

6/4/24



US Rice Market Update



US Rice Market

Pre planting factors


Top exporter production, Mercosur production
USA production, stocks to use, etc

Prices

US long grain, medium grain, etc

Developing Market Factors

Export demand, domestic demand, stocks



US farmers look at global
production before planting

TOP EXPORTER PRODUCTION

2024/25



- India**
138 MMT; up 3% YOY
- Thailand**
20.1 MMT; up 1% YOY
- China**
146 MMT; up 1% YOY
- Vietnam**
27 MMT; flat YOY
- Pakistan**
9.5 MMT; up 6% YOY



USDA MERCOSUR PRODUCTION

2024/25 (MMT milled basis)

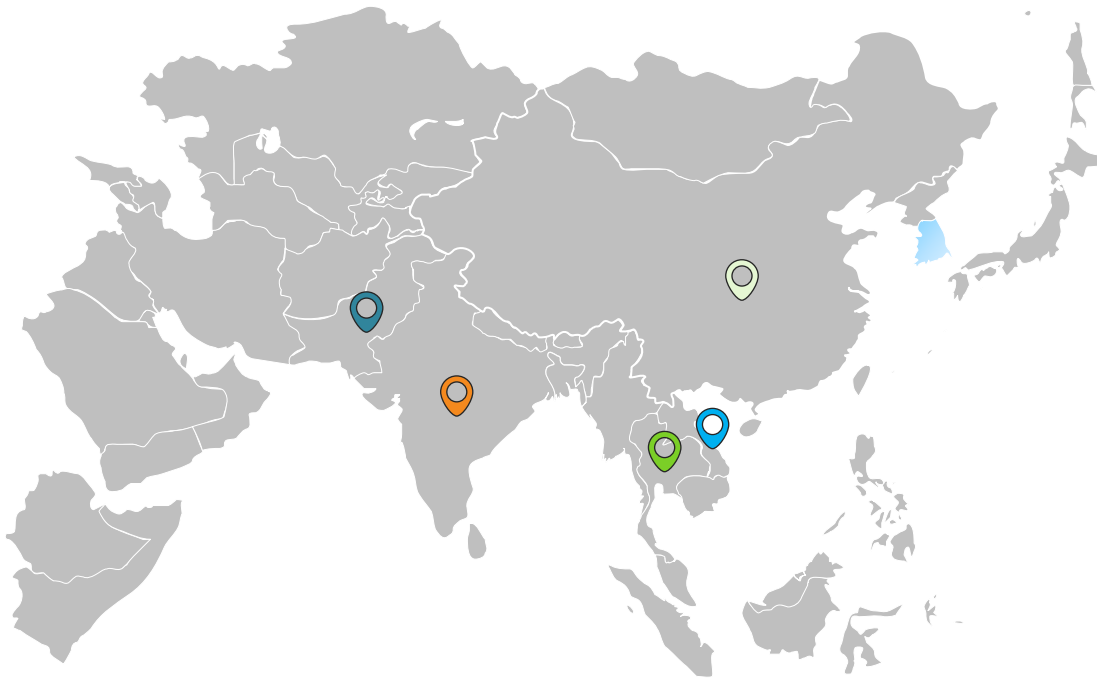


- Brazil
7.5 MMT; up 4% YOY
- Paraguay
900,000; up 5% YOY
- Argentina
900,000; up 5% YOY
- Uruguay
1.05 MMT up 5% YOY

Trade projects production at
13.73 MMT vs USDA 10.35 MMT

BIG 5 EXPORT PROJECTIONS + CHINA

2024/25



- India**
18 MMT; up 13% YOY
- Thailand**
7.5 MMT; down 11% YOY
- China**
1.5 MMT; down 6% YOY
- Vietnam**
6.7 MMT; down 6% YOY
- Pakistan**
5.2 MMT; down 5% YOY
- USA**
3.175 MMT; up 6% YOY

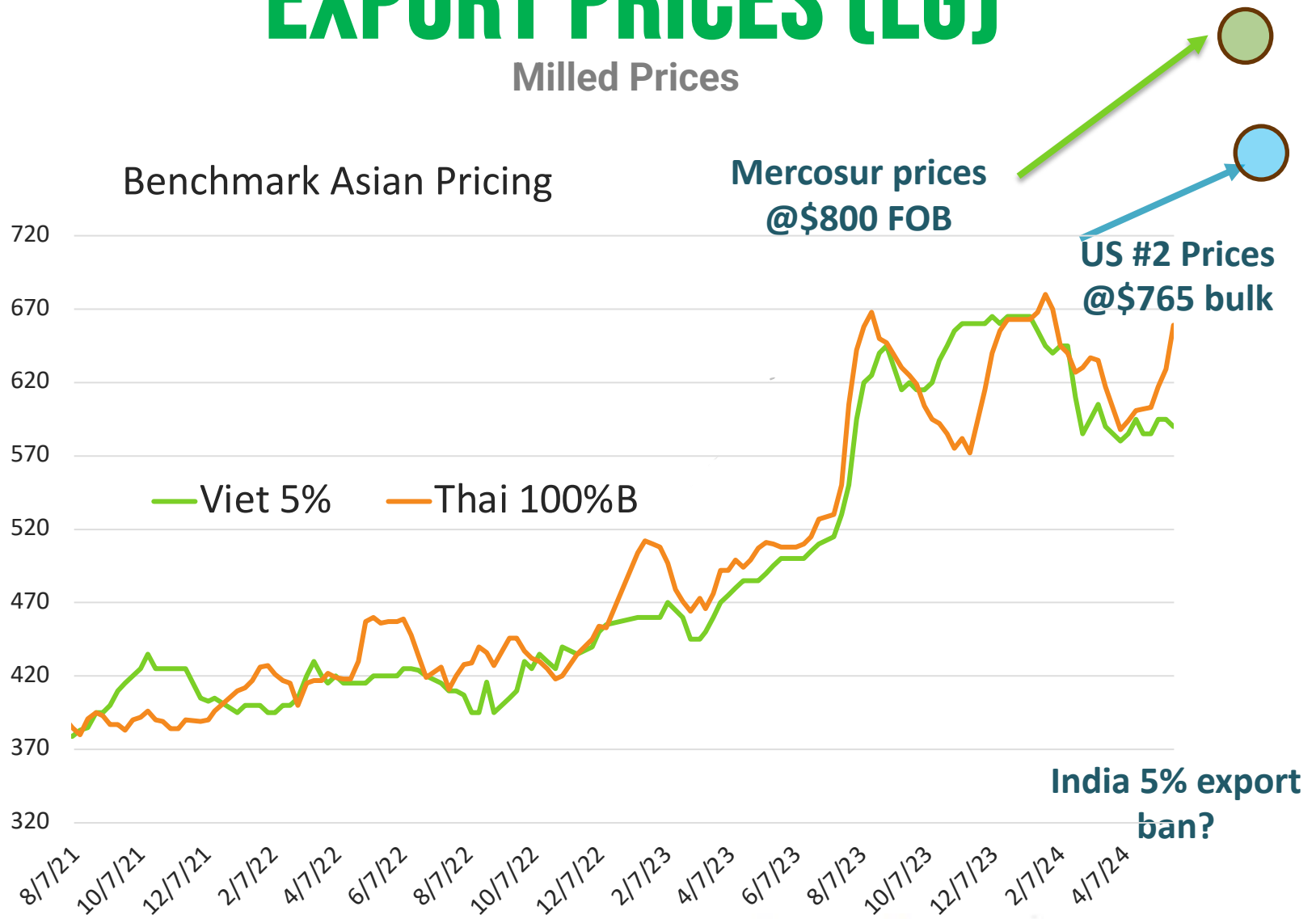




US Farmers then look at return
on investment

EXPORT PRICES (LG)

Milled Prices

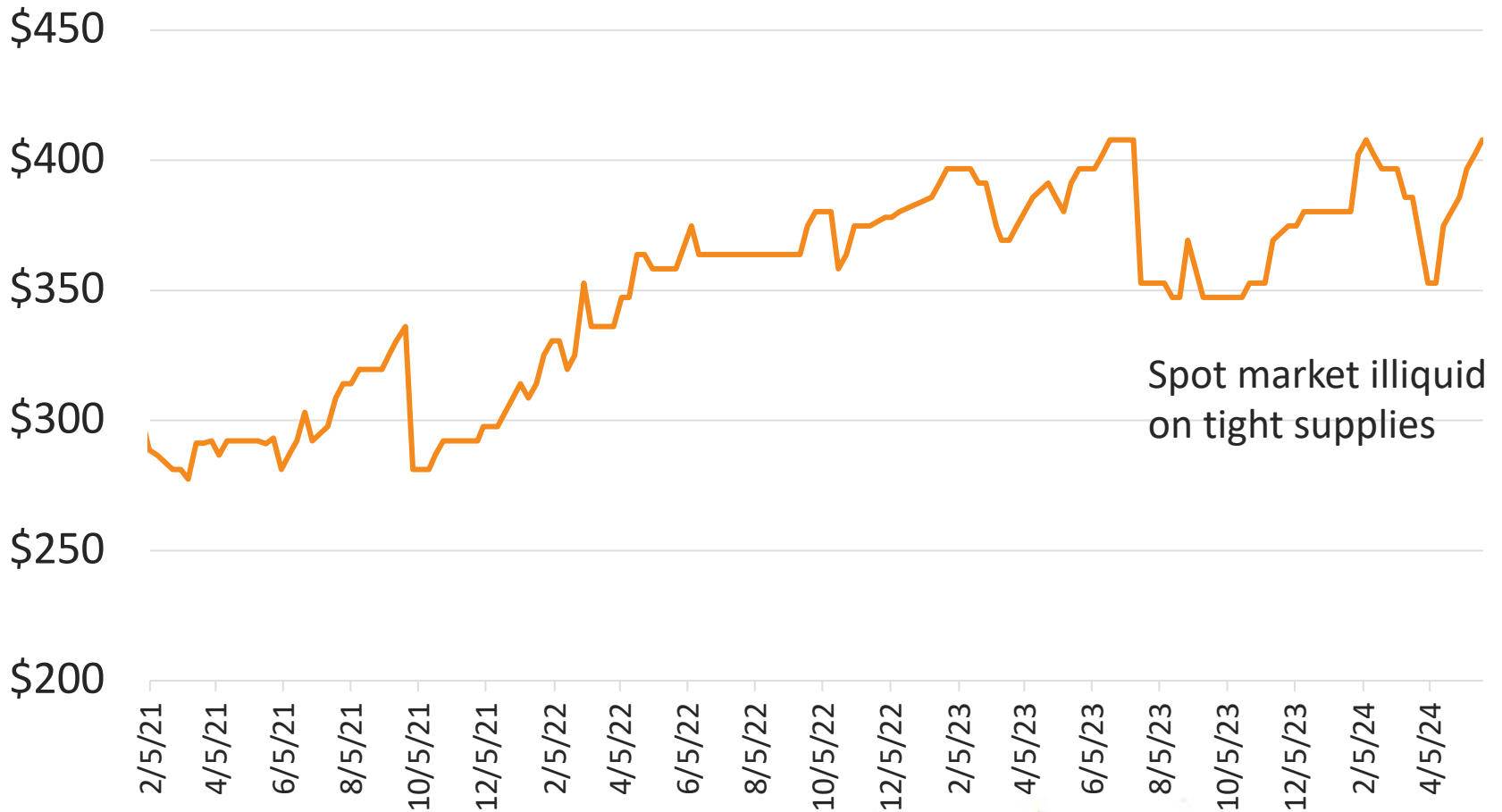


India 5% export ban?

US SPOT MARKET

Historical

Arkansas Cash Prices (delivered mill)



Spot market illiquid
on tight supplies

RICE FUTURES

Year to Date

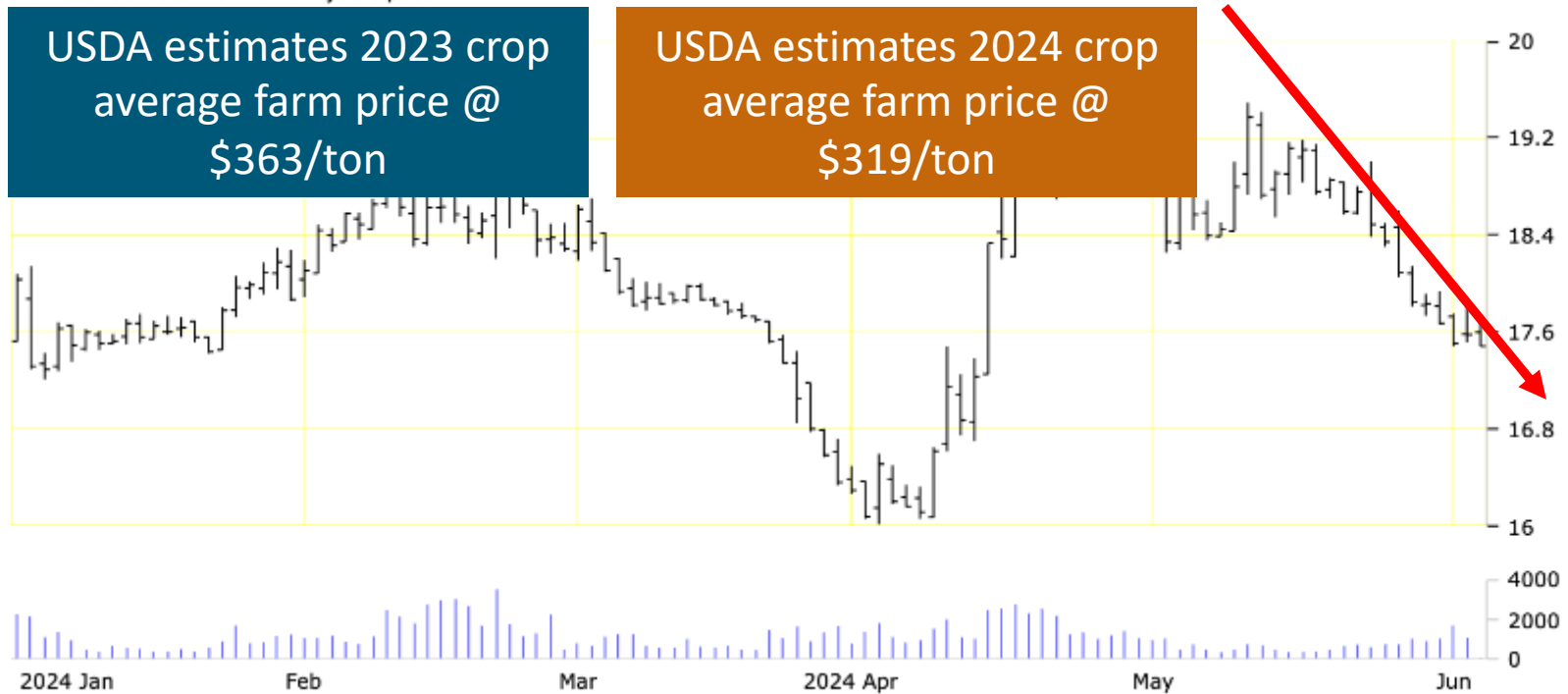
2024 Rough Rice (Globex) Historical Prices / Charts (CBOT)

2024 Rough Rice (Globex) Historical Prices / Charts Change year: 2024 Change market: Rough Rice (Globex)

This continuous historical price chart for Rough Rice (Globex) futures (ZR, CBOT) is part of a huge collection of historical charts that covers decades of North America futures / commodity trading. In addition to continuous charts, the collection includes thousands of single-contract historical price charts that cover individual contract months from years past.

USDA estimates 2023 crop average farm price @ \$363/ton

USDA estimates 2024 crop average farm price @ \$319/ton



FERTILIZER COSTS

Green Markets, a Bloomberg company



Topped March 25, 2022 at
1270



Down 61% from the high;
currently 499

Production costs improving



US LONG GRAIN ACRES

Arkansas

1,360,000 acres; up 12% YOY

Louisiana

410,000 acres; up 6% YOY

Mississippi

160,000 acres; up 33% YOY

Missouri

215,000 acres; up 11% YOY

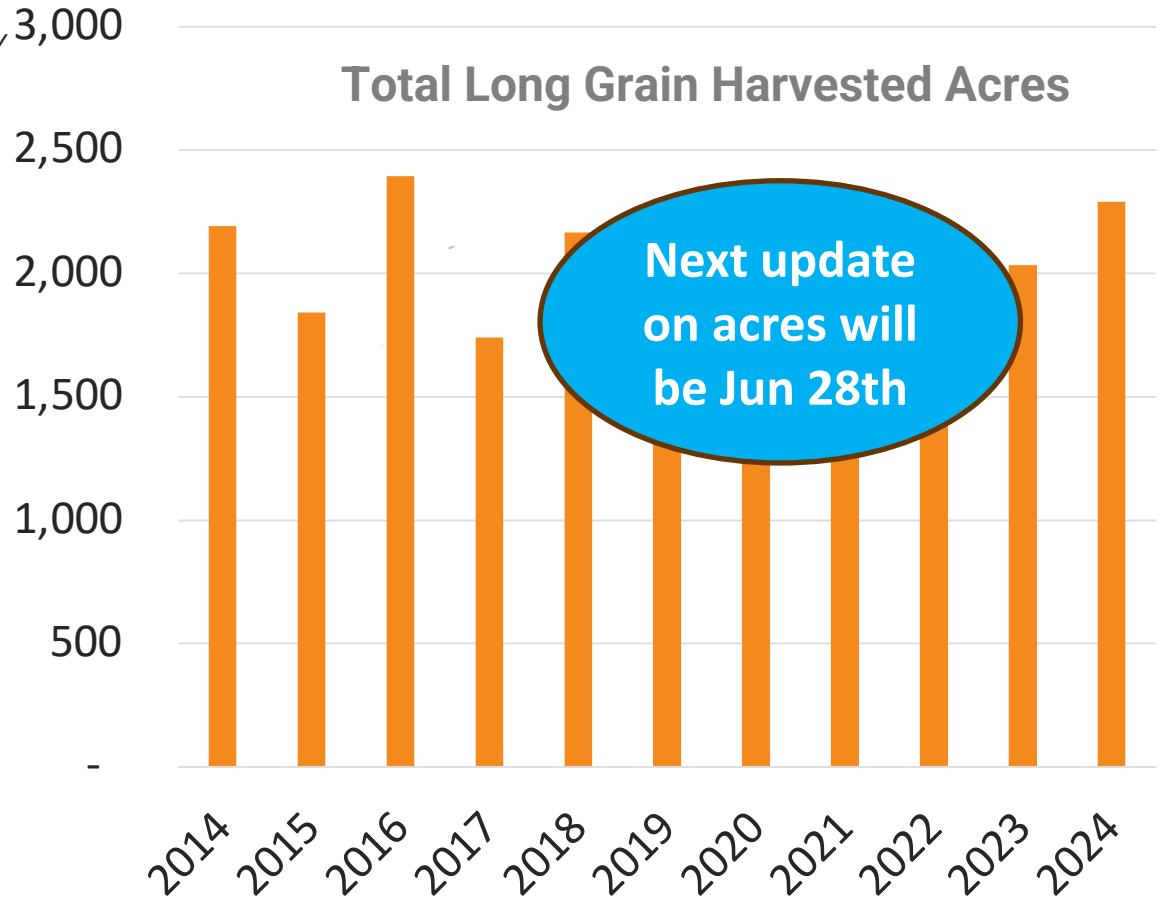
California

10,000 acres; flat YOY

Texas

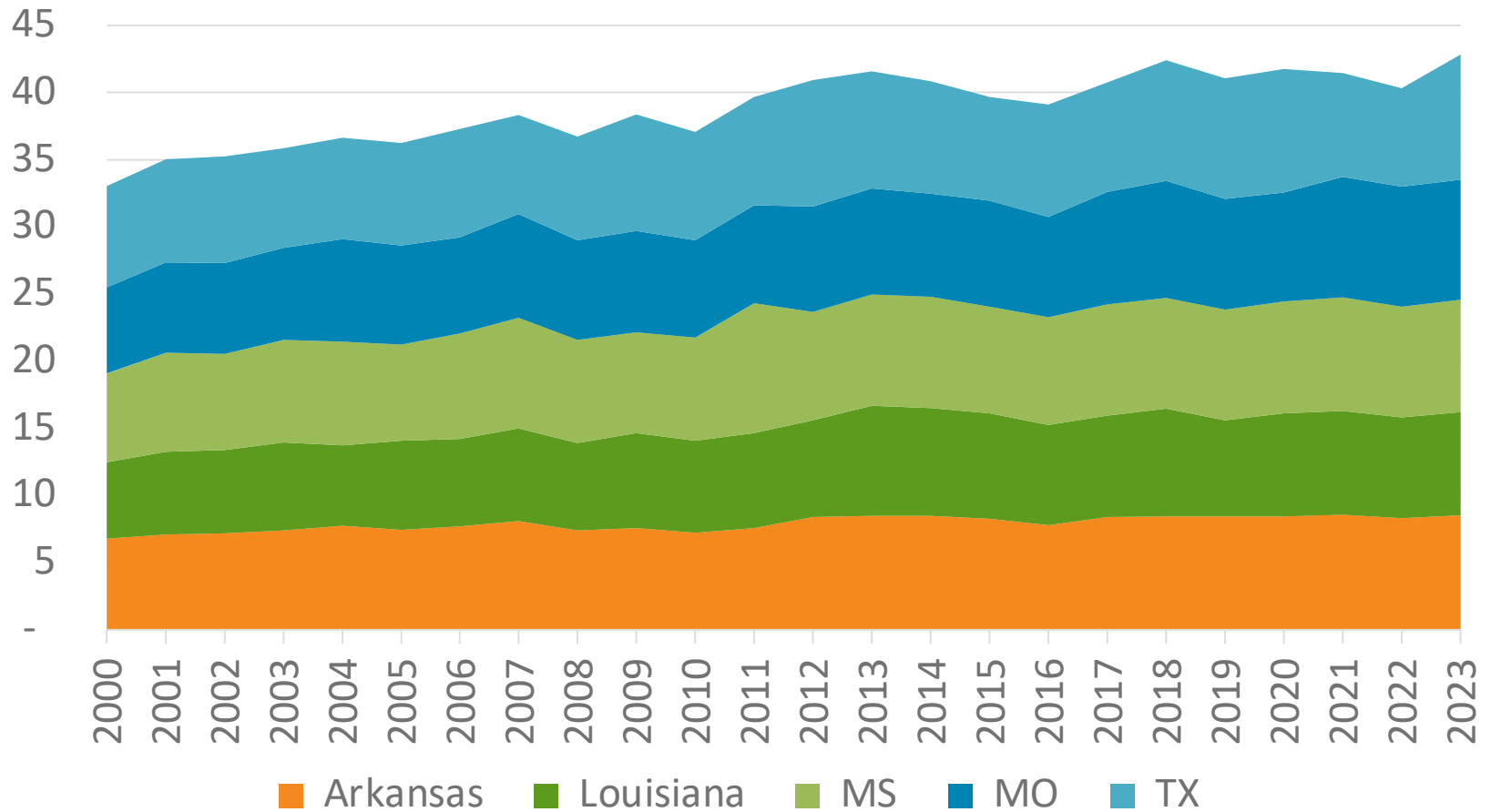
145,000 acres; up 21% YOY

Total Long Grain Harvested Acres



Long Grain Yield Data

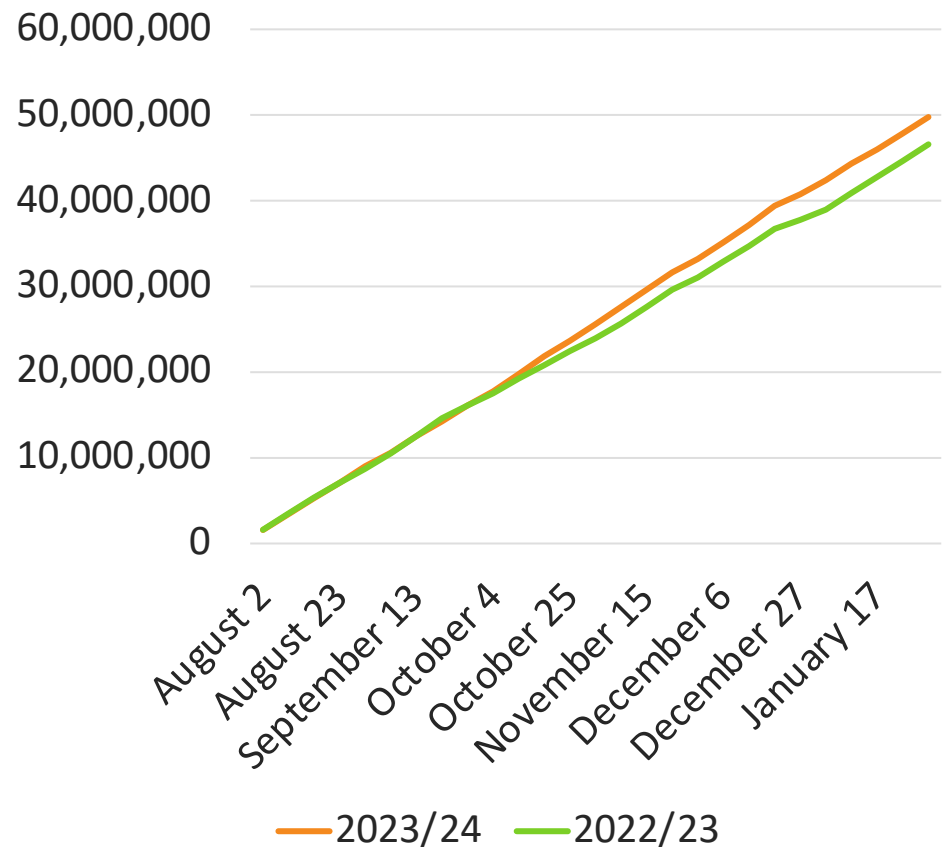
Long Grain Yield by State (tons/hectare)



Rice Disappearance factor

- Long grain Millings up 3 million cwts Aug thru Jan
- Milled rice shipments down 15% for the same period
- Domestic use up 5%
- Verdict: more rice is having to be milled to produce the same outturn due to poor milling yields.

Long Grain Milling Activity
(Aug thru Jan)



US LONG GRAIN CROP PROGRESS

Historical

Crop update

- Rice emerged all ahead of normal, early planting signals better field yields
- Crop is condition is overall favorable with only minor concern in Mississippi

Rice Emerged - Selected States

[These 6 States planted 100% of the 2023 rice acreage]

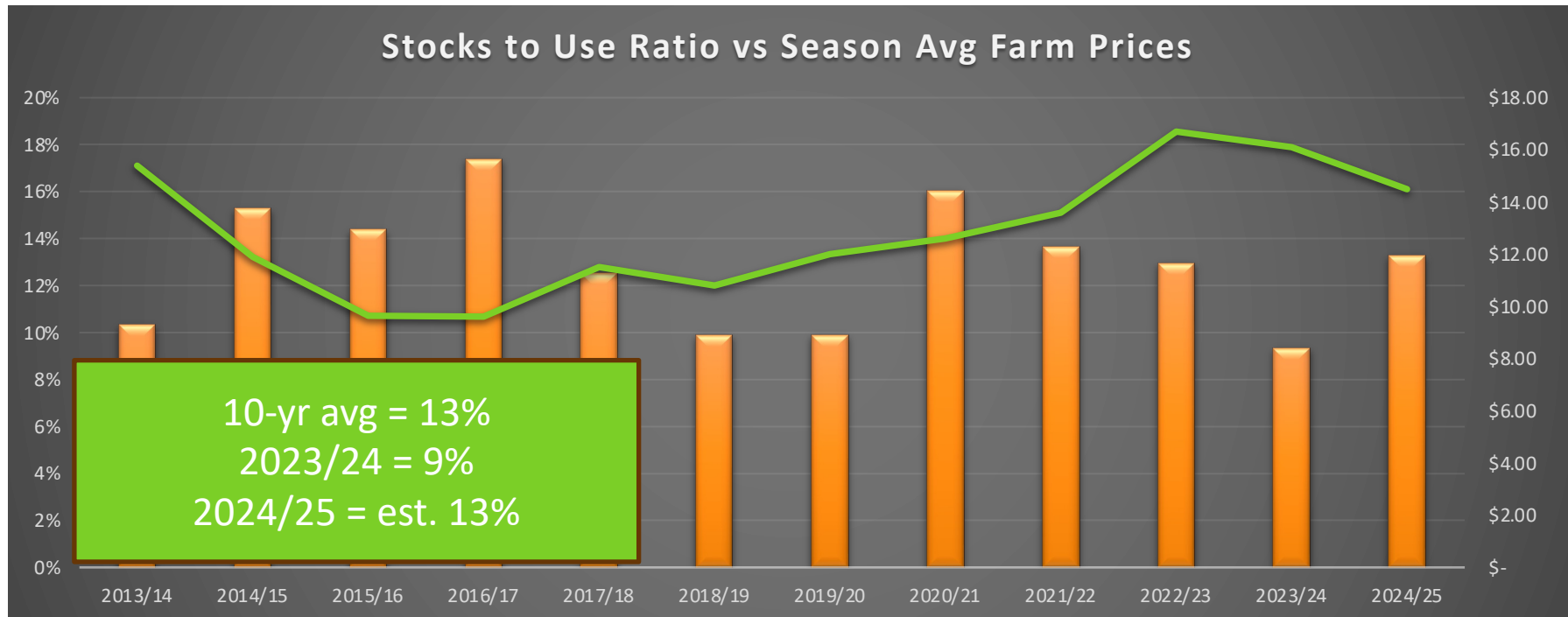
State	Week ending			2019-2023 Average
	June 2, 2023	May 26, 2024	June 2, 2024	
	(percent)	(percent)	(percent)	(percent)
Arkansas	95	93	96	86
California	34	25	45	61
Louisiana	97	97	98	95
Mississippi	98	79	86	88
Missouri	98	90	93	82
Texas	91	95	100	91
6 States	87	83	88	84



US Long Grain Stocks to Use Ratio

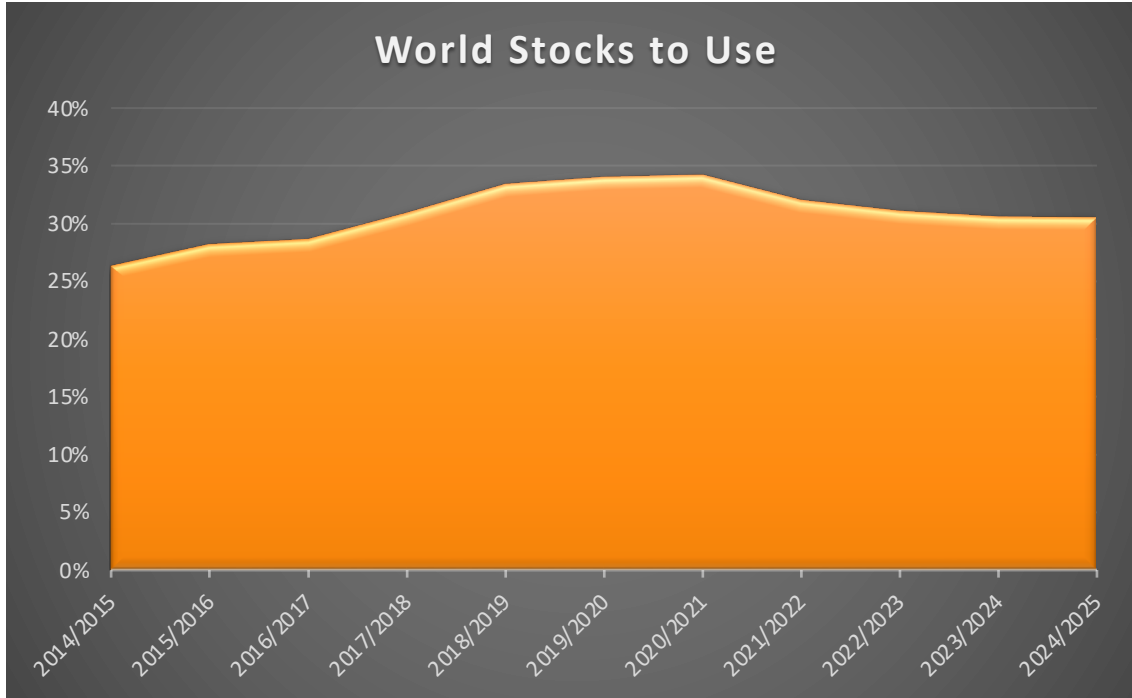
Long Grain paddy

- Season average farm prices improve for basically 9 consecutive years
- Stocks to use ratio up on larger production, but USDA possibly underestimating export demand
- Average ending stocks should be a neutral factor moving into the next marketing year.



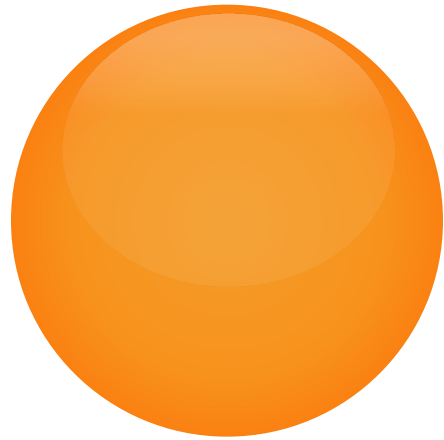
GLOBAL STOCKS

2024/25



10-year average stocks to use ratio: 31%
2024/25 stocks to use ratio: 31%

- **India**
36.5 MMT; flat YOY
- **Thailand**
2.95 MMT; up 4% YOY
- **China**
104 MMT; up 1% YOY
- **Vietnam**
2.52 MMT; up 16% YOY
- **Pakistan**
1.733 MMT; up 13% YOY
- **USA**
1.45 MMT; up 11% YOY



DEMAND THRU 2024 AND INTO 2025



Export Demand by Type (Long Grain)

Long Grain Summary

- Paddy exports down 139% YTD
- Brown rice exports down 24%
- Milled rice exports down 11%

USDA projects new crop exports to be 2.7% higher YOY

Courtesy of
Mexico

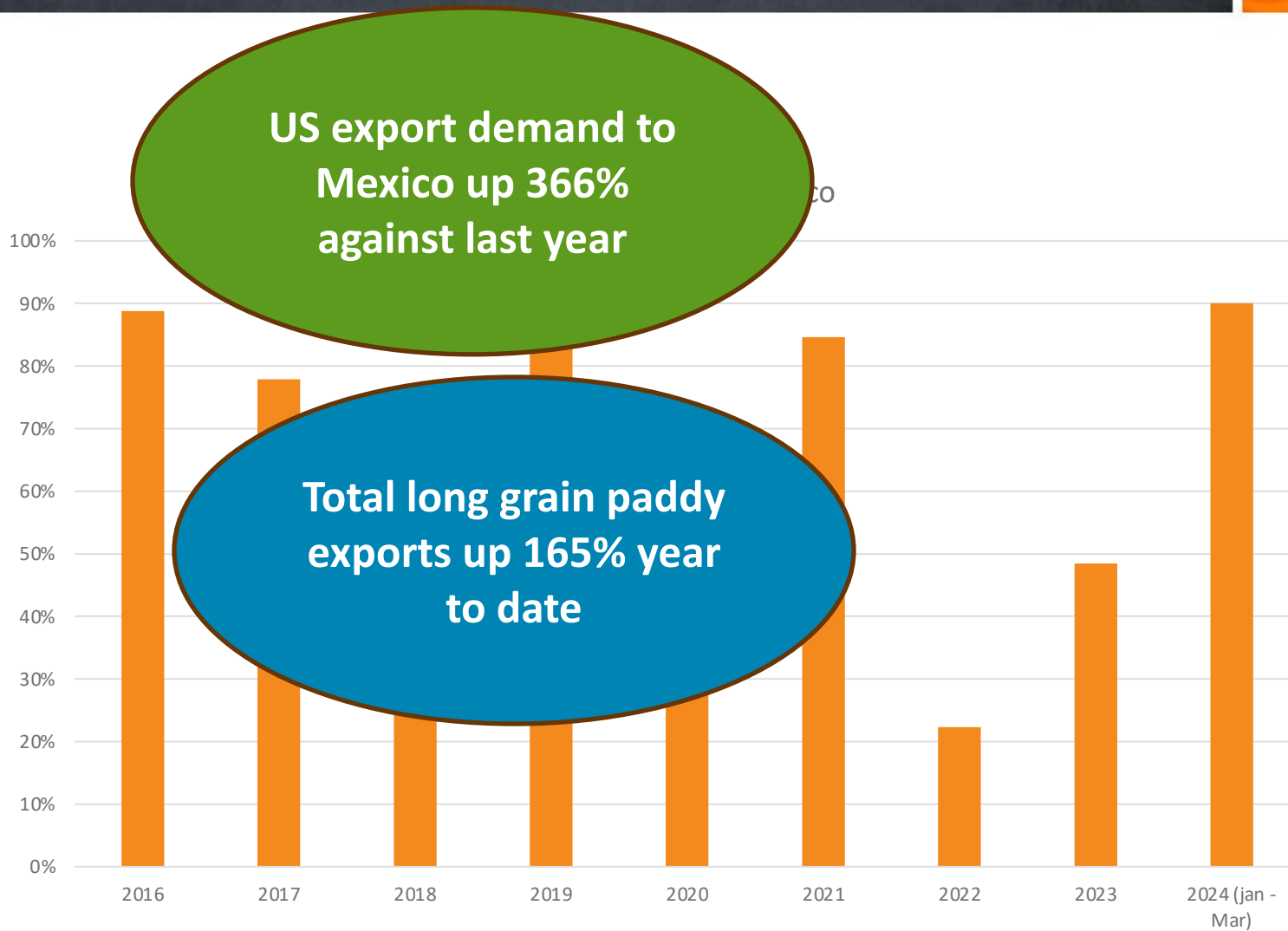
U.S. Long Grain Export Demand Indicator

AS OF MAY 23, 2024

	Outstanding Sales		Accumulated Exports		TOTAL DEMAND (MRE)	
	This Week	YR Ago	This Week	YR Ago	2022/23	2023/24
Rough	208	151.7	1526	574.3	406.56	971.04
Brown	4.1	5.9	14.2	18.2	18.08	13.73
Milled	67	105.5	722.2	603.6	709.10	789.20
				Total	1133.74	1773.97
				2023/24 YOY Demand		56.47%

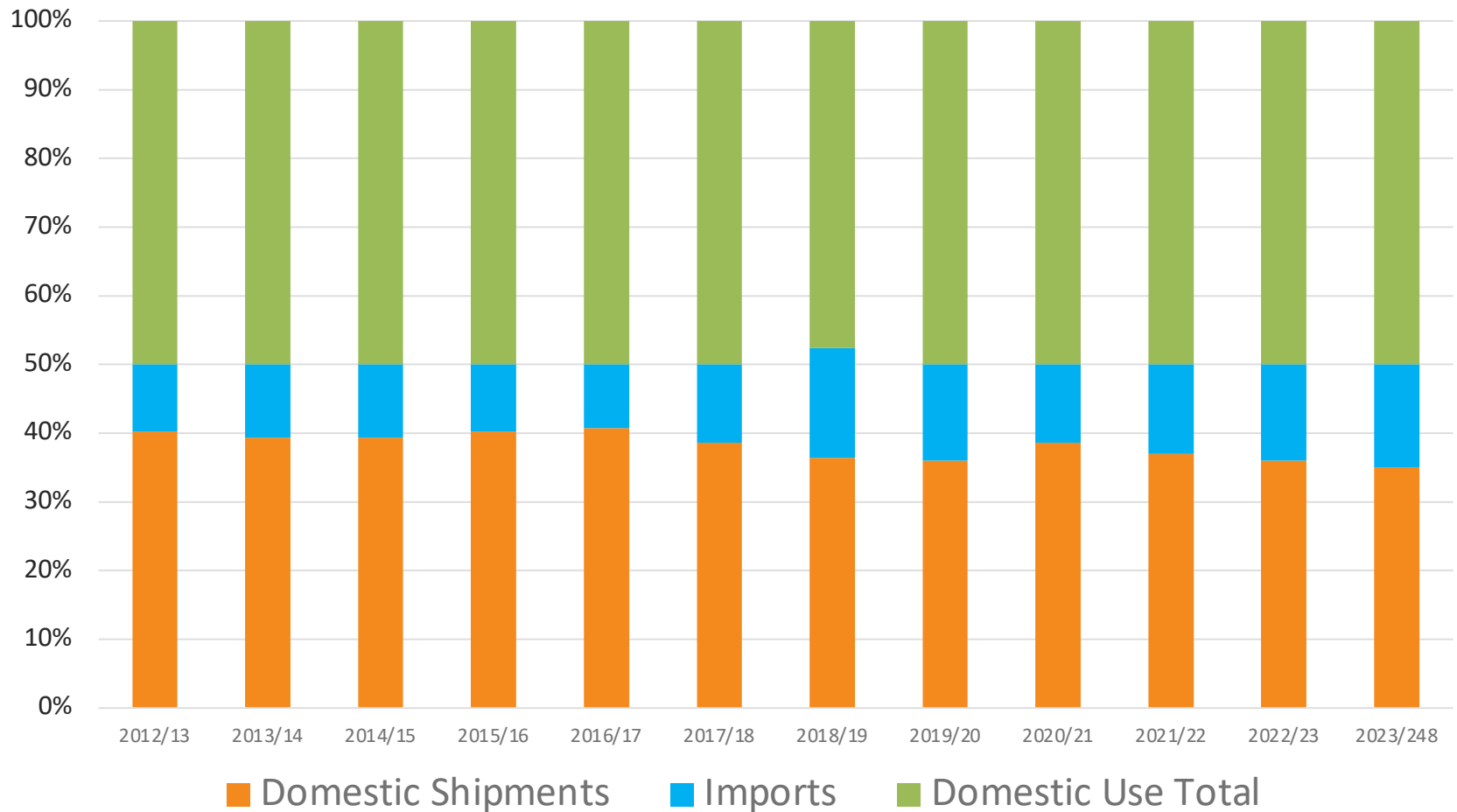
**1000 Metric Tons

US Sales to Mexico Improve



Changing landscape for domestic long grain use

US Domestic Market Breakdown



Export Demand by Type (Medium & Short Grain)

Medium Grain Summary

- Exports improve significantly year over year on larger crop
- Southern medium grain concedes market share to Calrose
- Calrose market crashes

U.S. Medium/Short Grain Export Demand Indicator						
AS OF MAY 23, 2024						
	Outstanding Sales		Accumulated Exports		TOTAL DEMAND (MRE)	
	This Week	YR Ago	This Week	YR Ago	2022/23	2023/24
Rough	20.8	33.3	39.2	24.7	35.38	36.60
Brown	56.3	21.6	57	23.9	36.40	90.64
Milled	121.8	75.3	358.6	239.5	314.80	480.40
			Total		386.58	607.64
					2023/24 YOY Demand	57.18%

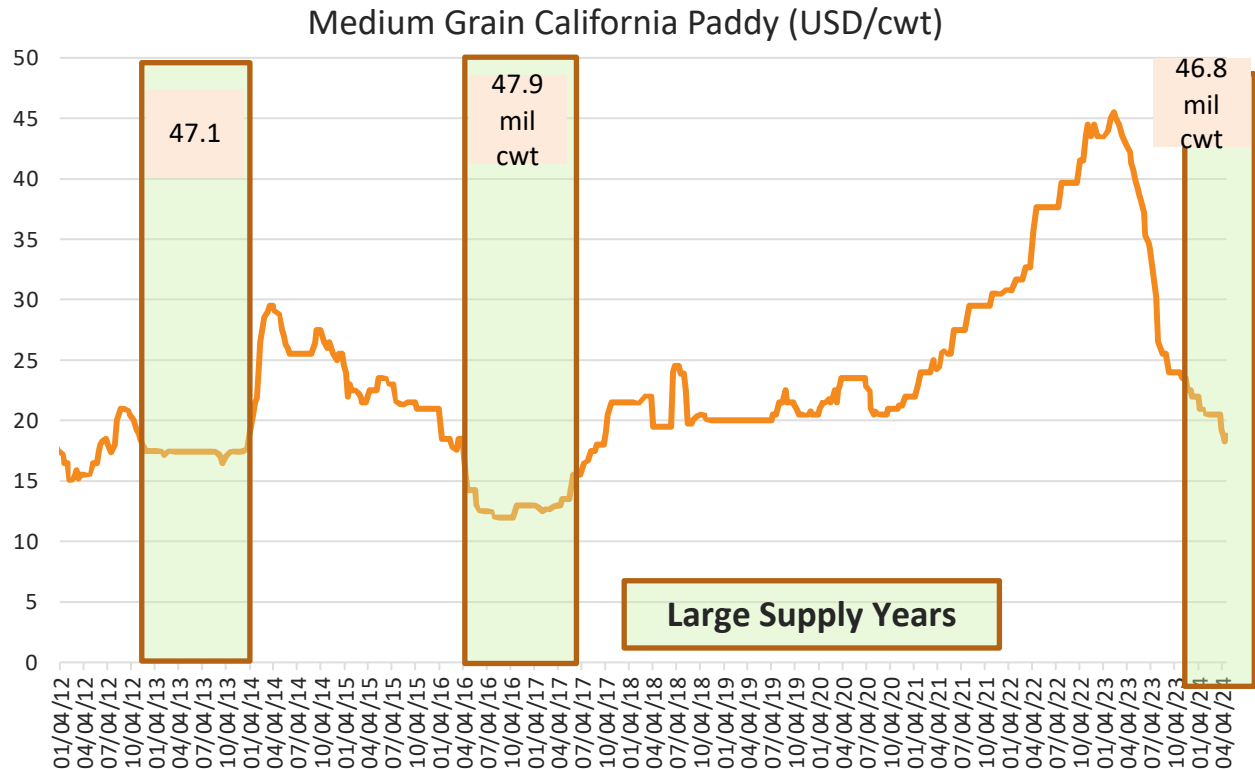
**1000 Metric Tons

MEDIUM GRAIN CASH PRICES

Calrose prices
down 75% from
52-week high

Old crop bid: \$9

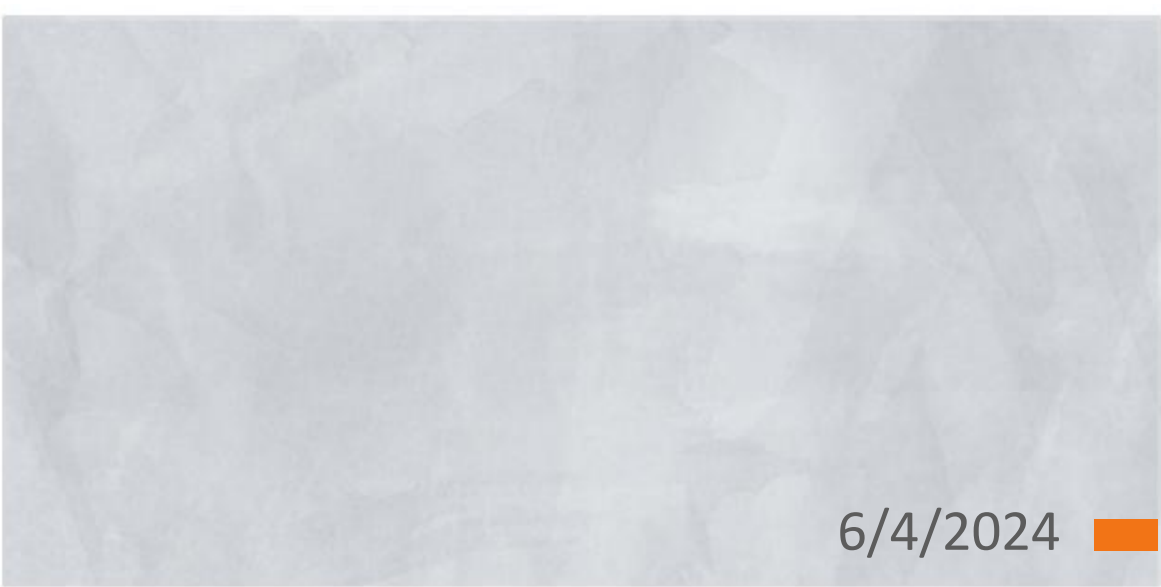
New crop bid: N/A



SUMMARY

- Long grain spot market losing liquidity as supplies tighten, prices remain firm
- Exports to Iraq and Mexico shore up long grain market
- Medium grain spot market basically nonexistent
- USDA anticipates larger long grain crop to reduce prices and build stocks
- Futures begin to fall from highs
- Crop quality/conditions look good so far





6/4/2024



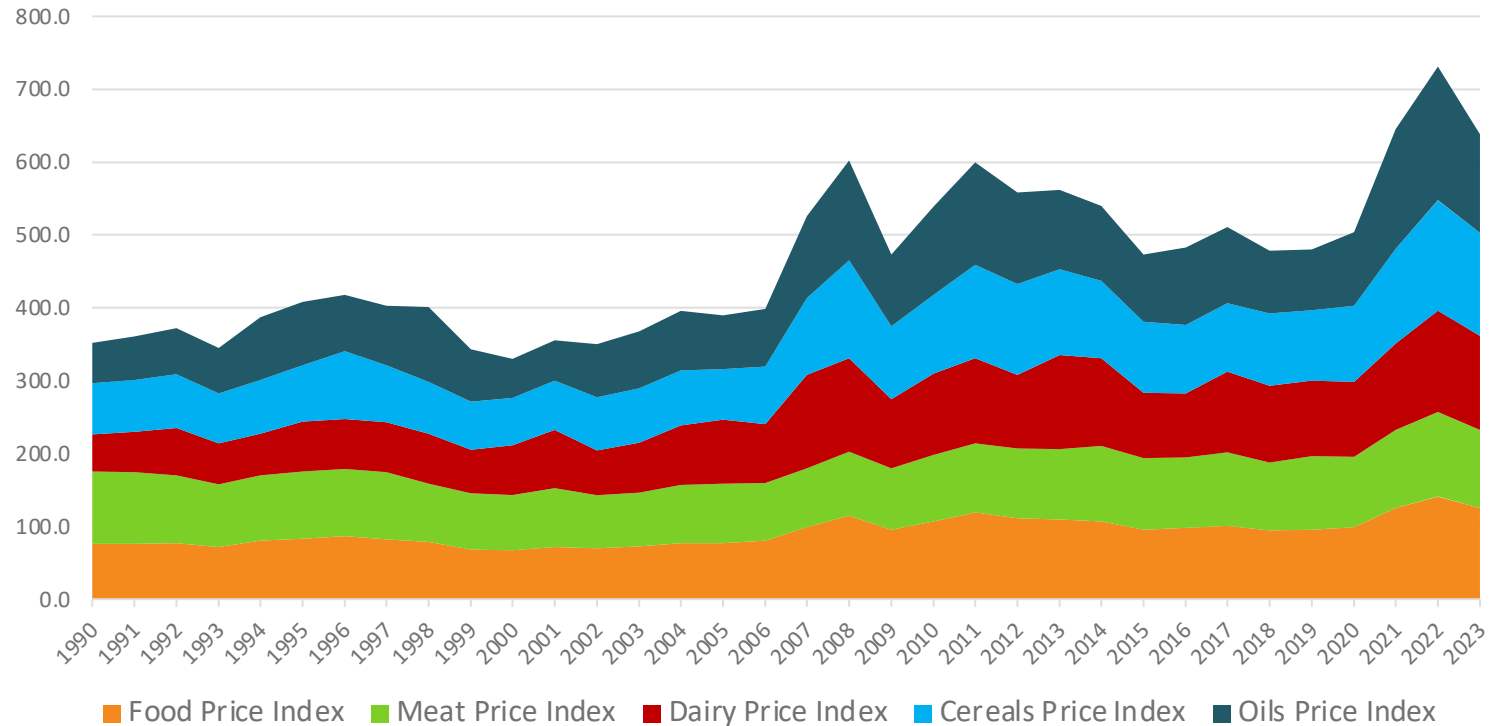
Rice Market & Technology Convention

Thank You



FAO FOOD PRICES

Annual Real FAO Food Price Indices

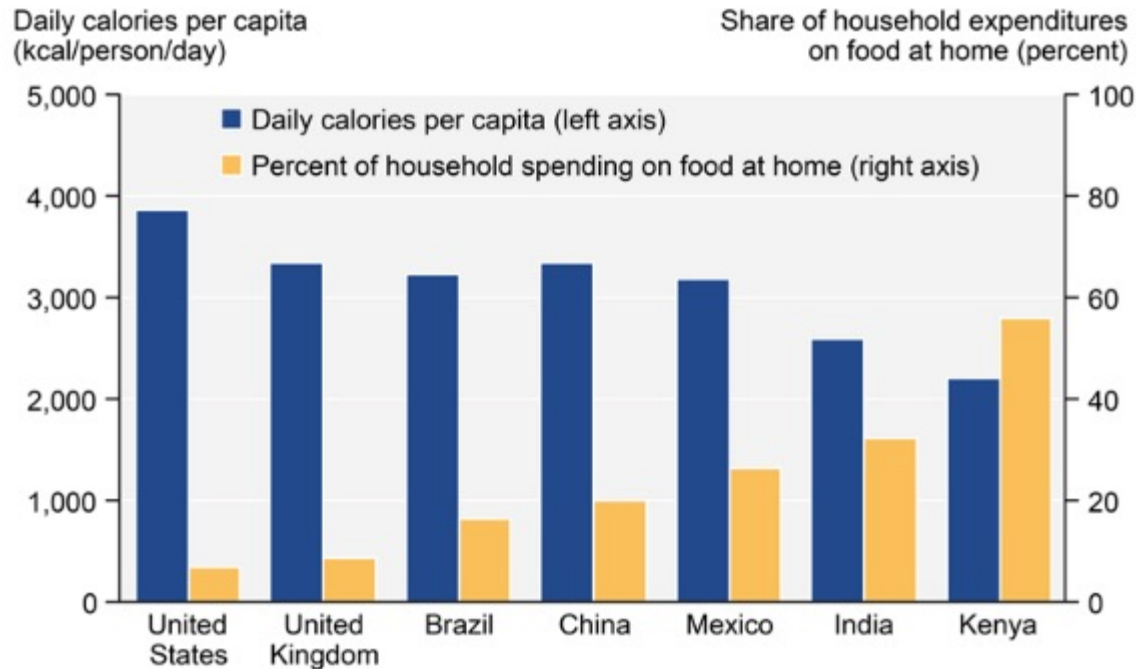


Global prices

- Cereals down 19.7% YOY
- Rice prices up 17.8% YOY

Food as % of Income

Calorie availability and household spending on food at home as a share of consumption expenditures for selected countries, 2021



Note: Calorie availability is reported as kcal/person/day for the 3-year average 2019–21. Sources: USDA, Economic Research Service using data from Food and Agriculture Organization of the United Nations, FAOSTAT Statistical Database (calories) and Euromonitor International (spending).

- **US: 10%**
- **Mexico: 28%**
- **India: 31%**
- **Kenya: 58%**

Food prices up 20% since 2019

US ECONOMY SNAPSHOT



USD

UP 2% YOY, flat YTD despite some softening in Jan/Feb



Fed Reserve

Talking pause in June



Consumer confidence

Down 27% since 2019; 21% expect business conditions to worsen



Real Estate

Prices drop most in 11 yrs; 20% say it's a good time to buy



Services w/out energy

Inflation @ 7.1%, near 4-decade high



Net farm income

Inflation-adjusted to fall 18% YOY



Production

- Record production

Consumption

- Record high on increased usage in India, Bangladesh and the Philippines

Trade

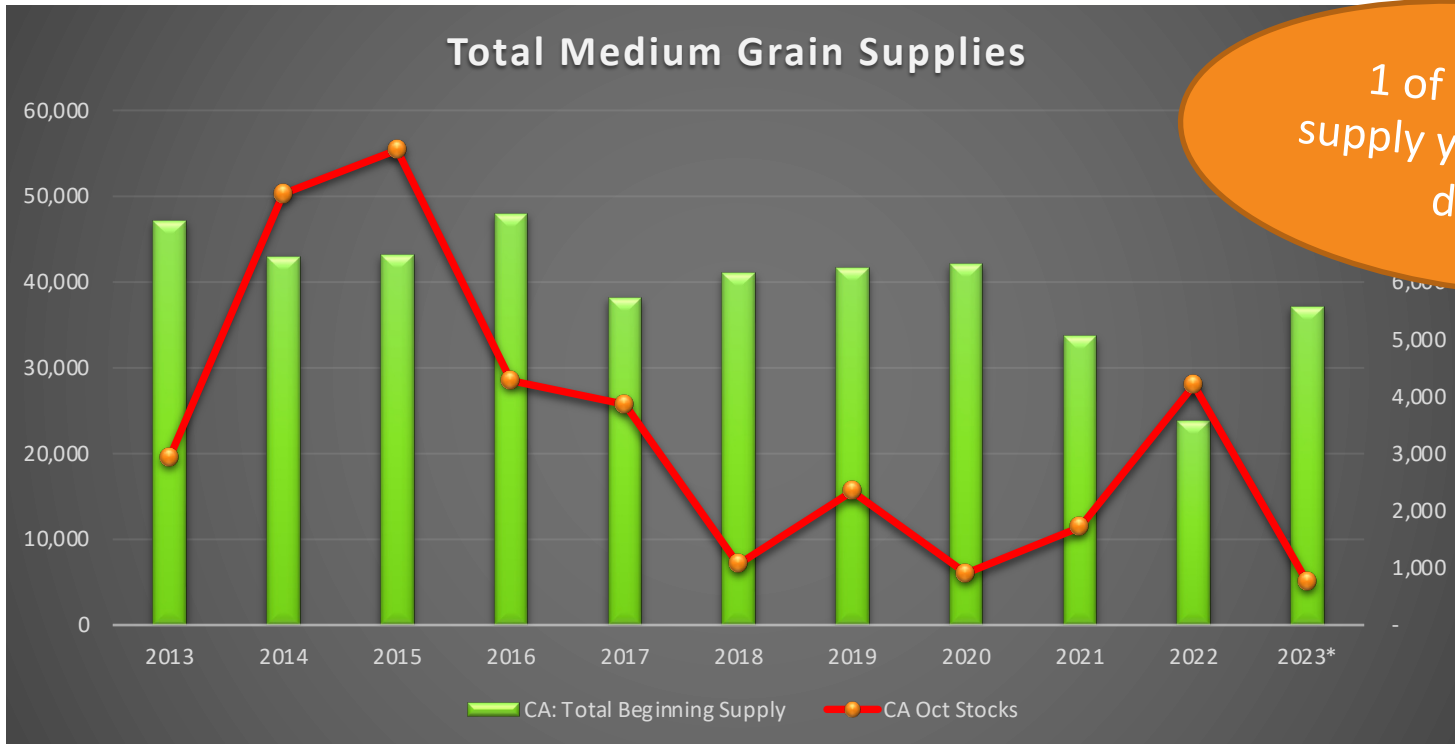
- Higher than last year, but lower than record

Ending Stocks

- Forecast at 166.7 MMT, down 2.5 YOY

Global Stocks to reach 6-year low

Medium Grain Supplies



- 495,000-acre crop
- 30,000 Preventative Planting
- 85.5 cwts/acre
- 750,000 carry in

The Political Crop (India)

Countries filing formal complaints

- USA
- Australia
- Paraguay
- Canada
- Thailand
- Ukraine



India's subsidies for rice and wheat

- India agreed to 10% of the value of crops
- Subsidies for wheat reached 81% in 2020/21
- Subsidies for rice reached 94% in 2020/21

The Political Crop (China)

Lack of transparency

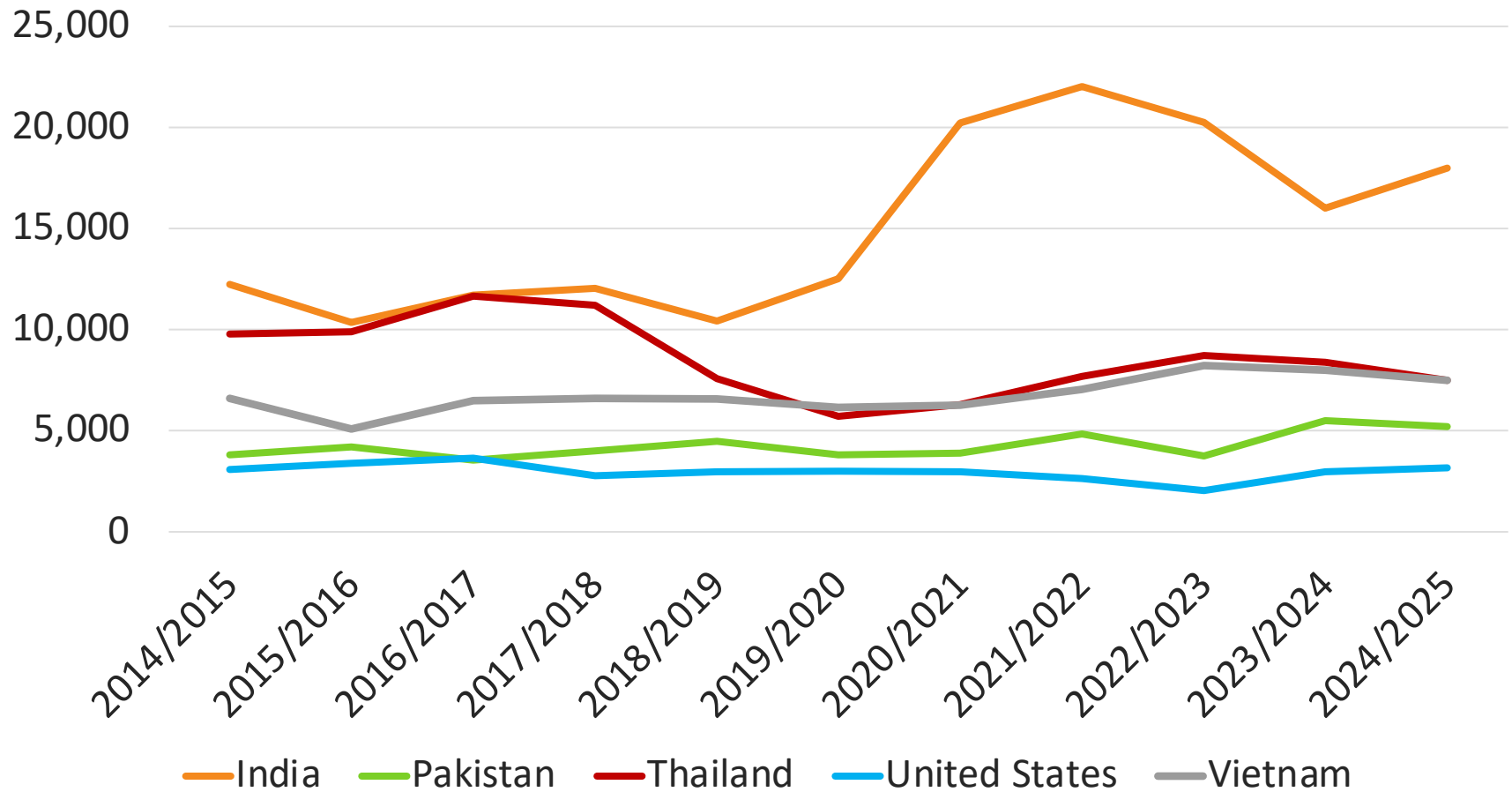
- China's corn stocks raised from 58.5 MMT to 207.49 MMT in 2018
- China imports record amount of corn in 2020
- Claims to have ample rice stocks and the need to import less rice



???

When India dominates global rice trade

Major Exporters



The Political Crop (USA)

Trade Policy

- Not the largest priority for current administration
- Free trade creates larger rice trade deficit for USA



Thai & India Mkt Share in USA

