



# PRODUCERS Rice Letter

P.O. Box 1248 - Stuttgart, Arkansas 72160 - (870) 673-4444 EOE M/F/Vet/Disabled Volume 34, No. 12 July 2020

## 2020 Calendar of Events

August 20 Ark. Rice Field Day, VIRTUAL Stuttgart, AR  
September National Rice Month

### SUPPLY & DEMAND ESTIMATES

#### U. S. Rice Supply & Use

(Rough Equiv. of Rough & Milled Rice in Million Cwts.)

	<u>Est.</u>	<u>Proj. June</u>	<u>Proj. July</u>
<u>TOTAL</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2020-21</u>
Beginning stocks	44.9	32.0	30.0
Production	184.7	216.2	220.7
Imports,	34.5	33.6	34.6
Supply, total	264.0	281.8	285.3
Domestic &	139.5	139.5	143.5
Exports, total	94.5	99.0	98.0
Rough	34.0	36.0	35.5
Milled (rough)	60.5	63.0	62.5
Use, total	234.0	238.5	241.5
Ending Stocks	30.0	43.3	43.8
<b><u>LONG GRAIN</u></b>			
Beginning stocks	32.6	16.2	14.2
Production	125.6	155.5	161.8
Supply, total	186.2	198.7	204.0
Domestic &	105.0	105.0	109.0
Exports	67.0	71.0	70.0
Use, total	172.0	176.0	179.0
Ending Stocks	14.2	22.7	25.0
<b><u>MEDIUM &amp; SHORT GRAIN</u></b>			
Beginning stocks	10.2	13.7	13.7
Production	59.1	60.7	58.9
Supply, total	75.7	81.1	79.3
Domestic &	34.5	34.5	34.5
Exports	27.5	28.0	28.0
Use, total	62.0	62.5	62.5
Ending Stocks	13.7	18.6	16.8

\*Note these totals may not add due to rounding.

Source: USDA

## GREEN RICE HARVEST PROCEDURES DUE TO COVID-19

Due to the COVID-19 pandemic, we want to let our members know that we will have several new procedures and guidelines in place for the safety of our members and their employees, as well as Producers employees.

We are installing plexi-glass shields and other barriers in our dryers, as well as outside port-a-potties. To help reduce the chances of a COVID-19 outbreak this fall harvest, we want to try to reduce contact as much as possible. In order to provide the correct load information to the weigher/grader inside, we have developed Green Rice Load Information Tickets for your truck drivers. Depending on your receiving location, there will be procedures in place to get this information inside to the weigher/grader. **A booklet of the below example of the load information form will be coming in your mail, and additional booklets will be available at the dryer locations for you to pick up as needed.**

In Arkansas, the Governor has mandated a mask must be worn in while in public. We also hope to keep a 6 foot distance at all times from each other. We are making plans to have a safe and successful harvest for our members and our locations!

PRODUCERS RICE MILL, INC. GREEN RICE LOAD INFORMATION	
ACCT #:	
OR ACCT NAME	<u>GROWER</u> % _____ _____ _____
VARIETY:	
FSA FARM #:	
LOT:	<input type="checkbox"/> NEW LOT <input type="checkbox"/> COMPLETE LOT
DRIVER NAME & CELL #:	

## YOUR CONTINUED SUPPORT OF THE ARKANSA\$ RICE DEPOT IS NEEDED!!

Producers' members have proudly supported the work of the Arkansas Rice Depot and Arkansas Food Bank since its inception 38 years ago. The Arkansas Food Bank provides food for 428,000 people across the state through backpack programs for children, emergency assistance and food delivery to the elderly. Hunger never stops and the need for food never ends.

*A big "thank you" to all Producers' members for their support of the Arkansas Rice Depot and Arkansas Food Bank.*

If you would like to help the Arkansas Rice Depot and Arkansas Food Bank, just fill out the form below and return it to the Stuttgart main office. If you wish to contribute later, an authorization form will be included with your first advance.

### ARKANSA\$ RICE DEPOT DONATION FORM

I authorize Producers Rice Mill, Inc., to donate the following quantities of brown rice to the Arkansas Rice Depot and charge my account accordingly:

_____ 200 pounds valued at \$ 50.00	_____ 3,000 pounds valued at \$ 750.00
_____ 400 pounds valued at \$100.00	_____ 4,000 pounds valued at \$1,000.00
_____ 1,000 pounds valued at \$250.00	_____ 6,000 pounds valued at \$1,500.00
_____ 2,000 pounds valued at \$500.00	_____ 10,000 pounds valued at \$ 2,500.00

Account Number: \_\_\_\_\_ Account Name: \_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

**2020 RICE PLANTINGS**  
**ACRES PLANTED (In thousand acres)**

CLASS & STATE	3/31/20 Intent	6/30/20 Acreage Est.	Actual 2019	'20 vs. '19 Diff	%
<b>Long Grain</b>					
AR	1,190,000	1,250,000	950,000	300,000	32%
CA	10,000	12,000	10,000	2,000	20%
LA	390,000	390,000	370,000	20,000	5%
MS	150,000	150,000	115,000	35,000	30%
MO	190,000	210,000	180,000	30,000	17%
TX	170,000	180,000	153,000	27,000	18%
<b>U. S.</b>	<b>2,100,000</b>	<b>2,192,000</b>	<b>1,778,000</b>	<b>414,000</b>	<b>23%</b>
<b>Med &amp; Short Grain</b>					
AR	206,000	181,000	206,000	(25,000)	-12%
CA	490,000	495,000	488,000	7,000	1%
LA	40,000	40,000	55,000	(15,000)	-27%
MS	-	-	2,000	-	-
MO	9,000	9,000	7,000	2,000	29%
TX	2,000	4,000	4,000	-	0%
<b>U. S.</b>	<b>747,000</b>	<b>729,000</b>	<b>762,000</b>	<b>(33,000)</b>	<b>-4%</b>
<b>ALL</b>					
AR	1,396,000	1,431,000	1,156,000	275,000	24%
CA	500,000	507,000	498,000	9,000	2%
LA	430,000	430,000	425,000	5,000	1%
MS	150,000	150,000	117,000	33,000	28%
MO	199,000	219,000	187,000	32,000	17%
TX	172,000	184,000	157,000	27,000	17%
<b>U. S.</b>	<b>2,847,000</b>	<b>2,921,000</b>	<b>2,540,000</b>	<b>381,000</b>	<b>15%</b>

Source: USDA

## MANAGER'S MESSAGE

In USDA's March Planting Intentions Report, U.S. rice farmers indicated they would plant more rice acres in 2020 compared to 2019. However, the 2020 planting season would once again turned out wetter than normal. Thanks to occasional windows of dry weather and with rice prices more attractive than alternative crops, most mid-south farmers were determined to plant their intended 2020 rice acreage. On June 30th, USDA released an updated estimate of 2020 U.S. rice acres, which was based on farmer surveys conducted in early June. In this Manager's Message, I will share with you our thoughts on USDA's latest acreage estimate for the 2020 rice crop.



### 2020 Planted Acreage Report

In the June 30<sup>th</sup> report, overall U.S. planted rice acreage for 2020 was raised over the March Planting Intentions Report by 74,000 acres. Arkansas had the biggest increase, 35,000 acres, over its March planting intentions. With the adjustment, Arkansas' 2020 planted rice acres are now estimated at 1,431,000 acres, 24% higher than its 2019 acreage. Mississippi's 2020 rice acreage remained the same as USDA's March report of 150,000 acres, which is still up 33,000 acres or 28% over its 2019 acres of 117,000 acres.

By grain class, 2020 planted U.S. long grain acres will be up 414,000 acres, or 23%. U.S. medium and short grain acres are actually projected to be down by 33,000 acres, or 4%.

### Supply and Demand Projections

On July 10<sup>th</sup>, USDA released its revised Supply and Demand projections for the 2020-21 marketing year to reflect the new rice acreage data. Based on the June 30<sup>th</sup> data, USDA raised its current 2020 U.S. long grain production estimate by 6.3 million cwts. to 161.8 million cwts. With the latest revision, USDA estimates the 2020 U.S. long grain crop will be 36.2 million cwts, or 29%, larger than the 2019 U.S. long grain crop. With the adjustments, USDA is now projecting U.S. long grain ending stocks for the 2020-21 marketing year at 25.0 million cwts, which is a 10.8 million cwt., or 76%, increase from the beginning long grain stocks.

USDA lowered its overall 2020 medium and short grain production estimate by 1.8 million cwts. to 58.9 million cwts. With the adjustment, USDA is now estimating 2020 production will be only 200,000 cwts lower than the 2019 crop. Despite the smaller 2020 production, U.S. medium and short grain ending stocks are still projected to increase 3.1 million cwts. from the start of the 2020-21 marketing year.

### Market Implications

Also on June 30<sup>th</sup>, USDA released its June 1 U.S. Rough Rice Stocks Report. The USDA report showed U.S. long grain rough rice stocks on June 1, 2020 were down nearly 20 million cwts from the same time a year ago. This confirms the 2020-21 marketing year will begin with some of the tightest beginning U.S. long grain rough rice stocks since 2004. We believe the extremely tight U.S. rice stocks will help cushion the market impact of the larger 2020 U.S. rice crop. In our August newsletter, I will have a more detailed market analysis as we share our annual potentially bullish and bearish price factors for the start of the upcoming 2020-21 marketing year.

Sincerely,

Keith Glover