EXECUTIVE DIRECTOR'S REPORT

OCTOBER 5, 2022

BOARD OF DIRECTORS MEETING

Weekly National Rice Summary

Agricultural Marketing Service
Livestock, Poultry and Grain Market News

Mon Sep 26, 2022

Email us with accessibility issues with this report.

In the south, long and medium grain milled rice mostly steady. Parboiled prices steady. Second heads and Brewers mostly steady. Rice by-products: Rice Bran, Millfeed and Rice Hulls steady. As of September 25, Rice harvest in Texas and Louisiana around 90% completed with Arkansas just over 60% completed.
In California, medium grain milled rice steady. Second heads and Brewers steady. Rice by-products: Rice Bran and rice hulls steady. As of September 25, rice harvest around 20% completed.

CME Rough Rice settlements for Monday Sep 26, 2022 : Nov(22) closed -0.030 lower at 17.3500; Jan(23) closed -0.045 lower at 17.6250; Mar(23) closed -0.050 lower at 17.8400

	Current (Week of Sep 26, 2022)				Year Ago (Week of Sep 27, 2021)			
	ARKANSAS	CALIFORNIA	LOUISIANA	TEXAS	ARKANSAS	CALIFORNIA	LOUISIANA	TEXAS
Milled Rice ($ Per CWT-Bag / 100lb)								
Long White [1]	33.00 - 35.50		35.50	32.25	27.00 - 28.50		28.50	26.00 - 29.25
Long Brown [1]	33.50 - 37.50			33.50	28.00 - 30.00			31.25
Medium White [1]	40.00 - 43.00	58.00 - 62.00	40.00		32.50 - 35.00	42.00 - 44.00	31.50	
Medium Brown [1]		58.00 - 62.00				42.00 - 44.00		
Short White [1]								
Short Brown [1]								
Parboiled	36.50 - 39.50			38.00	30.00 - 32.50			35.00
Second Heads [2]	23.50 - 25.50	24.00 - 34.00	20.50	19.00	21.00 - 23.00	19.00 - 21.00	17.50	18.75 - 20.00
Brewers [2]	21.50 - 24.00	19.00 - 24.00	17.50	19.75 - 20.50	19.75 - 21.00	16.00 - 19.00	16.00	18.50 - 18.75
Rice By-Products ($ Per Short Ton-Bulk)								
Bran	160.00 - 210.00	220.00 - 240.00	190.00	150.00	120.00 - 150.00	200.00	140.00	125.00 - 130.00
Millfeed				50.00				45.00
Hulls (Ground)	8.00 - 15.00							
Hulls (Whole)	5.00 - 10.00	10.00		5.00	5.00	3.00 - 5.00		5.00

Explanatory Notes:
Values quoted are spot prices, F.O.B, Mills and Processors
1 - California: U.S. No. 1.; Southern States: U.S. No. 2 or Better, but brokens not to exceed 4 percent.
2 - U.S. No. 4 or better, bulk.

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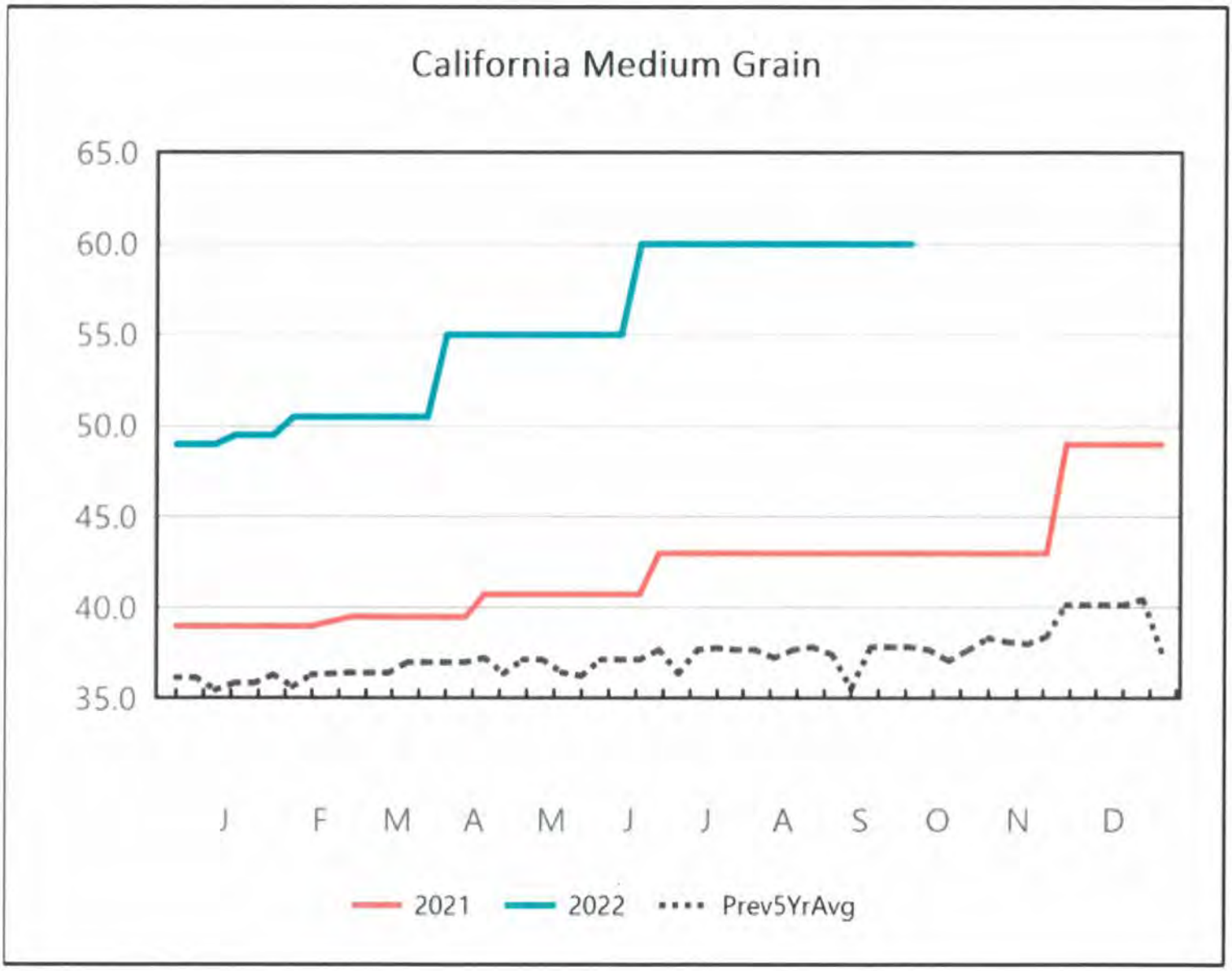

USDA
United States Department of Agriculture

Outlook
Economic Research Service | Situation and Outlook

RCS-22H September 14, 2022

Next release is October 14, 2022

Rice Outlook: September 2022

Nathan W. Childs, coordinator
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In this report:

Rice Outlook monthly tables, in Excel format, can be found on the Rice Outlook report page on USDA's Economic Research Service website.

India's 2023 Export Forecast Lowered 2.0 Million Tons

There were several revisions this month to the U.S. 2022/23 and 2021/22 rice balance sheets. For 2022/23, the production forecast was lowered 10.9 million cwt to 165.1 million cwt, a result of a 6-percent drop in the harvested area estimate and a slightly lower yield forecast. The 2022/23 import forecast was raised 1.0 million cwt to a record 44.0 million. On the use side, 2022/23 exports were lowered 2.0 million cwt to 77.0 million, while the total domestic and residual use forecast was reduced 4.0 million cwt to 141.0 million. On balance, these revisions resulted in a 5.6-million cwt reduction in the ending stocks forecast to 30.9 million cwt. Season-average farm price (SAFP) forecasts for 2022/23 were raised for both classes of rice in both the South and California, with the U.S. 2022/23 SAFP forecast at a record $19.40 per cwt.

For 2021/22, yearend Census-reported trade data and USDA, National Agricultural Statistics Service (NASS)-reported August 1 rice stocks data resulted in revised trade, domestic and residual use, and ending stocks estimates. In addition, SAFP estimates were lowered this month for both California and U.S. medium- and short-grain rice and for all-rice, largely based on the July NASS-reported cash prices and marketings.

In the global rice market, the 2022/23 global rice production forecast was lowered 4.4 million tons to 508.0 million tons (milled basis), the first year-to-year decline since 2015/16. The month-to-month reduction is largely due to reduced production forecasts for China, India, Pakistan, Sri Lanka, and the United States. The 2022/23 global consumption and residual use forecast was raised 0.6 million tons this month to 519.3 million, the highest on record, with India accounting for the bulk of the upward revision. The 2022/23 global ending stocks forecast was lowered 5.0 million tons to 173.6 million tons, the second consecutive year of a decline.

The global rice trade forecast for calendar year 2023 was lowered 1.0 million tons to 53.7 million tons. India accounts for the bulk of the downward revision in global exports. In contrast, export forecasts were raised this month for Burma, Pakistan, Thailand, and Vietnam. Over the past month, quotes for Thailand's trading prices for most grades of regular (nonspecialty) milled rice increased 3-4 percent from a month earlier, while Vietnam's price quotes were unchanged. U.S. trading prices for long-grain milled rice continued to increase over the past month, while nominal price quotes (not actual sales) for California medium- and short-grain rice remain record high.

Table C - U.S. rice harvested area, yield, and production, by State and U.S. total

Class and State	2018	2019	2020	2021	2022	Change from previous year Quantity	Change from previous year Percent
	1,000 acres						
Harvested area							
Arkansas	1,422	1,126	1,441	1,194	1,083	-111	-9.3
California	504	501	514	405	255	-150	-37.0
Louisiana	436	414	473	414	416	2	0.5
Mississippi	139	113	165	100	84	-16	-16.0
Missouri	220	173	214	194	149	-45	-23.2
Texas	189	150	179	181	190	9	5.0
U.S. total	2,910	2,477	2,986	2,488	2,177	-311	-12.5
South	2,406	1,976	2,472	2,083	1,922	-161	-7.7
	Pounds per acre						
Yield							
Arkansas	7,520	7,480	7,500	7,630	7,500	-130	-1.7
California	8,620	8,460	8,720	9,050	8,900	-150	-1.7
Louisiana	7,130	6,380	6,820	6,870	6,700	-170	-2.5
Mississippi	7,350	7,350	7,420	7,540	7,450	-90	-1.2
Missouri	7,770	7,370	7,250	8,040	7,600	-440	-5.5
Texas	7,970	7,350	8,150	6,860	8,300	1440	21.0
U.S. total	7,692	7,473	7,619	7,709	7,586	-123	-1.6
South	7,498	7,224	7,391	7,448	7,411	-37	-0.5
	1,000 cwt						
Production							
Arkansas	106,947	84,257	108,107	91,136	81,225	-9911	-10.9
California	43,425	42,362	44,810	36,653	22,695	-13958	-38.1
Louisiana	31,094	26,408	32,237	28,447	27,872	-575	-2.0
Mississippi	10,217	8,302	12,241	7,540	6,258	-1282	-17.0
Missouri	17,090	12,747	15,522	15,599	11,324	-4275	-27.4
Texas	15,060	11,028	14,597	12,421	15,770	3349	27.0
U.S. total	223,833	185,104	227,514	191,796	165,144	-26652	-13.9
South	180,408	142,742	182,704	155,143	142,449	-12694	-8.2

These six States account for almost 100 percent of U.S. rice acreage and production. Production and yield are rough basis.
Source: USDA, Economic Research Service; USDA, National Agricultural Statistics Service.

Domestic Outlook

U.S. 2022/23 Rice Crop Forecast Reduced 6 Percent

The U.S. 2022/23 rice production forecast was lowered 10.9 million cwt to 165.1 million based on a reduced harvested area estimate and a lower yield forecast. Production is 14 percent below a year earlier and the smallest since 1993/94. The projected yield of 7,586 pounds per acre is 41 pounds below the previous forecast and nearly 2 percent below the year-earlier record. The revised area, yield, and production estimates were reported by USDA's National Agricultural Statistics Service (NASS) in its *Crop Production* report released on September 12. The revised planted and harvested area estimates included information reported by the Farm Service Agency on acreage enrolled in USDA's farm programs. This is the second survey-based yield forecast for the 2022/23 crop and is based on a survey of rice producers conducted by NASS between August 25 and September 7. These growers will continue to be surveyed throughout the August-November growing season to provide indications of average yields.

Long-grain 2022/23 production was lowered 8.0 million cwt to 132.3 million, nearly 9 percent below a year earlier and the smallest since 2019/20. Medium- and short-grain production was lowered 2.9 million cwt to 32.8 million cwt, 30 percent smaller than a year earlier and the lowest since at least 1972/73 when NASS first reported U.S. rice production by class.

Total harvested area is estimated at 2.177 million acres, 131,000 below the previous estimate, 12.5 percent below a year earlier, and the lowest since 1973/74. Harvested area is estimated to be less than a year earlier in all reported States except Louisiana and Texas, with California accounting for the largest annual decline in rice area. At 255,000 acres, California's total 2022/23 rice harvested area is the smallest since 1958/59. This is the second consecutive year of a sharp decline in California rice acreage, a result of a severe and prolonged drought, with low reservoir levels and water restrictions. California grows mostly medium- and short-grain rice, typically accounting for around 75 percent of U.S. medium- and short-grain acreage. Much of the area decline in the Delta was due to extremely high corn and soybean prices just prior to planting and the historically high input costs for rice production this year. Early-season adverse weather in parts of the Delta further reduced plantings.

Average yields in 2022/23 are projected to be lower than a year earlier in all reported rice producing States except Texas, which is expecting a near-record yield. Missouri's yield is projected to show the sharpest decline, while the California yield is second only to the year-earlier record. California's recent high yields have been supported by the small amount of acreage planted and harvested. Production is projected to be smaller than a year earlier in all reported States except for Texas, where production is projected to be the highest since 1998/99 due to a 21-percent increase in the yield and a 5-percent expansion in harvested area. California's rice production is projected to decline 38 percent to 22.7 million cwt, mostly due to the substantial area drop. This is the smallest rice crop in California since 1977/78.

U.S. 2022/23 Season-Average Farm Prices for Rice Raised

This month, USDA raised its 2022/23 season-average farm price (SAFP) forecasts for both classes of rice in the South and in California, with prices projected to be higher than a year earlier for all reported categories. Tighter U.S. rice supplies and much higher input prices are the major reasons for the expected higher— and typically record—U.S. rice prices in 2022/23. The 2022/23 SAFP forecast for long-grain rice was raised 50 cents to a record $16.50 per cwt, more than 20 percent above a year earlier.

In California, the 2022/23 medium- and short-grain SAFP was again raised $1.00, now to a record $33.00 per cwt, up 28 percent from a year earlier. The upward revision was largely based on recent higher reported nominal price quotes and a reduced crop forecast. The 2022/23 southern medium- and short-grain SAFP was raised 50 cents to $17.00 per cwt, up 21 percent from a year earlier and the highest since the 2008/09 record. The higher California and southern medium- and short-grain SAFPs boosted the U.S. medium- and short-grain SAFP to a record $27.90 per cwt, 27 percent above a year earlier. The U.S. 2022/23 all-rice SAFP was raised 60 cents to a record $19.40 per cwt, up almost 24 percent from a year earlier.

On August 31, NASS released its July 2022 rough-rice cash prices and marketings estimates, resulting in slight 2021/22 revisions for the California medium- and short-grain SAFP forecast, the U.S. medium- and short-grain SAFP estimate, and the U.S. all-rice SAFP estimate.

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Protecting Sacramento Valley Waterways from Pyrethroid Exceedances

Posted on June 22 2022 by Sacramento Valley Orchards

David Haviland, Katherine Jarvis-Shean, Rachael Long, and Franz Niederholzer
University of California Cooperative Extension

The following article is reprinted from the April, 2022 issue of The Advisor, published by the California Association of Pest Control Advisors (CAPCA).

Protecting California's waterways from pesticides is the joint responsibility of all Californians. These protections need to be implemented within urban as well as agricultural environments because typical watersheds are influenced by hundreds, if not thousands, of individual point sources that are associated with homes, other residential buildings, farms and right-of-ways. While it is true that one individual point source can lead to contamination of a waterway, it is often the cumulative effects of numerous point sources that leads to exceedances of pesticides.

During the past two decades there has been a concerted effort to keep pesticides out of waterways in the Sacramento Valley. For many years the focus was on organophosphates. Significant amounts of research on reduced-risk pesticides chemistries, alternatives to dormant spray applications in orchards, improved application technologies, and the regulatory cancellation of many urban and agricultural organophosphate products have led to significant reductions in use. Between 2000 and 2019 there has been a steady decline in organophosphate use by farmers, ultimately leading to a 62% overall reduction in acres treated (**Fig. 1**) and 71% reduction in pounds applied (**Fig. 2**). When pesticide use data for 2020 and 2021 are released, it is anticipated that there will be further reductions due to the discontinued use of chlorpyrifos and other changes in grower practices.

As farmers have reduced their reliance on organophosphate insecticides for pest control, there has been a shift to other control tactics. This includes increased reliance on biological control, the adoption of innovative pest management techniques like mating disruption, use of resistant plant varieties, and shifts to a wide range of alternate pesticide chemistries. Most challenging for the topic of watersheds has been a shift towards increased use of pyrethroids (**Fig. 1, 2**). Similar to organophosphates, pyrethroids are broad-spectrum contact insecticides that control a wide range of agricultural pests.

Unfortunately, as the levels of organophosphate detections in waterways have gone down, the levels of pyrethroid detections have gone up. In general, the amounts found are low and within levels considered safe for aquatic life. Nevertheless, cases of exceedances do occur, and these cases need to be eliminated.

Between 2015 to 2019, Pesticide Use Reports from the California Department of Pesticide Regulation show that approximately 65,000 pounds of pyrethroid active ingredients were applied annually to 815,000 acres of farmland representing 104 different agricultural commodities in the Sacramento Valley. Approximately 80% of all usage was within four commodities: almonds, walnuts, rice, and processing tomatoes (**Fig. 3**). The overall piece of the pie that each of these commodities represents is due, in large part, to the acreages planted relative to other crops, and not necessarily due to high use on a per-acre basis. In almonds, for example, comparisons of acreages treated and actual acres show that the average almond orchard is treated with a pyrethroid once every two years.

Farmers and pest control advisers currently have numerous tools to manage agricultural pests. These tools are commonly sorted into three buckets: cultural controls, biological controls, and chemical controls. The goal is always to rely on biological controls to the greatest extent possible, using cultural controls as needed to help prevent pest problems, followed by chemical controls as needed. When chemical controls are needed, the goal is always to use the least disruptive, yet effective chemical. On the sliding scale from least to most disruptive chemical controls are things like mating disruption, microbial and biological insecticides, selective insecticides, and then broad spectrum insecticides like pyrethroids.

Using almonds as a case study, pyrethroids are typically used during one of three treatment windows routinely referred to as dormant sprays (January), 'May' sprays (mostly in April and May), and hull split sprays (July and August) (**Fig. 4**).

Applications of pyrethroids during the dormant season are usually made for peach twig borer. This pest was historically considered one of the most significant in the region due to the damage that it caused by directly feeding on almond kernels. That is no longer the case. As almond growers in the region have switched from flood-based to precision-based irrigation systems, increases in moisture uniformity during the period of shell expansion have led to a stronger shell seal. As a result, peach twig borer larvae are usually found feeding on the inside of the hull, but outside of the shell where feeding is of no concern.

Additionally, reductions in organophosphate use over the past two decades have increased levels of biological control in almond orchards. For peach twig borer this includes multiple species of parasitoids and field ants. In particular, the native gray ant is known for plucking peach twig borer larvae from their overwintering site (called a hibernacula) to eat them. Faced with decreased issues from this pest, almond growers have already demonstrated significant reductions in dormant insecticide sprays, and in cases where peach twig borer treatments are still needed, most growers have shifted to the use of the microbial product *Bacillus thuringiensis* during bloom, or other reduced-risk larvicides in April or May according to monitoring and degree-day model calculations.

'May' sprays are the second timing window where pyrethroids are sometimes used in almonds. This timing can be for worm pests, such as peach twig borer or navel orangeworm, but is often used to control large bugs, such as leaffooted bug and stink bugs, that can cause significant damage to almond kernels by using their proboscis to probe into the nutmeat. This causes shriveled kernels or nut abortion while the meat is still developing or can leave the kernel misshapen or blemished (dark stain/brown spot) if feeding occurs after it has already formed. Unfortunately, this is a case where there are few alternatives to pyrethroids. Reliable cultural controls for this pest don't exist, biological control is limited to egg parasitoids that are often in low abundance, and trials using reduced-risk insecticides at best have found products that can control a percentage of adults on contact, but that do not provide any residual control against additional bugs that continue migrating into the orchard. Fortunately, on an annual basis the need for stink and leaffooted bug treatments is the exception to the rule, and growers can make treatment decisions on an as-needed basis, while taking care that any pyrethroids applied stay on site and do not drift into waterways.

Hull split is the third period of the year when pyrethroids are used in almonds. Some of these treatments may be for stink bugs, but the majority are for navel orangeworm. This pest is the most significant pest of both almonds and pistachios at a statewide level, and it also attacks walnuts. Larvae drill into the nutmeat where they become the primary cause of nuts being classified as 'inedibles', in addition to the risks that they cause due to their associations with *Aspergillus* sp. fungi that have the potential to produce aflatoxins.

Almond farmers battle navel orangeworm each year using an integrated approach that includes sanitation, timely harvest, mating disruption and insecticides. Winter sanitation serves as the backbone of the program by removing larvae from the orchard by destroying nuts remaining in the tree after harvest, and by preventing spring survivors from being able to find places to lay eggs. Timely harvest helps by removing nuts before they can be attacked, and by removing second or third-generation larvae from the orchard before they can contribute to the third and fourth flights of adults. Mating disruption is a relatively new technique that has proven to consistently provide approximately 50% reduction in damage when deployed using aerosol canisters or MESO emitters. Lastly, the fourth technique for controlling navel orangeworm is insecticides. This is typically done using products containing methoxyfenozide or chlorantraniliprole, both of which are selective and classified as reduced-risk pesticides by the U.S. Environmental Protection Agency. By using an integrated approach to navel orangeworm management, almond growers can typically avoid the need to use pyrethroids while controlling this pest.

Almonds represent just one example of the many California commodities where pyrethroids still play an important role in pest management, but where shifts away from pyrethroids can occur over time. As more integrated pest management programs are implemented, growers typically see an increased abundance of biological control organisms and an increase in overall sustainability. Decreased reliance on pyrethroids, and on-farm efforts to prevent off-site movement of pyrethroids in cases where they are still needed, are effective ways for farmers to participate in the shared role of all Californians to protect the quality of local waterways.

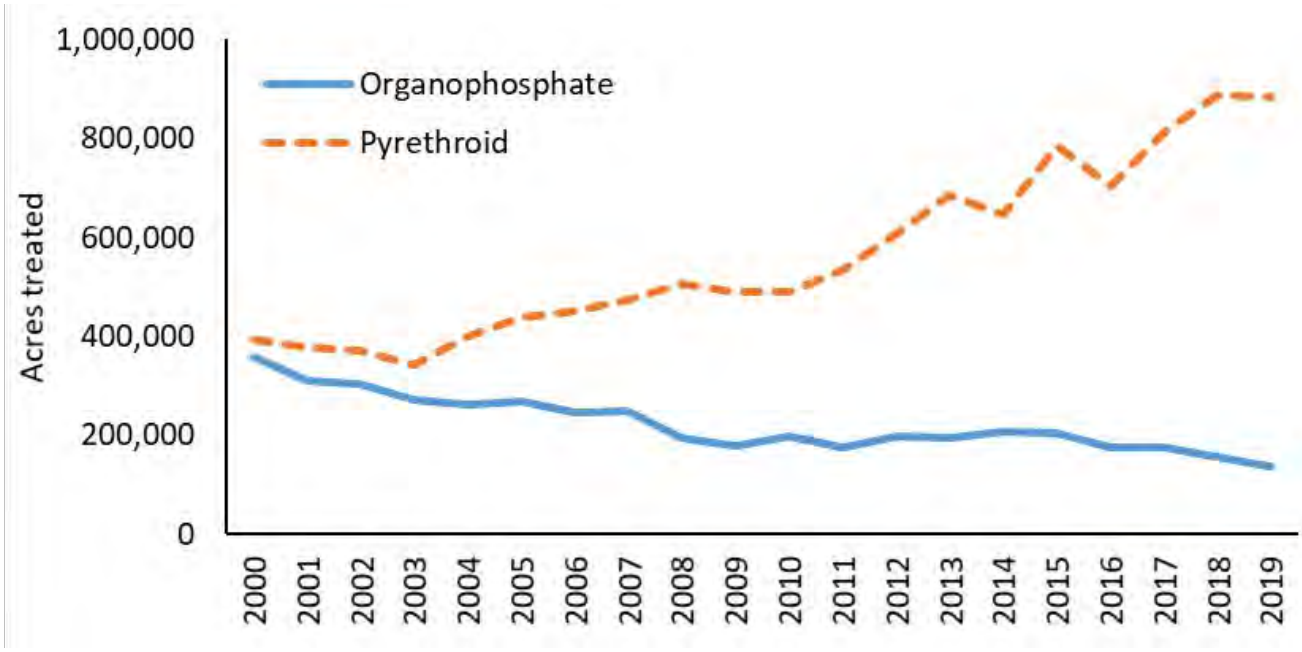

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Figure 1. Annual acres treated with organophosphate and pyrethroid insecticides in the Sacramento Valley from 2000 to 2019. Source: California Department of Pesticide Regulation Pesticide Use Report data.

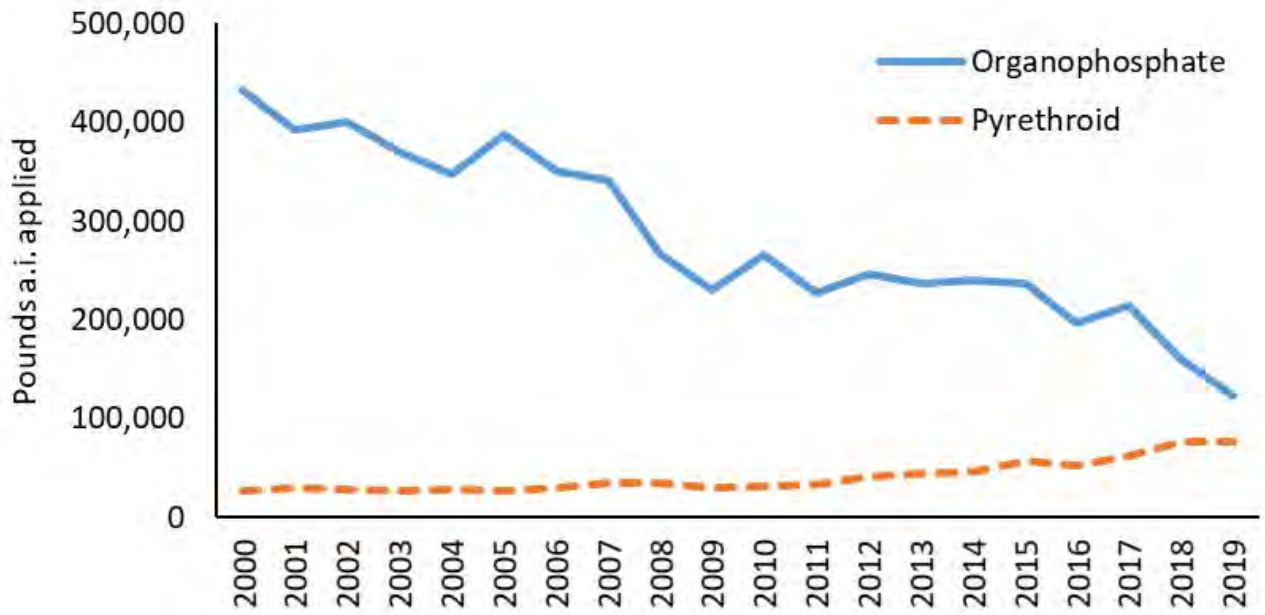

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Figure 2. Annual pounds of active ingredient (a.i.) of organophosphate and pyrethroid insecticides applied in the Sacramento Valley from 2000 to 2019. Source: California Department of Pesticide Regulation Pesticide Use Report data.

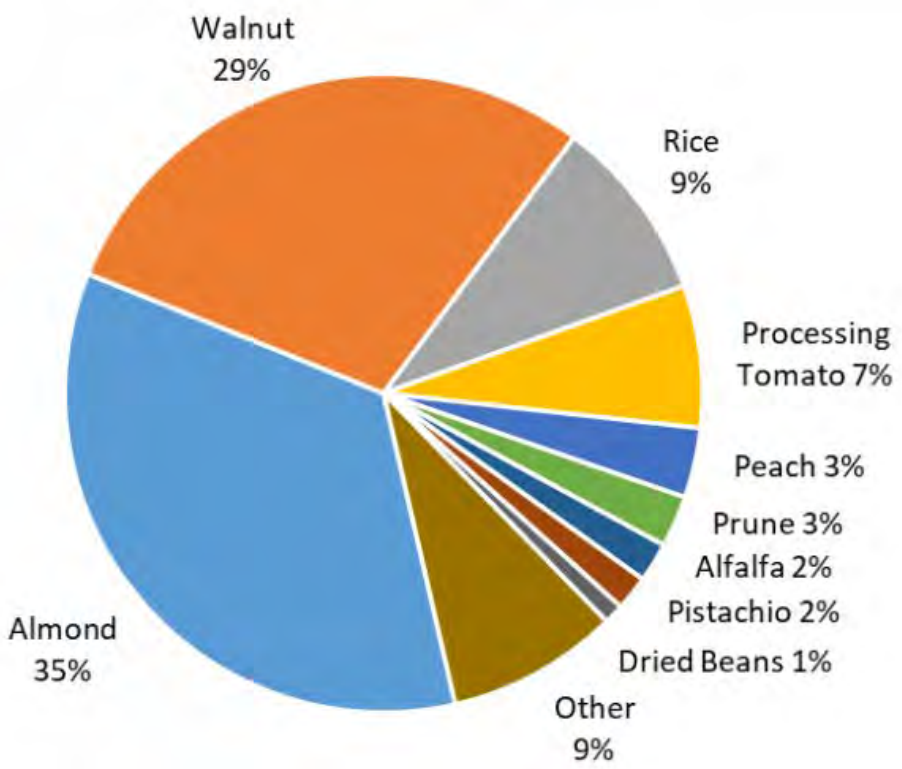

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Figure 3. Percentage of total pyrethroid use by commodity, 2015 to 2019, Sacramento Valley. Source: California Department of Pesticide Regulation Pesticide Use Report data.

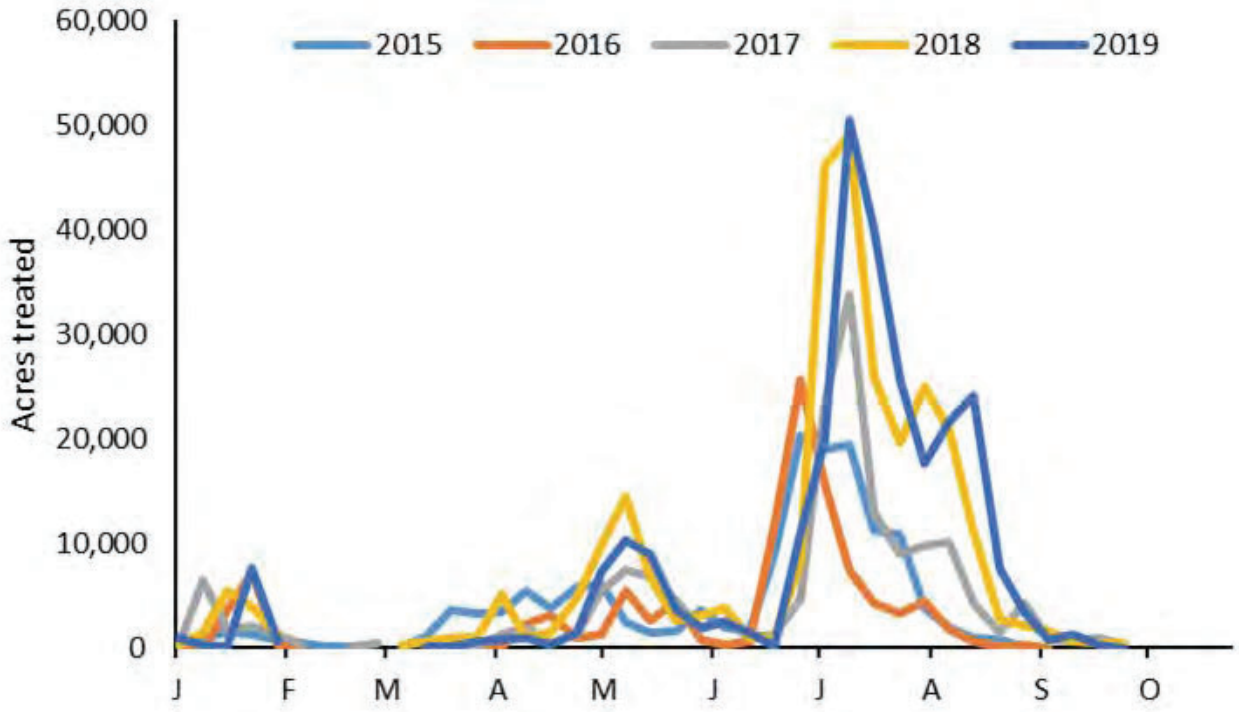

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Figure 4. Almond acres treated weekly with pyrethroids, 2015 to 2019, Sacramento Valley. Source: California Department of Pesticide Regulation Pesticide Use Report data.

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FIRSTGRAIN

RICE IN A POST GLOBAL WORLD

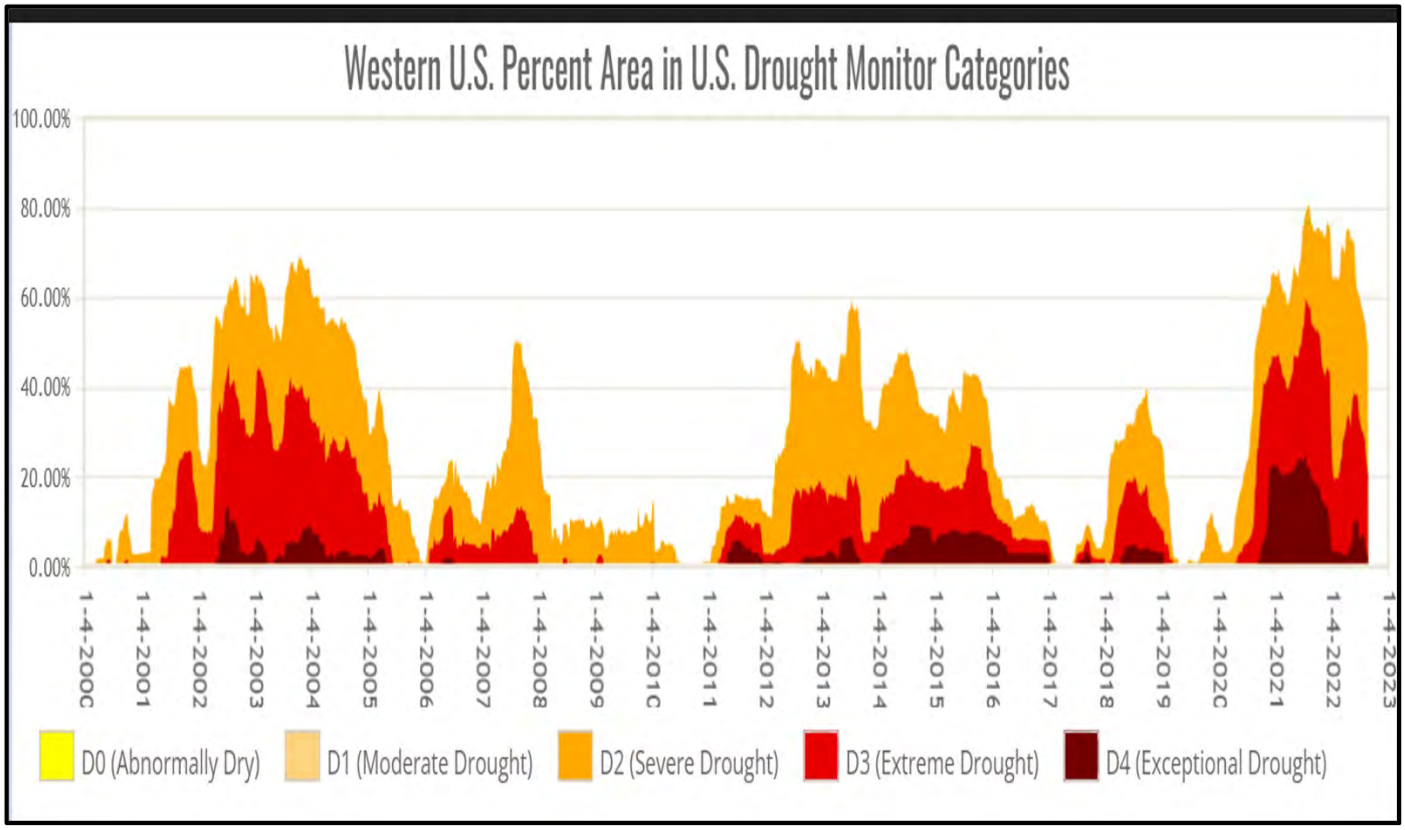
By

Milo Hamilton

firstgrain.com

For example, we are hearing reports that the rice production area in Brazil's the Rio Grande do Sul will be drastically reduced this fall, down 10% or more. Argentina could be down by 5%.

Several factors aside from the weather will drive what gets planted and fertilized. That is why forecasting the rice price has become more involved in global trends, including the withdrawal of the US military. For example, the US is no longer as interested in providing security for those with whom they want to do business. Moreover, the number of countries and regions the US wants to trade with as customers or suppliers is unwinding. China could be left outside the most lucrative market in the world: the USA. If the same sanctions applied to Russia, for example, were applied to China, its economy would suffer massive, short-term setbacks. Even compared to the EU, Russia is, in GDP terms, smaller than Germany, France, Italy, or even the UK. Russia is more comparable in GDP to Brazil or Australia. **Russia is less than 2% of the total world economy of $104 Trillion! The US is 25%, and China is over 20% by comparison.**



2019/20; USDA, World Agricultural Outlook Board, *World Agricultural Supple and Demand Estimates, 2020/21–2022/23*

This year has been challenging for our US rice industry. A severe drought in California has cut acres to the lowest level since the 1950s. Over the last three seasons, USDA forecasts that long grain imports are up by 20%, and production will be down by 19%. Fortunately, exports are forecast to decline by only 8%. The medium grain situation is dire, with imports up by 39%, production down by 37%, and exports down by 34%. That is a big hit. We must pay close attention to the escalating trend in foreign rice imports, now a third of US domestic use.

Can the US rice industry survive? All we can say is that droughts are part of life in California.

Australia went through a more profound production decline than California and has returned with better growing weather. Europe is suffering through a drought as well. Although droughts like those in California do not impact long grain, price disparities can swing long grain acreage yearly. In addition, the high costs of inputs during the planting season put rice at a disadvantage to other row crops such as soybeans. We are down to a core acreage for long grain in the Southern US.

Beyond the Cold War Peace and Bretton Woods

We are sometimes the slaves of defunct leaders who left their mark on how we view the world today and what we do to contend with its challenges. One of these leaders was Gen. George C. Marshall, who managed both theaters of World War II but, more importantly, helped build the ground rules for peace that followed the war to end all wars.

Marshall helped author the Marshall plan, which bears his name. The assistance it gave our European friends put them back on their feet. The Lend Lease act was designed to help the Allies by providing arms to them, but the act also gave the Allies an advantage in the World War II conflict. We are now involved in something akin to a Lend-Lease Act for Ukraine. The Bretton Woods agreement reorganized our world economy and is the basis for globalized urbanization, industrialization, and the agricultural markets from which the world has benefited.

We believe the globalization of the last seven decades is winding down, however, and will be replaced by something we will build on the fly and will not resemble what we have come to know and under which we have operated. Our business and personal lives will be reflected in 2022 as a period of radical change.

"There are decades where nothing happens, then there are weeks where decades happen." Vladimir Lenin, Head of State, Soviet Union, 1917-1924

For the last 70 years, grains have been available to buy in ever more significant quantities at a low price except for occasional weather disasters and inflation flareups that were passing and local in nature. Since the Bretton Woods agreement, the global order has catered to the grain buyer. Bretton Woods refers to the international monetary arrangement agreed upon by the allied nations in 1944 in Bretton Woods, US, which created the IMF and World Bank and set up a system of fixed exchange rates with the US dollar as the international reserve currency.

Here is the global world order that used to exist or is fast disappearing:

Since World War II, every year, populations grew, demand grew, grain production grew, and companies and countries had the money to buy what they needed when they needed it, and it was delivered on time. This was, however, due to the Global Order backed up by the American military, especially its navy, and its economy.