



Southern USA Rice: A Commodity or Specialty Crop

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Outline

- Status of the 2022 Southern USA Rice Crop
- Southern USA Supply and Demand Trends and Implications on Southern USA Planted Acres
- Discuss Key Export Market Trends and Implications on Southern USA Planted Acres
- Horizon Ag Seed Offerings/Developments

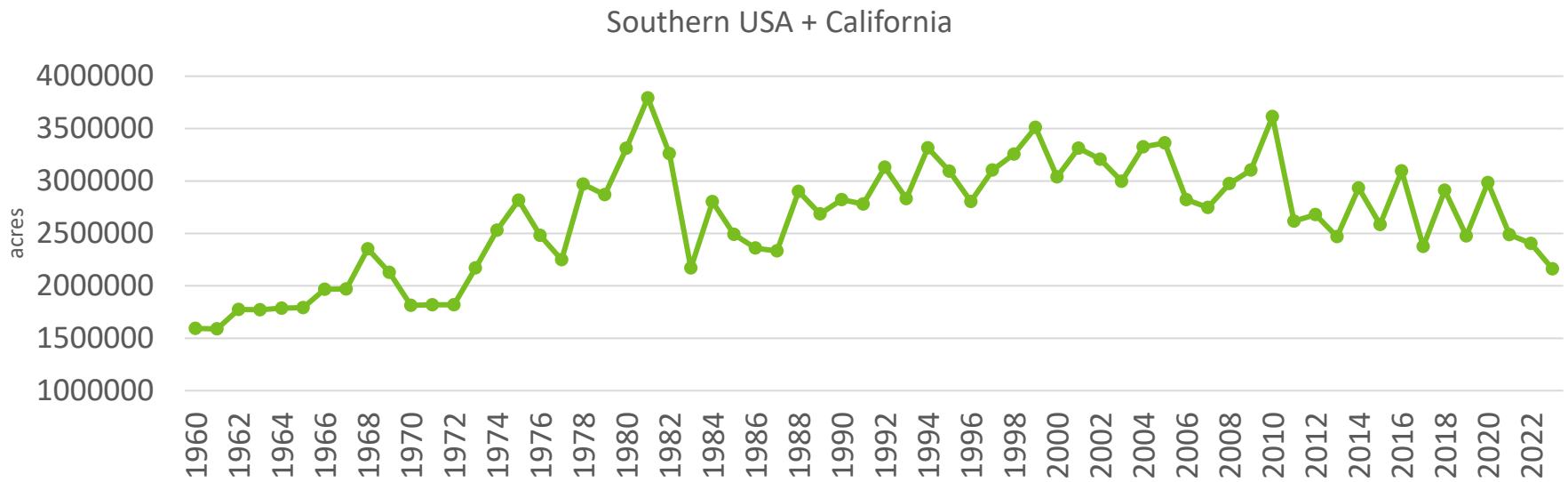
Status of the 2022 Southern USA Crop

Planted Acreage Estimates

USDA - March	Arkansas	Louisiana	Mississippi	Missouri	Texas		California	Total
LG	1,080,000	390,000	100,000	185,000	180,000		8,000	1,943,000
MG/SG	111,000	50,000	0	4,000	4,000		340,000	509,000
Total	1,191,000	440,000	100,000	189,000	184,000		348,000	2,452,000
Horizon Ag								
LG	925,000	375,000	80,000	175,000	165,000		8,000	1,728,000
MG/SG	125,000	50,000	0	5,000	3,500		250,000	433,500
Total	1,050,000	425,000	80,000	180,000	168,500		258,000	2,161,500

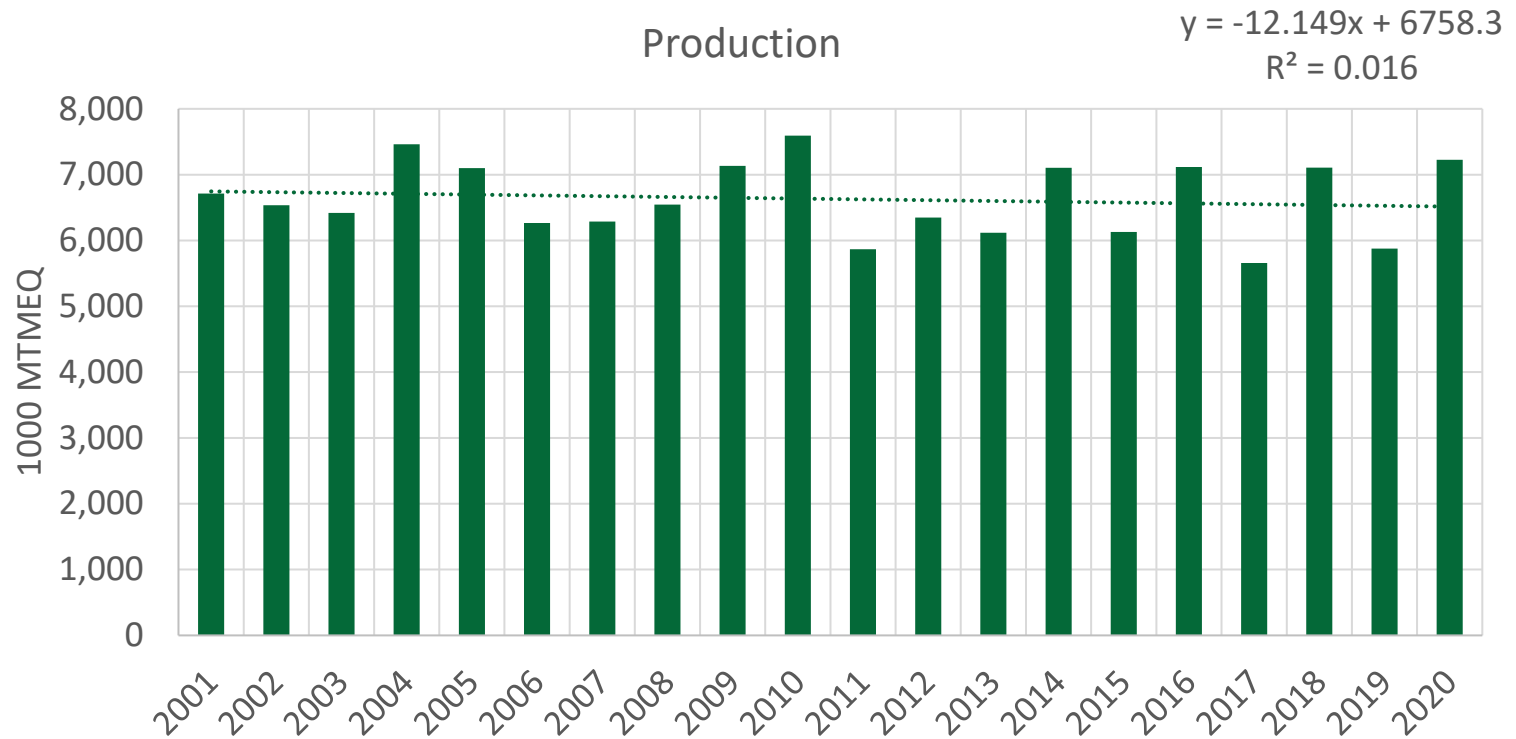
- USDA over estimated by approximately 12%
- All 2021 Planted Acres was approximately 2.49M

Planted Acreage History



Southern USA Supply and Demand Trends

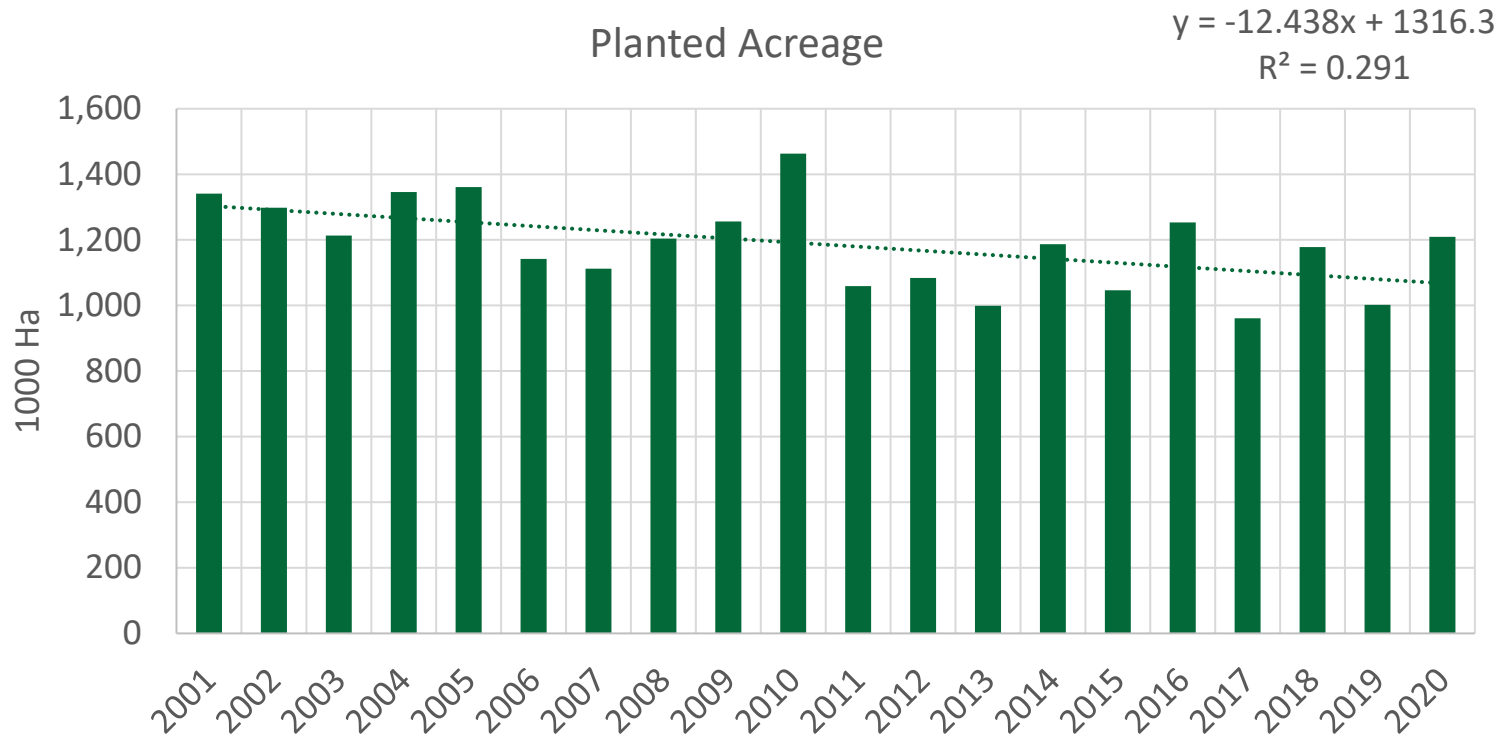
Rice Utilization Dynamics



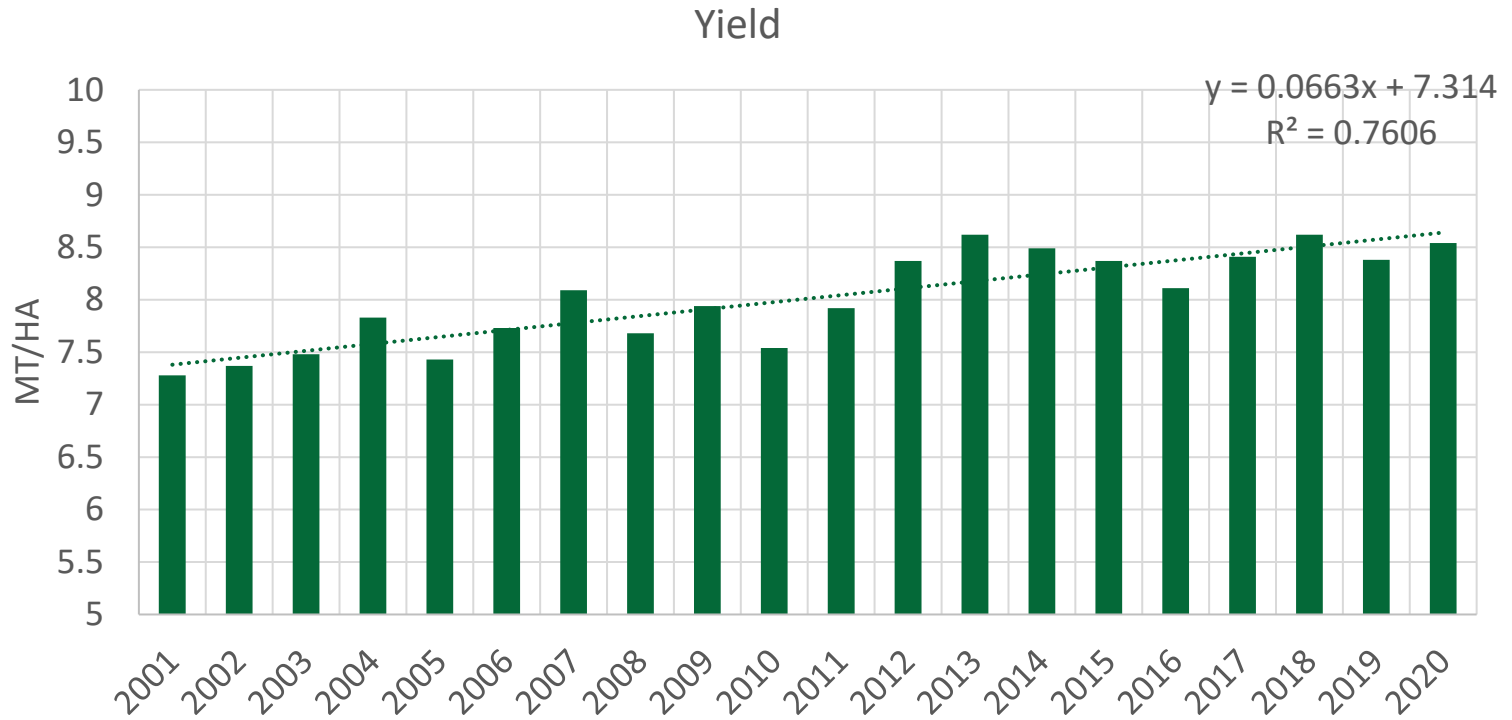
Rice Utilization Dynamics



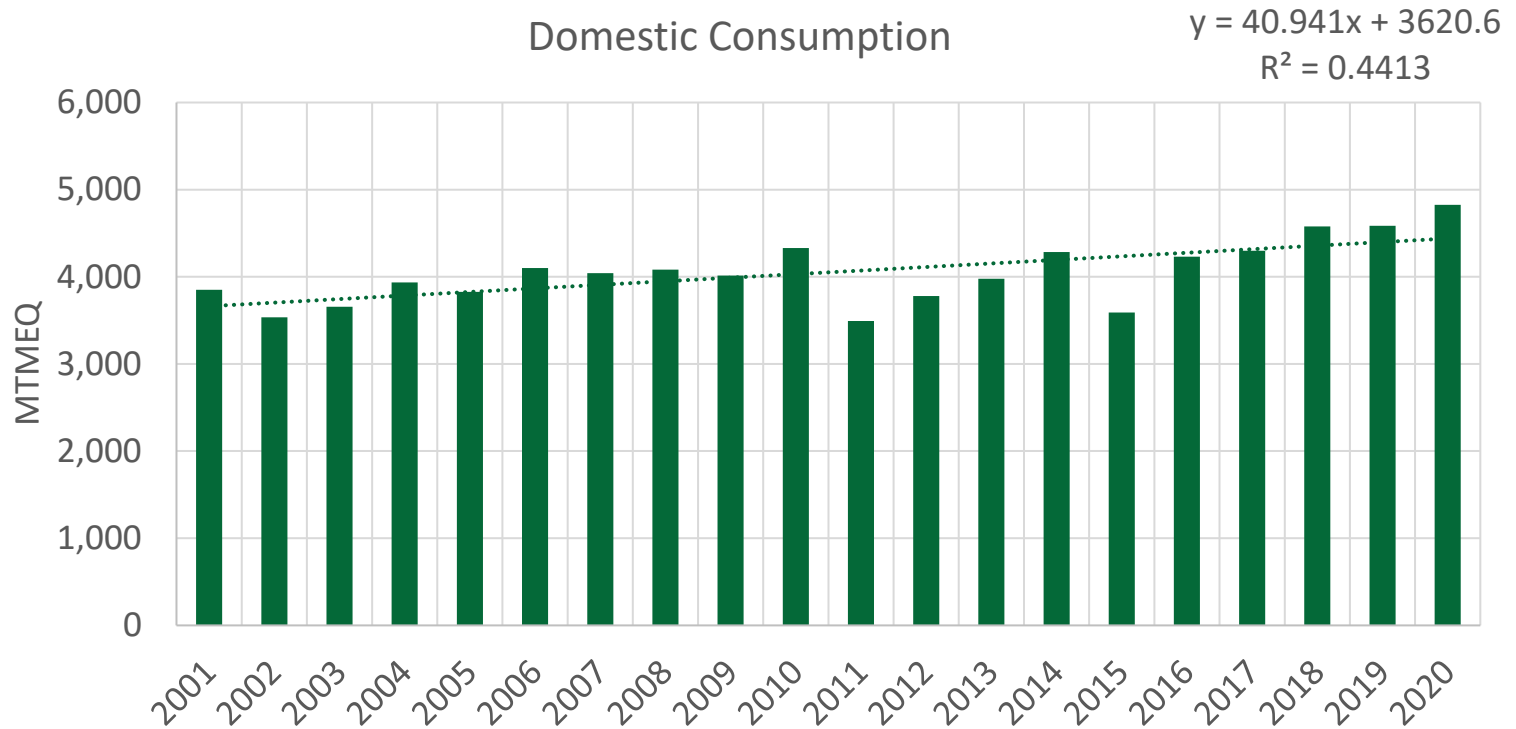
Rice Utilization Dynamics



Rice Utilization Dynamics



Rice Utilization Dynamics



Rice Utilization Dynamics



Summary

- Production Flat, alternating between 6-7 MMTMEQ each year
- Exports are trending slightly down (3.0 MMTMEQ)
- Acreage trended down over 20 year period, but seems to have stabilized from 2.0-2.4M acres in alternating years
- Yield trended up over 20 year period, but seems to have reached a plateau since 2013. Hybrids have grown substantially in market share since 2013
- Domestic consumption continues to trend up
- Imports are increasing exponentially

Export Dynamics – Central America

Country	Total Imports	Total Imports – USA	% USA	Total Imports	Total Imports - USA	%USA
	1000 MTMEQ					
	2001-2004		2017-2020			
Costa Rica	106.25	106.25	100	138.0	49.8	36
El Salvador	69.75	68.5	98	75.75	52.5	69
Guatemala	52.25	52.25	100	107	76.5	71
Honduras	105.5	105.5	100	128.5	113	88
Nicaragua	113.0	112.5	100	96.5	42.75	44
Total	446.75	445.0	100	545.75	334.55	61

Loss of 91K acres of opportunity

Export Dynamics – North America

Country	Total Imports	Total Imports – USA	% USA	Total Imports	Total Imports - USA	%USA
	1000 MTMEQ					
	2001-2004			2017-2020		
Canada	269	201	75	409	223	55
Mexico	541	541	100	818	605	74
Total	810	742	92	1,227	828	67

Loss of 92K acres of opportunity in Mexico
 Loss of 36K acres of opportunity in Canada

Imports into USA

Country	Total Imports	Total Imports
	1000 MTMEQ	
	2001-2004	2017-2020
Total	447	1013

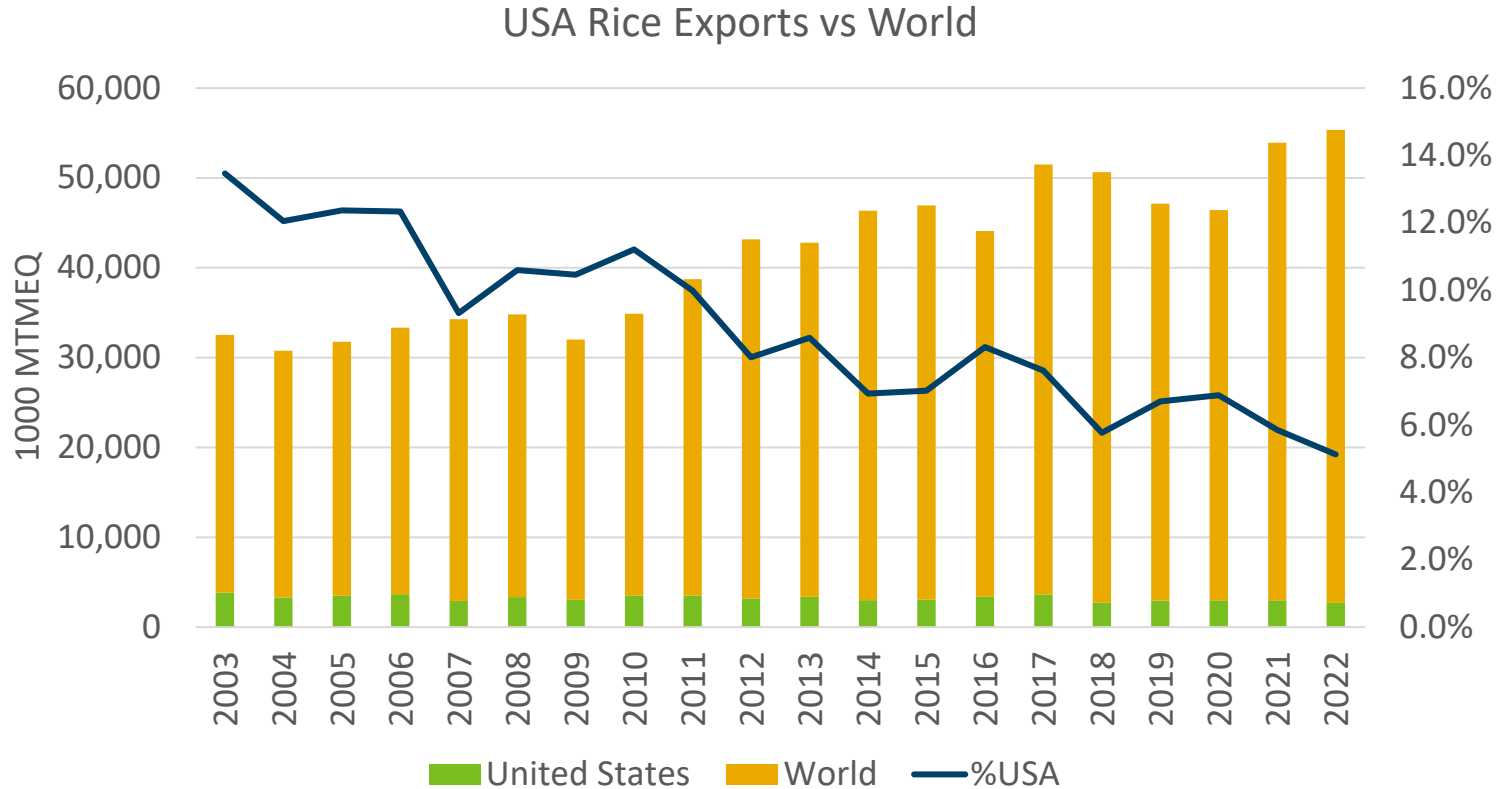
Loss of 244K acres of opportunity at Home!

Total Acreage Opportunity Impacted by Loss of Exports/Increased Imports

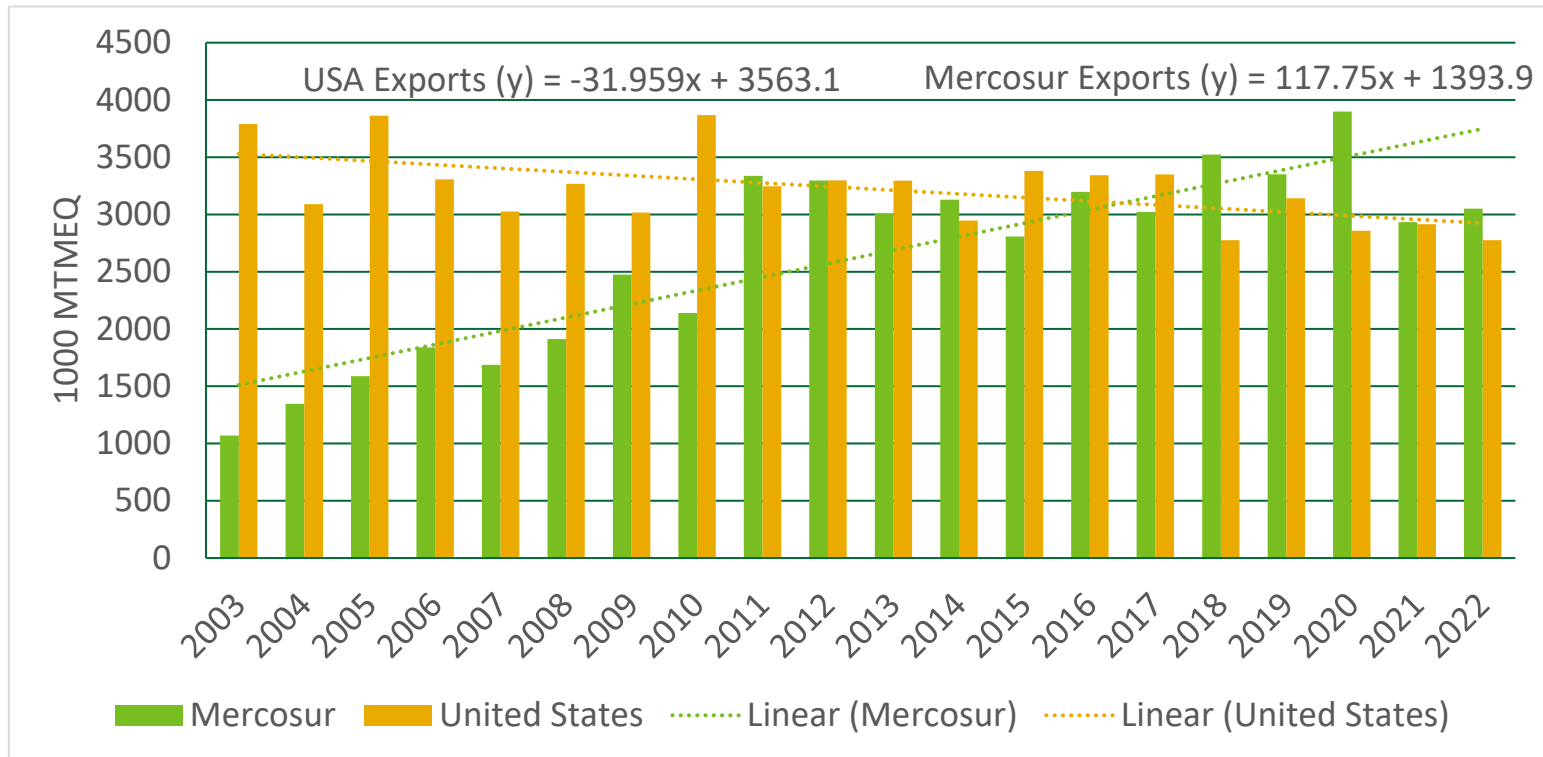
463K Acres

Key Export Markets

Export Competition



Export Competition



Challenges

- Competition is growing....world rice trade has almost doubled in past 20 years
- USA is typically priced at a premium
- USA is no longer considered the “Gold Standard” for quality rice in the Western Hemisphere

What is Quality?

- Quality is in the eye of the beholder
 - How does it look?
 - Length, uniformity, color, minimal chalk
 - How does it cook?
 - Texture and taste
- A true southern US long grain rice today is likely very similar as one 20 years ago
- Commingling of varieties
- Hybrids are likely not homogenous for amylose and gel temp

Opportunities

- A segment has to move away from commodity mindset
- More competitive aromatics
- Listen to what the consumer wants....deliver
- Find a pricing mechanism where the rice that is desired can be grown economically

Varietal Characteristics

Southern US LG (20-22% Amylose)	High Amylose(26%) <Dixiebelle>	High Amylose (26%) <L202>
CL111	CL163	CLHA02
CL153	Sabine	Cheniere
CLL16	Thad	
CLL17	Addi Jo (new)	
PVL03		

Closing Comments

- Mills/Merchants/Buyers – a segment needs to move to delivering a more desirable product
- We have better products and development continues
- Find a pricing mechanism where the rice that is desired can be grown economically



Thank You!

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