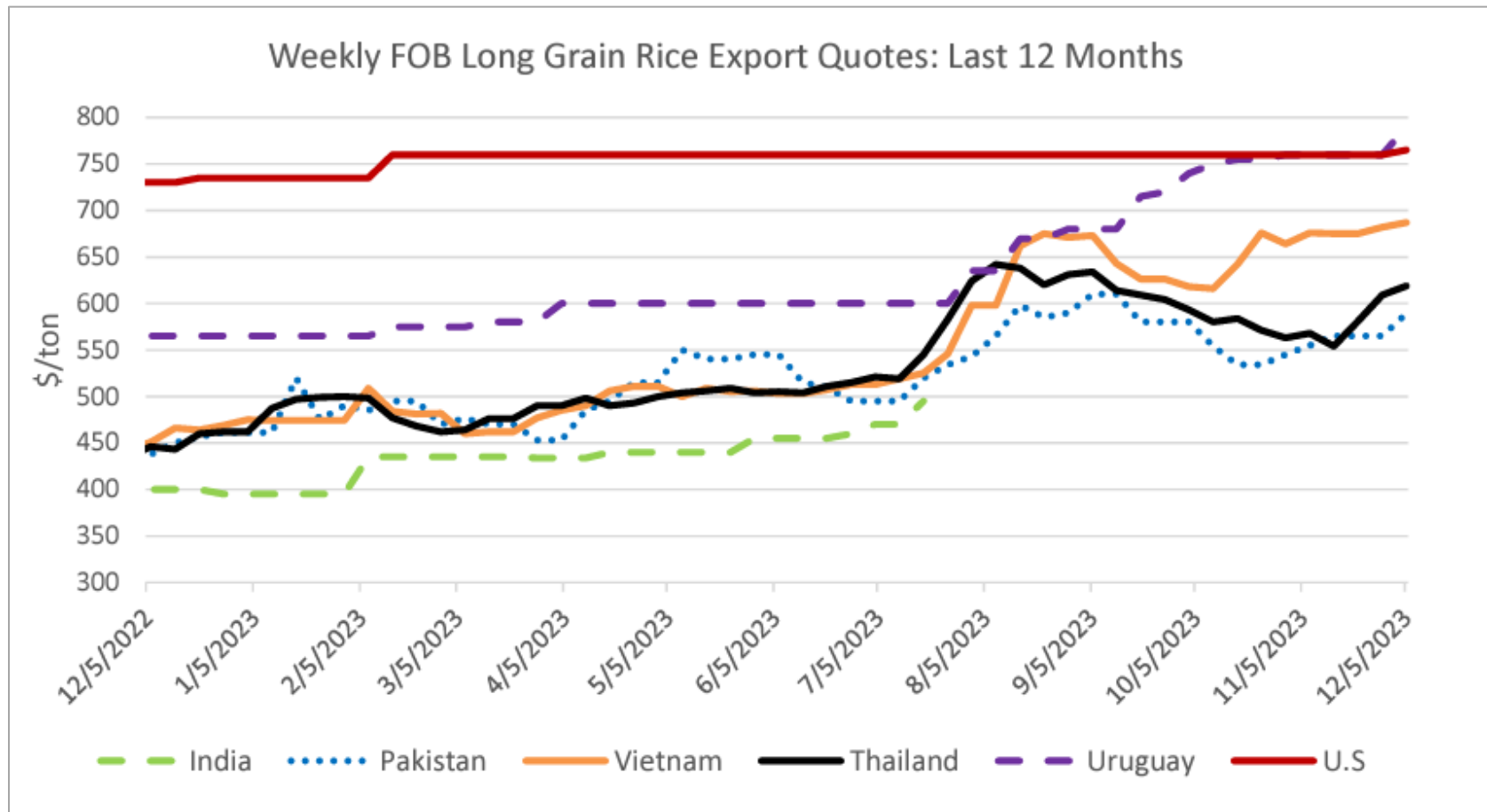
Global rice exporter history, previous 10-year period

The U.S. ships 5% of global rice, on average.



Weekly Long Grain Rice Export Quotes

FOB export price quotes, previous 12 months



Source: USDA FAS. December 2023.

Rice Futures Prices

March 2024 futures ad weekly continuous



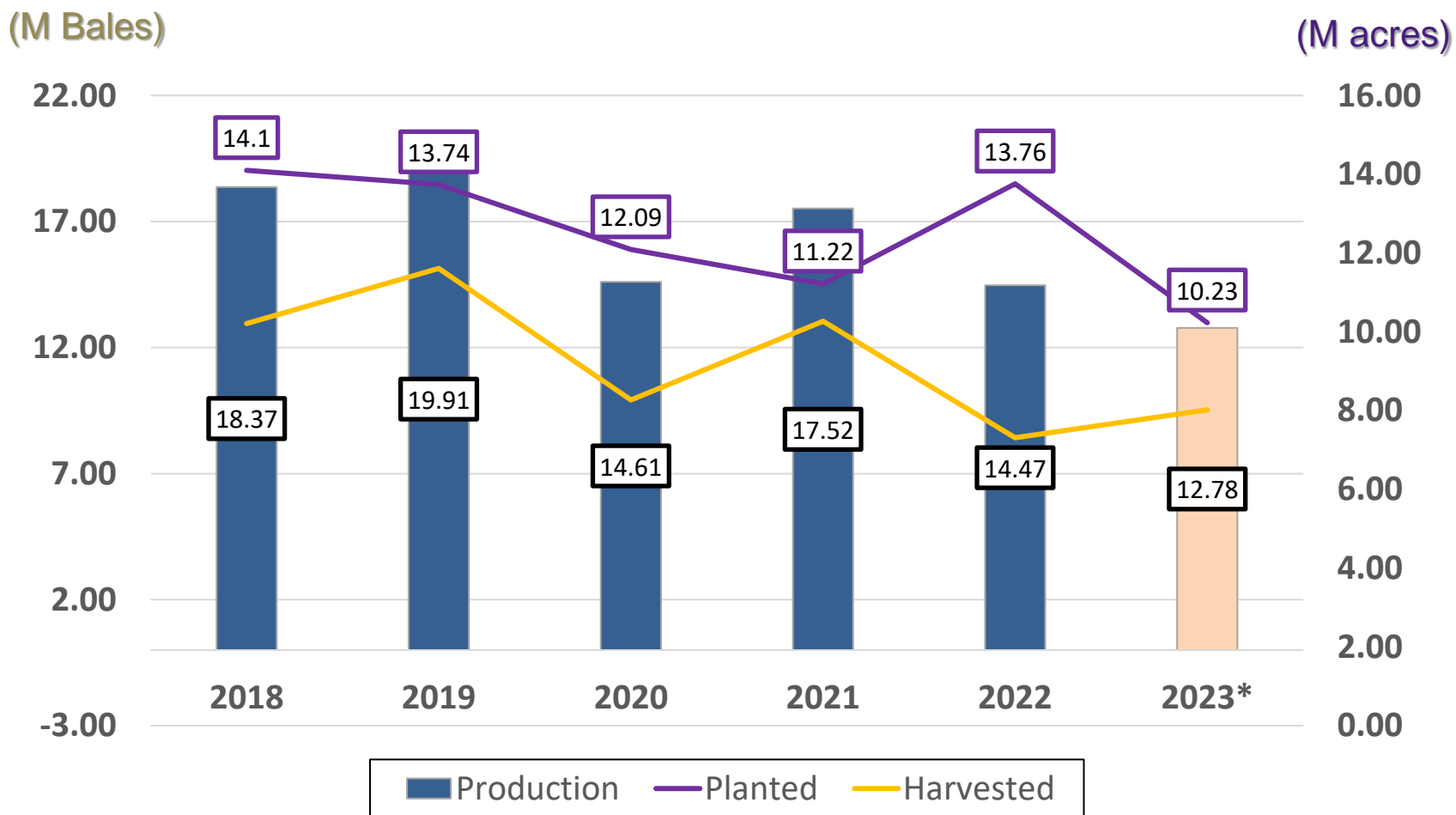
Early Estimates for U.S. Rice Production in 2024

Planting, production, and prices for next year

- Acreage: 2.80 M all-rice acres planted
 - Slight decrease Y-O-Y for MG, LG up slightly
- Beginning Stocks (carry-in) of 41.8 M cwt
 - Increase from last year's abnormally low level
- Production: 211 M cwt
 - Smaller crop Y-O-Y
- Exports: 89 M cwt
 - Increase Y-O-Y, U.S. expected to regain market share
- SAFP: \$14.00 LG and \$14.50 MG

U.S. Cotton Production

Five-year Summary of Acreage and Production with USDA Oct baseline projection



Source: USDA WASDE Report. November 9, 2023.

U.S. Cotton Supply and Use

2022/23 and 2023/24 Marketing Year Comparison

Total Cotton	2022/23 (M Bales)	2023/24 (M Bales)	Percent Change
Beginning stocks	4.05	4.25	+4.9%
Production	14.47	12.78	-11.7%
Total Supply	18.52	17.03	-8.1%
Domestic use	2.05	1.90	-7.3%
Exports	12.77	12.20	-4.5%
Total Use	14.82	14.10	-4.9%
Ending stocks	4.25	3.10	-27.1%
Stocks-to-Use Ratio	25.0%	20.1%	-4.9%

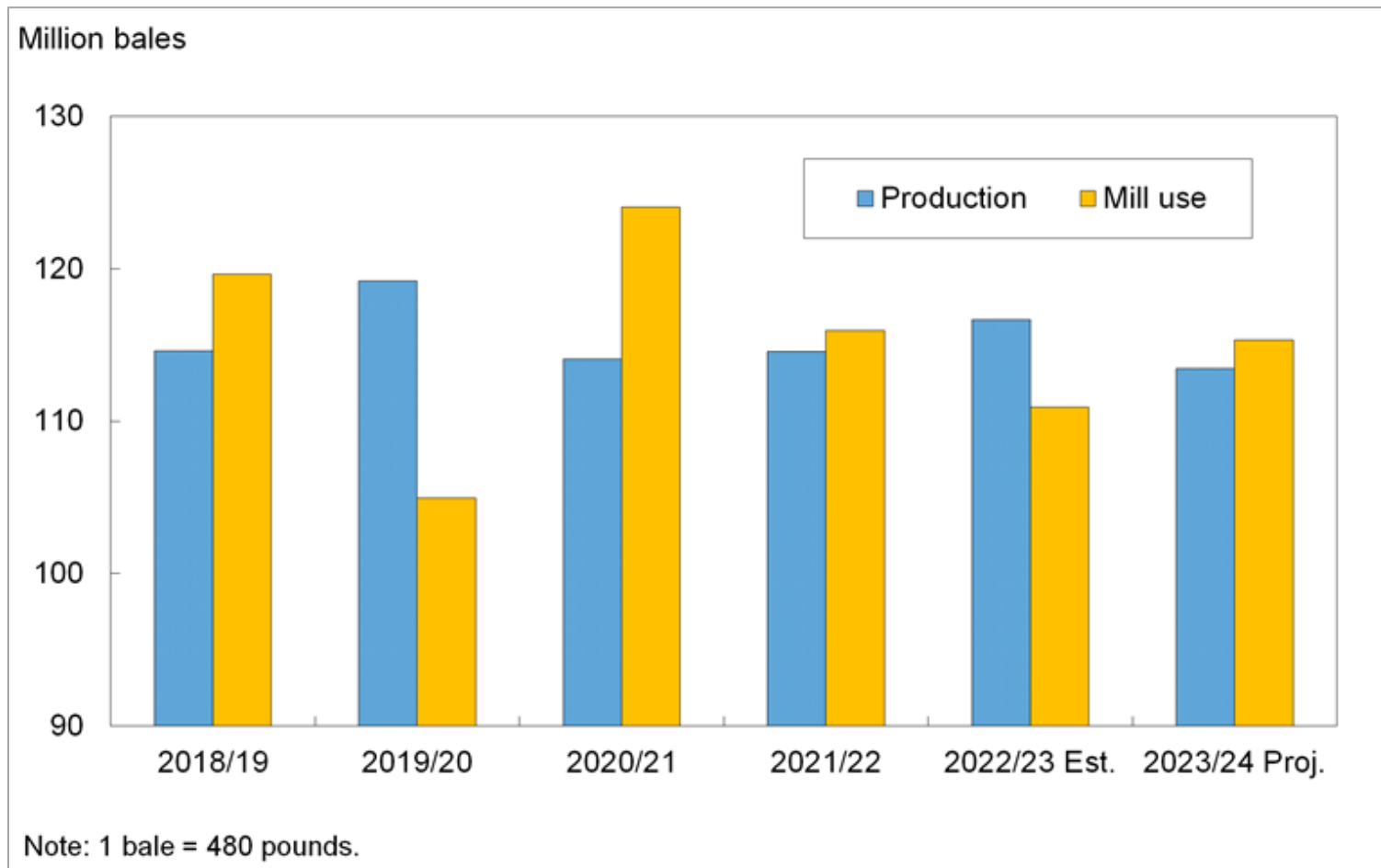
\$0.848/lb.

\$0.770/lb.

Source: USDA WASDE Report. December 8, 2023.

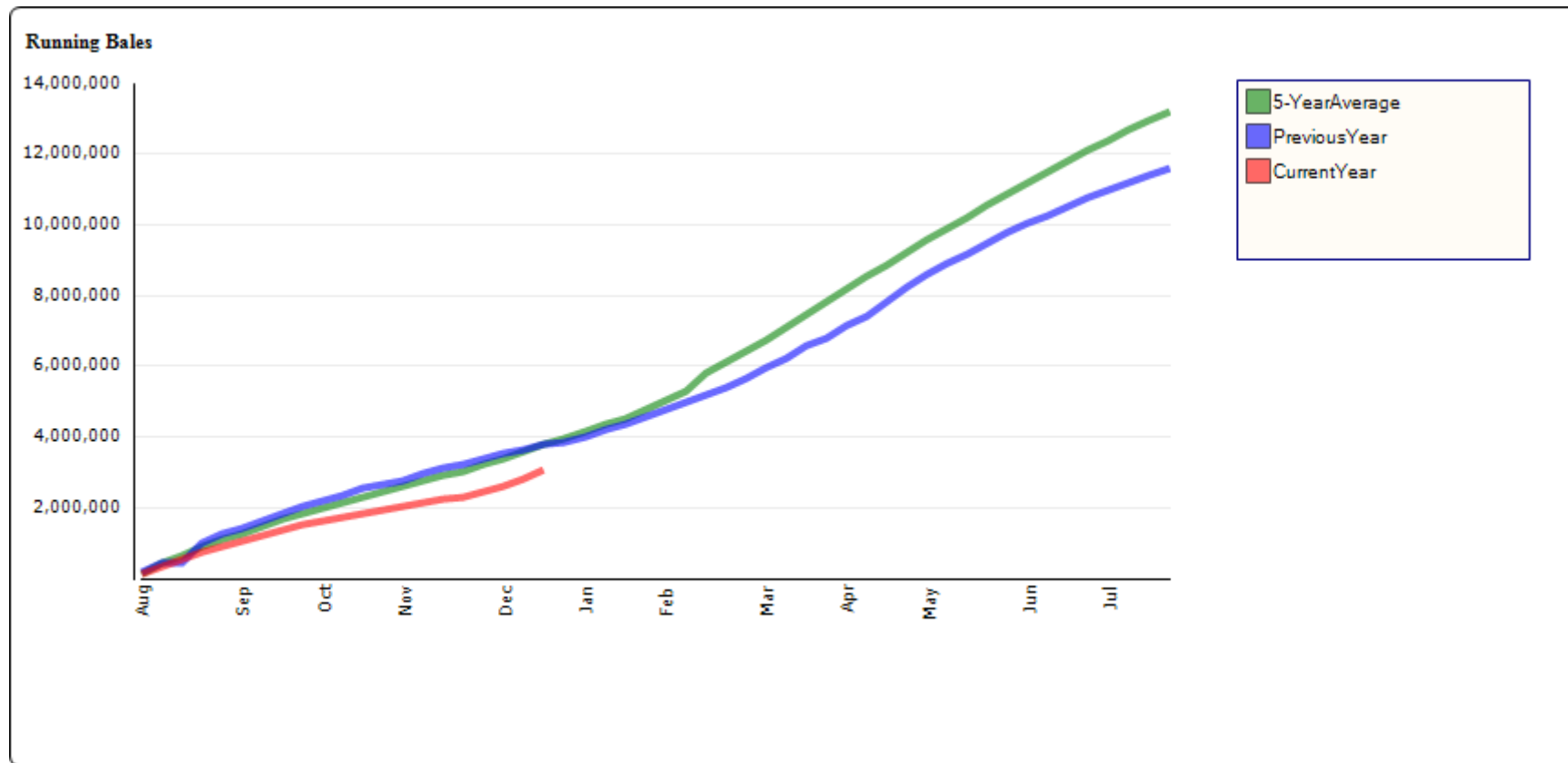
Global Cotton Production and Mill Use

Mill use has exceeded production in 4 out of the previous 6 years



U.S. Cotton Exports

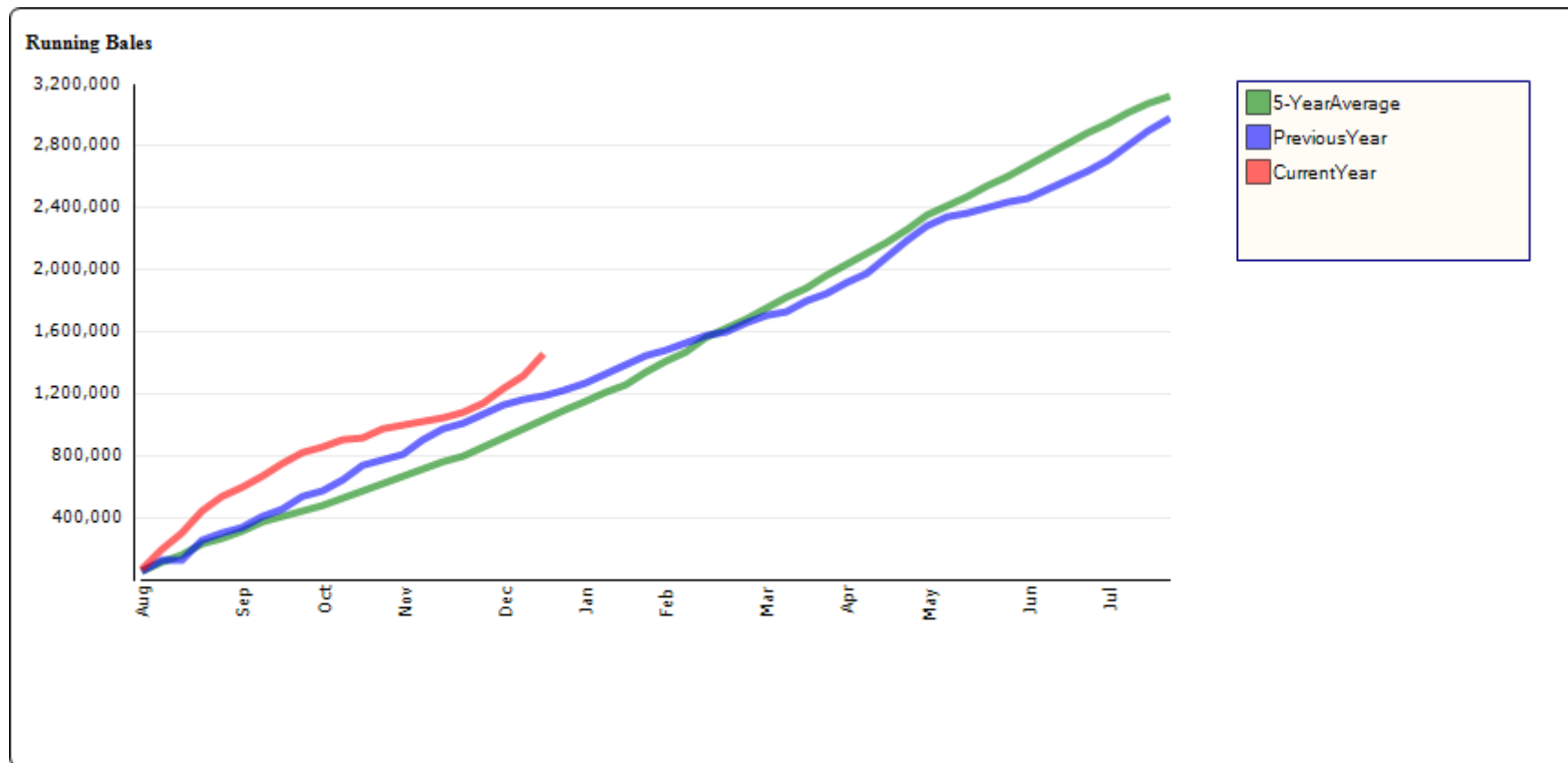
Accumulated exports compared to the previous year and five-year average



Source: USDA FAS. December 21, 2023.

U.S. Cotton Exports to China

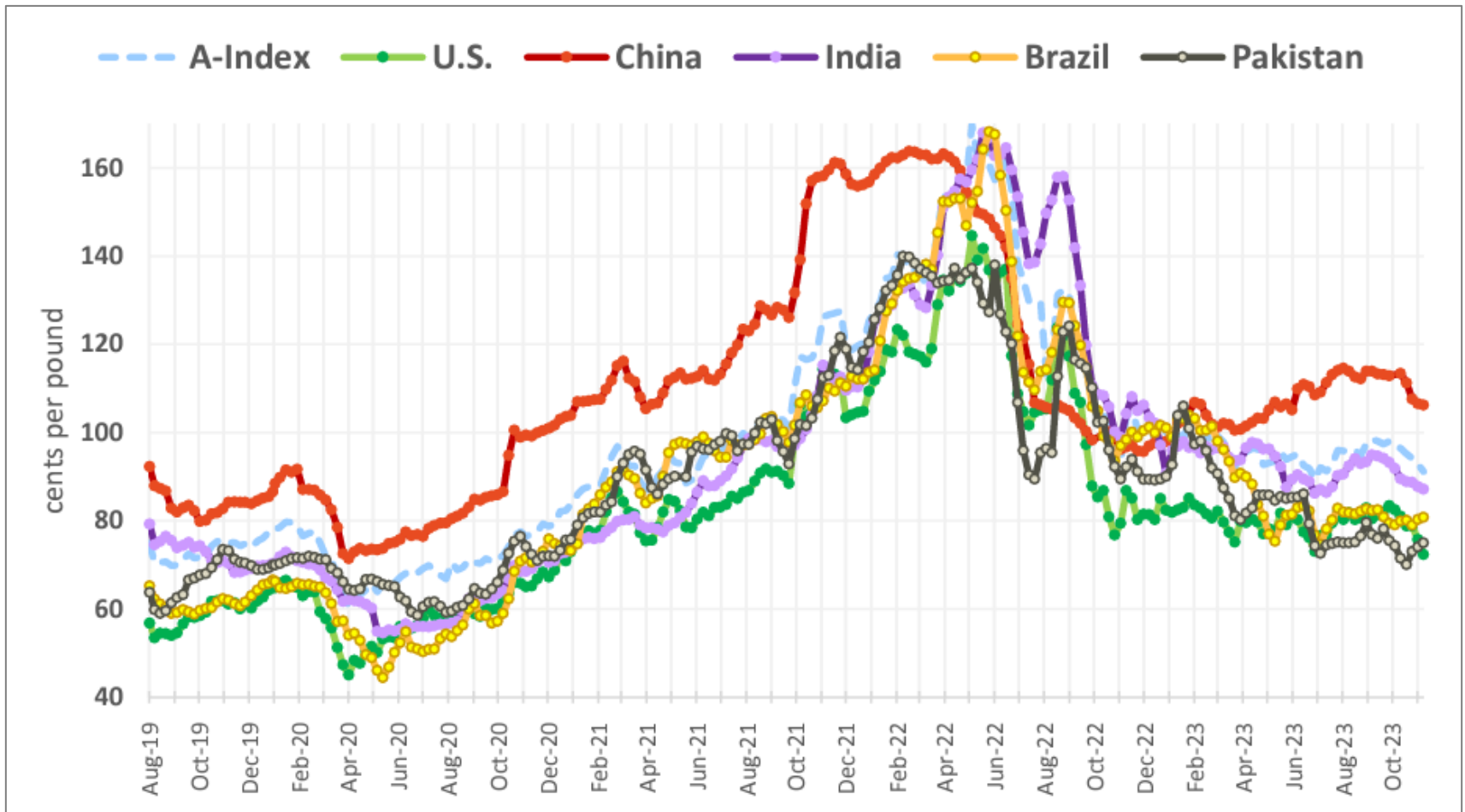
Accumulated exports compared to the previous year and five-year average



Source: USDA FAS. December 21, 2023.

World Cotton Prices (weekly)

Comparison to the A-Index and top cotton-exporting countries

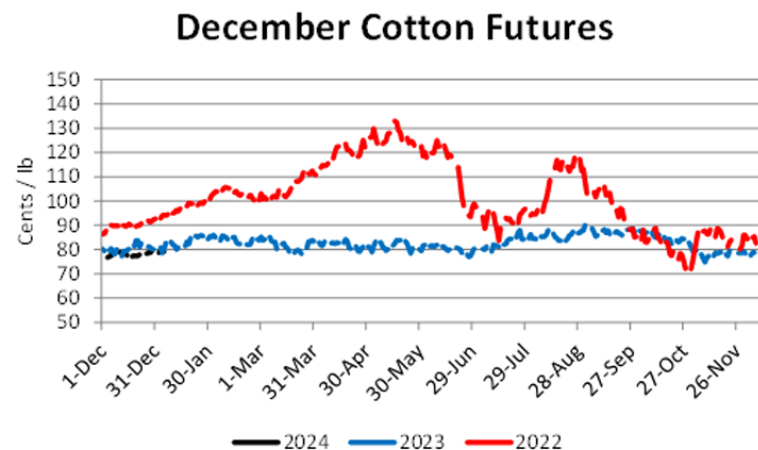


Source: USDA FAS. November 9, 2023.

Cotton Futures Prices

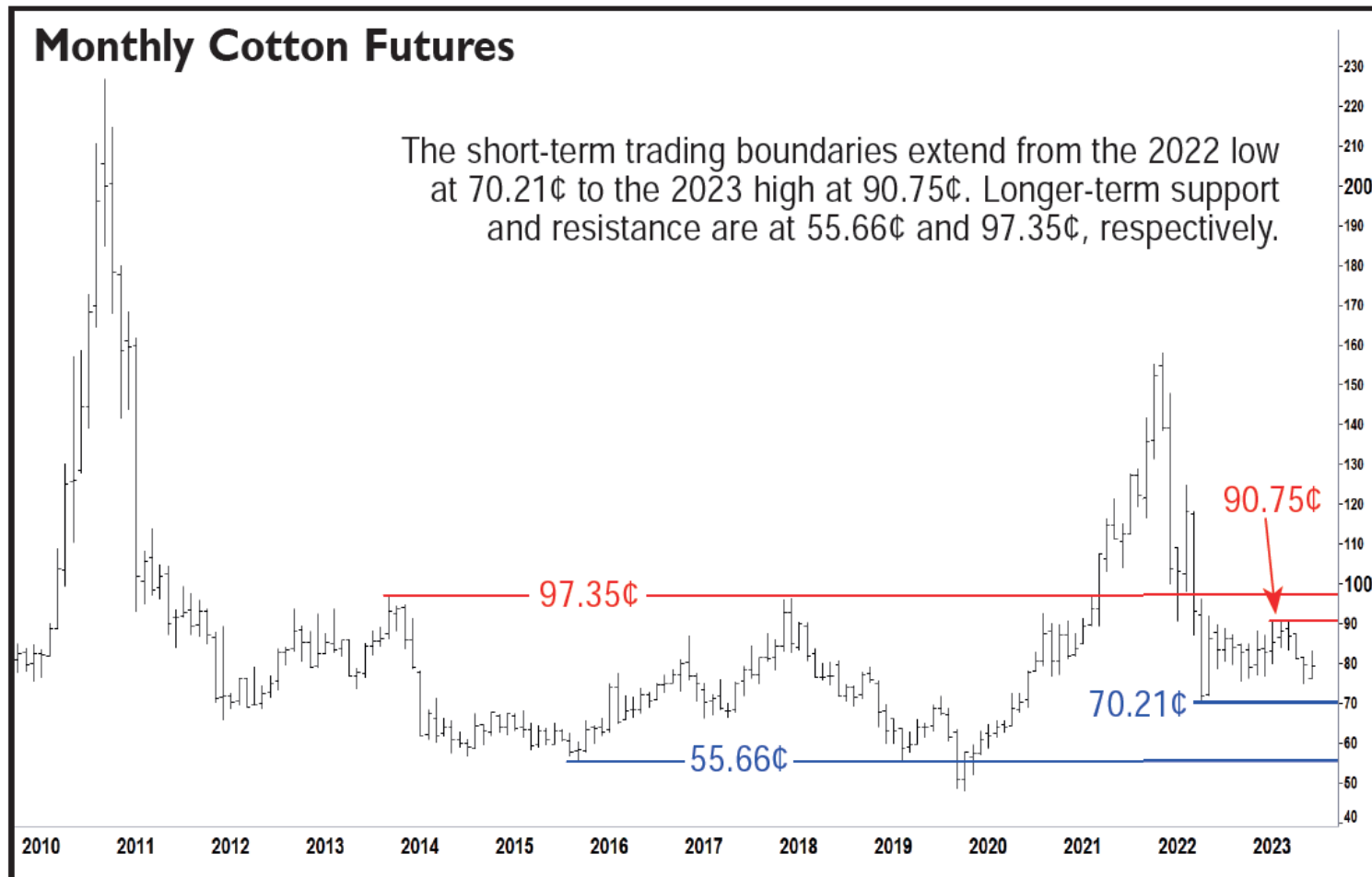
March 2024 and December 2024 futures

Cotton	Mar 24	Change	Dec 24	Change
Price	80.19	-0.81	79.29	-0.07
Support	79.31	1.29	78.52	2.01
Resistance	81.65	0.21	80.04	0.44
20 Day MA	80.47	0.32	78.42	0.65
50 Day MA	80.84	-1.01	78.32	-0.44
100 Day MA	83.90	-0.46	79.54	-0.09
4-Week High	83.13	0.00	79.85	0.41
4-Week Low	78.31	0.00	77.02	0.34
Technical Trend	Flat	=	Flat	=



Monthly Cotton Futures Prices

2010 to 2023



Source: Pro Farmer, December 21, 2023.

Early Estimates for Upland Cotton Production in 2024

Planting, production, and prices for next year

- Acreage: 11.7 M acres planted
 - Increase Y-O-Y
- Beginning Stocks (carry-in) of 3 M bales
 - Will “tight carry-in” be a factor?
- Production: 16.6 M bales
 - Larger crop by 4.1 M bales (+33% Y-O-Y)
- Exports: 13.6 M bales
 - Increase Y-O-Y but what will global economic conditions and trade competition look like?
- SAFP: \$0.76

Effective Reference Prices for 2024

ARC/PLC enrollment closes March 15, 2024

	Corn	Soybean	Sorghum	Wheat	Seed Cotton	Long Grain Rice	Med. Grain Rice
	bu	bu	bu	bu	lb	lb	lb
Statutory Reference Price	\$3.70	\$8.40	\$3.95	\$5.50	\$0.3670	\$0.1400	\$0.1400
115% of Reference Price	\$4.26	\$9.66	\$4.54	\$6.33	\$0.4221	\$0.1610	\$0.1610
MYA Price in 2018	\$3.61	\$8.48	\$3.26	\$5.16	\$0.3453	\$0.1080	\$0.1230
MYA Price in 2019	\$3.56	\$8.57	\$3.34	\$4.58	\$0.3058	\$0.1200	\$0.1160
MYA Price in 2020	\$4.53	\$10.80	\$5.04	\$5.05	\$0.3393	\$0.1260	\$0.1310
MYA Price in 2021	\$6.00	\$13.30	\$5.94	\$7.63	\$0.4675	\$0.1360	\$0.1390
MYA Price in 2022	\$6.54	\$14.20	\$5.94	\$8.83	\$0.4533	\$0.1670	\$0.1820
85% of 5-yr. Olympic Average	\$4.01	\$9.26	\$4.03	\$5.28	\$0.3364	\$0.1190	\$0.1190
2024 Effective Reference Price	\$4.01	\$9.26	\$4.03	\$5.50	\$0.3670	\$0.1400	\$0.1400



Michael Deliberto, Ph.D.

Associate Professor &
Louisiana Farm Bureau Endowed Professor in Agricultural Policy

Department of Agricultural Economics and Agribusiness
101 Martin D. Woodin Hall
Louisiana State University Agricultural Center
Baton Rouge, LA 70803

Phone:	225-578-7267
Email:	mdeliberto@agcenter.lsu.edu