



Rice Outlook

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

U.S. Rice Production Forecast for 2020/21 Raised to 225.0 Million Hundredweight

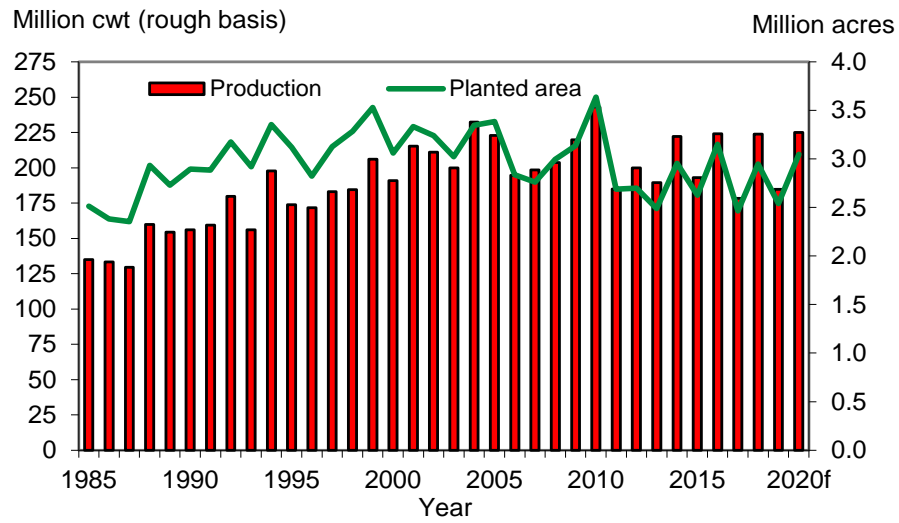
There were several revisions this month to both the U.S. 2020/21 rice balance sheet and the 2019/20 U.S. rice balance sheet. On the supply side, the 2020/21 production forecast was raised 6.9 million hundredweight (cwt) to 225.0 million, due to a larger harvested area estimate. In addition, imports were raised 0.8 million cwt to a near-record 36.8 million cwt. The 2020/21 carryin was lowered 2.1 million cwt to 28.7 million cwt. On balance, these revisions boosted total 2020/21 U.S. rice supplies 5.5 million cwt to 290.4 million cwt. On the 2020/21 use side, both total domestic and residual use and exports were increased 2.0 million cwt, to 145.5 million cwt and 99.0 million cwt, respectively. These supply and use revisions raised the 2020/21 ending stocks forecast 1.5 million cwt to 45.9 million cwt. Season-average farm price (SAFP) forecasts for 2020/21 were lowered for long-grain and southern medium- and short-grain rice but raised for California medium- and short-grain rice.

For 2019/20, U.S. imports were raised 0.6 million cwt to a record 37.3 million cwt. On the use side, exports were increased 1.7 million cwt to 94.2 million cwt and total domestic and residual use increased 1.0 million cwt to 144.0 million cwt. Both trade changes were based on yearend U.S. Census data. Ending stocks were lowered 2.1 million cwt to 28.7 million cwt based on data from the National Agricultural Statistics Service's (NASS) August 21 *Rice Stocks*. The 2019/20 SAFP for California medium- and short-grain rice was raised, while the southern medium- and short-grain SAFP was lowered, largely based on August-July NASS prices and marketings.

In the global rice market, the 2020/21 production forecast was lowered 0.5 million tons to 499.6 million tons (milled basis), still the highest on record. Production forecasts were lowered this month for Bangladesh, Burma, Iraq, and Thailand, but raised for Brazil, India, and the United States. Global rice consumption and residual is forecast at a record 496.4 million tons, with global ending stocks expected to increase almost 2 percent to a record 184.8 million tons in 2020/21. Global rice trade in 2021 is projected at 44.4 million tons, up more than 3 percent from a year earlier, with both Thailand and India projected to increase exports 1.0 million tons. The Philippines and Nigeria are projected to increase imports the most in 2021. Over the past month, quotes for Thailand's trading prices for nonaromatic rice have increased on tight supplies, Vietnam's price quotes have dropped slightly on weak demand, and prices for U.S. milled rice for both long-grain and medium-grain were unchanged from a month earlier.

Figure 1

U.S. rice production in 2020 is projected to increase 22 percent



Cwt = Hundredweight. 2020f = forecasts.

Sources: 1985-2017, *Rice Yearbook Data Set*, USDA, Economic Research Service; 2018-2020, USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates*.

Domestic Outlook

Larger Area Forecast Raises U.S. 2020/21 Rice Production Forecast 6.9 Million Cwt to 225.0 Million Cwt

This month, USDA raised its 2020/21 U.S. rice production forecast 3 percent to 225.0 million cwt, 22 percent larger than a year earlier. The upward revision was based on a 118,000-acre increase in the harvested area estimate to 3.0 million acres. Both planted and harvested area estimates were revised by USDA's National Agricultural Statistics Service (NASS) based on all available information, including the latest certified acreage data from the USDA Farm Service Agency. In contrast, NASS lowered its 2020/21 all-rice yield forecast 71 pounds to 7,529 pounds per acre, still almost 1 percent higher than a year earlier.

By class, the U.S. 2020/21 long-grain crop is projected at 168.9 million cwt, up 9.8 million cwt from the previous forecast and 34.5 percent larger than a year earlier. NASS raised the long-grain planted area estimate 144,000 acres to 2.34 million acres, up more than 31 percent from a year earlier. Arkansas accounted for more than half of the long-grain planted area upward revision; Louisiana and Mississippi accounted for most of the remainder. The Texas long-grain planted area estimate was unchanged from the previous estimate.

The combined medium- and short-grain 2020/21 crop is forecast at 56.0 million cwt, down 3.0 million cwt from the previous forecast and 5 percent smaller than a year earlier. This month, NASS lowered its U.S. medium- and short-grain planted area estimate 28,000 acres to 701,000 acres, with the Arkansas estimate reduced 45,000 acres, which was partially offset by larger planted area estimates for California and Louisiana. On a year-to-year basis, medium-grain plantings in 2020/21 were lower than a year earlier in all southern reported States, with Arkansas accounting for the bulk of the decline. Arkansas produces most of the southern medium-grain rice. In contrast to rising long-grain prices, prices for southern medium- and short-grain rice declined during the 2019/20 market year, largely due to a lack of any significant export demand and a significant increase in stocks of southern medium- and short-grain rice..

NASS made several all-rice harvested area, yield, and production revisions by State this month. Louisiana and Arkansas account for 76 percent of the month's 118,000-acre increase in the U.S. 2020/21 harvested area estimate. The Louisiana harvested area estimates were raised 50,000 acres and the Arkansas estimate increased 40,000 acres. Mississippi's harvested area estimate was boosted 20,000 acres, and California's harvested area estimate was increased 6,000 acres. Missouri's harvested area estimate was increased just 1,000 acres this month, while the Texas harvested area estimate was unchanged from August.

The Gulf Coast yields were lowered the most this month, with Louisiana's yield down 350 pounds per acre and the Texas yield lowered 300 pounds. On August 27, Hurricane Laura struck the Gulf Coast rice growing area, with about 75 percent of the main crop already harvested in both States. The impact of the heavy rains during the final harvest weeks on the feasibility of producing a ratoon crop (or partial second crop) and the size of a ratoon crop, and on milling rates and rice quality, is not fully known at this time. The Arkansas yield was lowered just 50 pounds per acre, while yields in Mississippi and Missouri were unchanged from the August estimates despite substantial rain from Hurricane Laura just as the harvest was starting. In contrast to much of the South, California's 2020/21 yield was raised 200 pounds. Despite the record and near-record heat across the California rice growing area and strong winds, NASS

reported that crop conditions for California through September 6 remained 100-percent good or excellent.

Crop forecasts for 2020/21 were raised this month for all reported rice producing States except Texas, with the Arkansas crop forecast raised 2.3 million cwt and the Louisiana production forecast increased 1.9 million cwt. For California and Mississippi, production forecasts were raised 1.5 million cwt and 1.6 million cwt, respectively. Missouri's crop forecast was revised up 0.5 percent, while the Texas crop forecast was reduced 4.4 percent due to reduced yield.

Production Projected Higher in 2020/21 in All Reported States

Harvested area is estimated to be larger than a year earlier in all six reported rice producing States, with Arkansas accounting for 61 percent of the 516,000-acre increase. In most areas, higher long-grain prices and more favorable weather conditions during planting than a year earlier—especially in the three Delta rice growing States—are the main factors behind the strong area expansion across the South. At 1.44 million acres, Arkansas' 2020/21 harvested area is up 28 percent from a year earlier. Mississippi reported the largest percentage increase in harvested area, up 170,000 acres and more than 50 percent from a year earlier. In nearby Missouri, 2020/21 harvested area is estimated at 215,000 acres, up more than 24 percent from a year earlier. Harvested area in Texas is estimated to have expanded nearly 19 percent to 178,000 acres. In Louisiana, harvested area expanded 14.5 percent to 474,000 acres. Expansion in California was much smaller; at 510,000 acres, California's harvested area is up less than 3 percent from a year earlier.

Yields are projected to be higher than a year earlier in all reported States except Texas, although projected increases are less than 1 percent in two States and less than 2 percent in another. Louisiana is the only State reporting a substantial yield increase in 2020/21. At 6,800 pounds per acre, Louisiana's 2020/21 yield is up 6.6 percent from last year, despite impacts from Hurricane Laura. In Missouri, the 2020/21 yield is forecast at 7,500 pounds per acre, up almost 2 percent from a year earlier and the second-highest on record. Mississippi's 2020/21 yield of 7,400 pounds per acre is up just 50 pounds from 2019/20 and is also the second-highest on record for the State. California's yield—forecast at 8,700 pounds per acre—is up 3 percent from 2019/20 but below the 2015/16 record of 8,890 pounds. In contrast, the Texas 2020/21 yield of 6,500 pounds is nearly 12 percent below a year earlier and the lowest since 1999/2000. The Texas rice crop was adversely impacted by both Tropical Storm Hanna in late July and then Hurricane Laura in late August.

Rice production is projected to be larger than a year earlier in 2020/21 all reported States, with most southern rice growing States reporting substantial production increases, typically due to expanded area. In 2019/20, persistent rainfall nearly all spring and into early summer resulted in historic high preventive plantings in the South, especially in the Delta. In Arkansas, 2020/21 production is forecast at 108.1 million cwt, up 28 percent from a year earlier, almost entirely due to larger area. Louisiana's 2020/21 production is forecast at 32.2 million cwt, up 22 percent from a year earlier, due to both expanded area and a higher yield. The Missouri 2020/21 rice crop is forecast at 16.1 million cwt, an increase of 26.5 percent from a year earlier, mostly due to expanded area. Mississippi's 2020/21 crop of 12.6 million cwt is 51.5 percent larger than a year earlier, almost entirely due to larger area. Despite a substantial yield decline, the Texas rice crop is projected to increase 5 percent to 11.6 million cwt in 2020/21 due expanded area. Finally, at 44.4 million cwt, California's 2020/21 rice production is up 6 percent from a year earlier, the result of a 3-percent increase in both harvested area and yield.

Progress of the 2020/21 U.S. rice crop varies by region, with the Delta still behind its normal pace due to above-average rainfall this Spring and early Summer, as well as to heavy rainfall in late August and early September as Hurricane Laura moved north and east. Rice crop progress is about normal on both the Gulf Coast and in California, as the bulk of the Gulf Coast crop was harvested prior to Hurricane Laura making landfall. For the week ending September 6, 26 percent of the U.S. 2020/21 rice crop was reported harvested, 1 percentage point behind a year earlier and well below the U.S. 5-year average of 35 percent. On the Gulf Coast, 86 percent of the Louisiana crop was reported harvested by September 6, up from 79 percent a year earlier and 1 percentage point ahead of the State's 5-year average. The Texas rice crop was reported 93 percent harvested by September 6, well ahead of just 74 percent a year earlier and also ahead of the Texas 5-year average of 84 percent.

In the Delta, just 10 percent of the Arkansas 2020/21 rice crop was reported harvested by September 6, well behind both 20 percent last year and the Arkansas 5-year average of 28 percent. In addition to some planting delay due to rain, the Delta also received heavy rainfall from Hurricane Laura just as harvest was to begin. In nearby Missouri, harvest had not yet begun by September 6, compared with 4 percent harvested by that date the previous year and the Missouri 5-year average of 8 percent harvested by then. Mississippi's 2020/21 rice crop was reported 14 percent harvested by September 6, well behind both 22 percent a year ago and the Mississippi 5-year average of 38 percent. Like Arkansas and Missouri, rain delayed plantings this Spring in parts of Mississippi, and the State received heavy rainfall as Hurricane Laura moved north and east after making landfall on the Gulf Coast. Finally, 2 percent of the California 2020/21 rice crop was reported harvested September 6, 1 percentage point ahead of both a year ago and the California 5-year average.

U.S. 2020/21 Import Forecast Raised Again

This month the 2020/21 all-rice import forecast was raised again, by 0.75 million cwt to 36.75 million cwt, just 1.5 percent below the revised 2019/20 record. The 2020/21 upward revision—all for medium- and short-grain—was largely based on a recent and sustained increase in monthly shipments from Thailand and India and expectations that China will continue to supply the bulk of Puerto Rico's rice in 2020/21. At a record 7.75 million cwt, the U.S. 2020/21 medium- and short-grain 2020/21 import forecast is up 0.75 million cwt from the previous forecast and almost 3 percent larger than the year-earlier revised level, with China, Thailand, and India expected to remain the top suppliers. Thailand's shipments are nearly all specialty rice classified as medium- and short-grain. Italy is expected to continue shipping much smaller quantities of its premium Arborio rice, of which it has been a long-term supplier to the United States.

U.S. long-grain imports in 2020/21 remain projected at 29.0 million cwt, down almost 3 percent from the year-earlier revised record but still the second-highest on record. The small decrease in imports forecast for 2020/21 is based on much larger U.S. long-grain supplies. Thailand and India account for the bulk of U.S. long-grain rice imports and most of the recent strong growth. Nearly all of these shipments are specific Asian aromatic varieties not yet produced in the United States, with Thailand shipping jasmine and India shipping basmati. Pakistan also regularly ships smaller quantities of basmati rice to the United States, and in recent years Vietnam has begun selling jasmine rice to the United States, but in much smaller quantities than Thailand does. In some years, Brazil ships nonaromatic long-grain rice to the United States, typically both whole-grain rice and broken-kernel rice for processed uses. Brazil's sales to the United States vary year-to-year, often depending on the supply and demand situation in both countries.

The 2020/21 U.S. carryin estimate was lowered 2.0 million cwt—all medium- and short-grain—to 28.7 million cwt, based on data reported in the NASS August *Rice Stocks*. The 2020/21 carryin is 36.1 percent below a year earlier. By class, the long-grain carryin is estimated at 16.9 million cwt, up 2.7 million cwt from the previous forecast but 48 percent below a year earlier and the smallest since 2004/05. The combined medium- and short-grain carryin is estimated at 10.7 million cwt, down 3.7 million cwt from the previous forecast but 5 percent larger than a year earlier.

In 2020/21, a larger total crop is projected to more than offset a substantial decline in carryin and a slight drop in imports, boosting total U.S. rice supplies 9 percent from 2019/20 to 290.4 million cwt. The total supply forecast is up 5.5 million cwt from the previous forecast. By class, long-grain total supplies are projected at 214.8 million cwt, up 12.5 million cwt from the previous forecast and 14 percent larger than a year earlier. Combined medium- and short-grain supplies in 2020/21 are projected at 74.5 million cwt, down 6.0 million cwt from the previous forecast and 4 percent smaller than a year earlier.

U.S. 2020/21 Domestic and Residual Use Forecast and Export Forecast Both Raised

Total use of U.S. rice in 2020/21 is projected at 244.5 million cwt, up 4.0 million cwt from the previous forecast—all long-grain—and almost 3 percent larger than the year-earlier revised estimate, with both exports and domestic and residual use projected in 2020/21. Long-grain total use is projected at 182.0 million cwt, an increase of 4.0 million cwt from the previous forecast and more than 6 percent larger than the year-earlier revised estimate. Combined medium- and short-grain total use in 2020/21 remains forecast at 62.5 million cwt, down almost 7 percent from the year-earlier revised level.

Total domestic and residual use of rice in 2020/21 is projected at a record 145.5 million cwt, up 2.0 million cwt from the previous forecast and 1 percent larger than the year-earlier revised estimate. This month's upward revision in total domestic and residual use—all for long-grain—is largely based on the higher total supply forecast. By class, long-grain domestic and residual use is projected at a record 111.0 million cwt, up 2.0 million cwt from the previous forecast and 4 percent larger than the year-earlier revised estimate. Combined medium- and short-grain domestic and residual use remains projected at 34.5 million cwt, down 8 percent from the year-earlier revised estimate.

Total U.S. rice exports in 2020/21 are projected at 99.0 million cwt, up 2.0 million cwt from the previous forecast and 5 percent larger than the year-earlier revised estimate and the highest since 2016/17. Long-grain exports are projected at 71.0 million cwt, up 2.0 million cwt from the previous forecast and 10 percent larger than the year-earlier revised estimate. Both the year-to-year and month-to-month increase in U.S. long-grain exports are based on larger supplies and expectations of more competitive prices with South American exporters. Latin America is expected to account for the bulk of the expansion in U.S. long-grain exports in 2020/21, as well as to remain the top market.

U.S. medium- and short-grain rice exports in 2020/21 remain projected at 28.0 million cwt, down 5 percent from the year-earlier revised estimate. The United States is expected to make few, if any, sales beyond its regular sales to Japan, South Korea, and Taiwan as part of each importer's World Trade Organization commitments and its smaller regular U.S. sales to Jordan, Canada, and Mexico. Additional sales to North Africa and the Middle East are unlikely given U.S. prices compared with other suppliers. California is expected to again account for the bulk

of U.S. medium- and short-grain exports, with any exports from South America again expected to be very small.

By type, U.S. rough-rice exports are projected at 36.0 million cwt, up 1.5 million cwt from the previous forecast and up 15 percent from the revised 2019/20 estimate. Both increases are based on larger supplies and lower expected prices. Almost all of the rough rice is expected to be sold to Latin American buyers, primarily Mexico and Central America, with additional shipments this year to South America likely. The bulk of these shipments will be long-grain rice. U.S. milled-rice exports in 2020/21 are projected at 63.0 million cwt, up 0.5 million cwt from the previous forecast but nearly unchanged from the 2019/20 revised estimate. Northeast Asia, Haiti, Canada, Iraq, and Saudi Arabia are expected to remain the largest commercial markets for U.S. milled rice. Mexico and the EU typically import much smaller quantities of U.S. milled rice.

The above supply and use projections yield a 2020/21 ending stocks forecast of 45.9 million cwt, up 1.5 million cwt from the previous forecast and 60 percent larger than the year-earlier revised level, which was abnormally low. The 2020/21 U.S. rice stocks-to-use ratio of 18.8 percent is well above a revised and abnormally low 12.0 percent for 2019/20. By class, long-grain ending stocks in 2020/21 are projected at 32.8 million cwt, up 8.5 million cwt from the previous forecast and 94 percent higher than the 2019/20 revised estimate. The long-grain stocks-to-use ratio is forecast at 18.0 percent, well above the abnormally low 9.9 percent a year earlier. Medium- and short-grain ending stocks are projected at 12.0 million cwt, down 6.0 million cwt from the previous forecast but 12 percent larger than the year-earlier revised estimate. The medium- and short-grain stocks-to-use ratio is projected at 19.2 percent, up from 16.0 percent from a year earlier.

U.S. 2019/20 Import and Export Forecasts Increased, Domestic and Residual Use Forecast Also Raised

There were several revisions this month to the 2019/20 U.S. rice balance sheet based on the release of yearend data from both NASS and the U.S. Census Bureau. On the supply side, the all-rice import forecast was raised 0.6 million cwt to a record 37.3 million cwt, up 29 percent from a year earlier. The September upward import revision followed upward import revisions in June, July, and August. The United States imported about 131,700 tons of rice (product-weight) in July, up 0.5 percent from June and second only to the record of nearly 137,000 tons imported in April. Thailand supplied about 56,000 tons in July, down from more than 78,000 tons shipped in June but still high by historic comparison. Imports from Thailand were a record high of nearly 83,000 tons in May and were a near-record 82,000-plus tons in April. Imports from Thailand have been especially large since April, well above the 35,000 to 50,000 tons of rice typically shipped to the United States each month in recent years. Almost all of Thailand's rice shipments to the United States are specialty rices, primarily its premium jasmine rice, for which U.S. consumers appear to have an increasing preference. Thailand also ships much smaller quantities of glutinous rice, another specialty rice that is classified as medium- and short-grain, to the United States. These purchases are also rising.

Imports from India and Pakistan are also increasing, but they account for a much smaller share of U.S. rice imports than the jasmine rice from Thailand. In July, India sold a record 33,500 tons of rice to the United States, up from its previous record of 25,100 tons in June. For several years, India typically shipped 13,000 to 17,000 tons of rice each month to the United States. Most of the rice from India is basmati, which is classified as long-grain. A smaller amount is

classified as medium- and short-grain rice. As with the basmati rice, these shipments to the United States have sharply risen since June.

The 2019/20 U.S. long-grain import forecast was raised 0.3 million cwt to a record 29.8 million cwt, up 27 percent from a year earlier. In July, the United States imported about 90,000 tons of long-grain rice, down 20 percent from the June record and 13 percent below the May near-record. Over the previous decade, the United States typically imported 50,000-70,000 tons of long-grain rice a month.

The 2019/21 medium- and short-grain import forecast was raised 0.35 million tons to a near-record 7.55 million tons, up 36 percent from a year earlier. In addition to a fourth 21,000-ton shipment from China to Puerto Rico in 2019/20 that was reported in July, U.S. imports of medium- and short-grain rice from Thailand and India were record high in July as well. Thailand shipped 12,000 tons of medium- and short-grain rice to the United States in July and India shipped 7,000 tons.

On the 2019/20 use side, the all-rice total domestic and residual use forecast was raised 1.0 million cwt to 144.0 million cwt, just fractionally above a year earlier. The upward revision was the result of a smaller ending stocks forecast not fully offset by a weaker export estimate. The long-grain domestic and residual use forecast was lowered 2.1 million cwt to 106.4 million cwt, down 2 percent from a year earlier. The combined medium- and short-grain domestic and residual use forecast of 37.6 million cwt, up 3.1 million from the previous forecast, was more than 6 percent larger than a year earlier.

The 2019/20 all-rice export forecast was raised 1.7 million cwt to 94.2 million cwt, almost 1 percent larger than a year earlier. Long-grain exports were lowered 0.4 million cwt to 64.6 million cwt, more than 2 percent below a year earlier. Shipments of long-grain rice were extremely weak in June and July. Combined medium- and short-grain exports were raised 2.1 million cwt to 29.6 million cwt, up 8 percent from a year earlier. Japan accounted for most of the shipments in July.

Based on data reported in the August NASS *Rice Stocks*, U.S. rice stocks (combined rough and milled stocks on a rough basis) on August 1 are estimated at 28.7 million cwt, down 36 percent from a year earlier. Long-grain stocks on August 1 are estimated at 16.9 million cwt, down 48 percent from a year earlier. Combined medium- and short-grain stocks on August 1 are estimated at 10.7 million cwt, up 5 percent from a year earlier. For just medium-grain rice, August 1 stocks are estimated at 10.1 million cwt, up 9.6 percent from a year earlier, with medium-grain stocks down 17 percent in California but up more than 72 percent in the South, a result of very weak export. U.S. short-grain stocks on August 1 are estimated at 0.6 million cwt, down 38 percent from a year earlier. Stocks of broken kernel rice—not classified by length of grain—are estimated at 1.0 million cwt, down 50 cents from a year earlier.

By State, rice stocks were below a year earlier in all five States that reported August 1 stocks. Arkansas' August 1 stocks are estimated at 14.0 million cwt, down 45 percent from a year earlier. In California, August 1 rice stocks are estimated at 6.7 million cwt, down 23.5 percent from a year earlier. Louisiana's August 1 rice stocks are estimated at more than 2.4 million cwt, down 17 percent from a year earlier. The Texas August 1 rice stocks are estimated at 1.1 million cwt, down 72 percent from a year earlier. Mississippi's August 1 rice stocks of 0.8 million cwt were 46 percent below a year earlier. Missouri's stocks were not reported and are included in a larger unaccounted category.

There were several revisions this month to the 2020/21 season-average farm-price forecasts (SAFP). First, the long-grain 2020/21 SAFP forecast was lowered 30 cents to \$11.30 per cwt, based on larger U.S. supplies. The long-grain 2020/21 SAFP is 70 cents below the 2019/20 SAFP of \$12.00. The year-to-year decline is based on larger projected U.S. rice supplies and expectations that U.S. farm prices will start to drop soon after harvest begins across most of the South by early September. The 2020/21 southern medium- and short-grain SAFP is projected at \$11.40 per cwt, down 10 cents from the previous forecast and 20 cents below the 2019/20 revised SAFP. Few, if any, exports of southern medium- and short-grain rice are projected for 2020/21, continuing the quite-low level of exports reported in 2019/20 when North Africa and the Middle East bought almost no U.S. southern rice. This is the main reason for the expected decline in the 2020/21 southern medium- and short-grain SAFP, despite smaller plantings.

The California 2020/21 (October-September) medium- and short-grain SAFP is projected at \$18.80 per cwt, up 50 cents from the previous forecast and 10 cents above the revised 2019/20 SAFP of \$18.70. The U.S. medium- and short-grain 2020/21 SAFP is projected at \$16.40 per cwt, up 30 cents from the previous forecast but 10 cents below the 2019/20 revised SAFP. The 2020/21 all-rice SAFP is projected at \$12.60 per cwt, down 10 cents from the previous forecast and 60 cents below the revised 2019/20 all-rice SAFP. Except for California, rice SAFP are reported on an August-July market year.

There were small revisions this month to the 2019/20 U.S. SAFP for both California and southern medium- and short-grain rice. The revisions were largely based on NASS-reported cash prices and marketings through July and expectations regarding price and marketings in California in September and October. The California 2019/20 (October-September) SAFP was raised 20 cents to \$18.70 per cwt. The southern 2019/20 SAFP was lowered 10 cents to \$11.60 per cwt. The U.S. 2019/20 medium- and short-grain SAFP was raised 20 cents to \$16.50 per cwt. The U.S. medium- and short-grain SAFP is based on August-July prices and marketings of both California and southern medium- and short-grain rice. The all-rice 2019/20 SAFP is forecast at \$13.20 per cwt, up 10 cents from the previous forecast.

International Outlook

Rice Production Forecast for 2020/21 Lowered for Thailand and Bangladesh; Raised for India and the United States

Global rice production in 2020/21 is forecast at 499.6 million tons (milled basis), down 0.5 million tons from the previous forecast but up almost 1 percent from a year earlier and the highest on record. The small monthly reduction was based on downward revisions in crop forecasts, for Bangladesh, Burma, Iraq, and Thailand that more than offset higher production forecasts for Brazil, Chile, EU, India, the United States, and Uruguay. At 1.4 million tons, Thailand's crop reduction was the largest this month. India's production increase of 1.0 million tons was the largest increase.

Global harvested area in 2020/21 is forecast at 162.4 million hectares, up 1.9 million hectares from a year earlier but still below the 2016/17 record of 163.4 million hectares. In 2020/21, harvested area is expected to be higher than a year earlier in Brazil, Burma, China, India, Indonesia, Thailand, and the United States, with India's and Thailand's area expansions especially large. In contrast, rice harvested area is projected to decline in both the Philippines and Vietnam in 2020/21, with Vietnam's area dropping for a fourth consecutive year. Rice growers in Vietnam have been encouraged for several years by the Government to shift some rice area to other crops.

Argentina, Australia, Bangladesh, Burma, Cambodia, China, India, Indonesia, South Korea, Pakistan, Thailand, and the United States are expected to produce more rice in 2020/21 than a year earlier, with the U.S. crop projected to increase 1.3 million tons, mostly due to expanded area. Thailand's crop is expected to be up 0.95 million tons from 2019/20, also mostly due to expanded area. In contrast, Afghanistan, Brazil, Colombia, Guinea, Iraq, Madagascar, the Philippines, Sri Lanka, and Vietnam are projected to harvest smaller crops in 2020/21, with the Philippines' production projected to decline more than 0.9 million tons and Brazil's crop to drop more than 0.2 million tons, the largest declines among these nine countries. Vietnam's 2020/21 production is projected to drop 0.15 million tons due to a continued decline in harvested area.

Global rice consumption and residual use in 2020/21 is projected at a record 496.4 million tons, down 0.1 million tons from the previous forecast but still up 1 percent from a year earlier. This month, reductions in the consumption and residual forecasts for Bangladesh and Thailand more than offset increases for Brazil and the United States, with Thailand's reduction of 0.3 million tons the largest revision. On an annual basis, China and India account for most of the expected increase in global rice consumption and residual use in 2020/21, with much of China's growth accounted for by increased industrial uses of rice. Bangladesh, Burma, Egypt, EU, the Philippines, the United States, and Vietnam are also expected to increase consumption and residual use of rice in 2020/21. In contrast, consumption and residual use is projected to decline in 2020/21 in Japan, South Korea, and Nigeria, with the declines in Japan and South Korea the result of long-term, income-driven diet diversification.

Table A - Global rice production, selected monthly revisions and year-to-year changes, September 2020						
Country or region	Current forecast	Change from last month's forecast	Percent change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation and comments on year-to-year change or month-to-month revision
1,000 metric tons (milled basis)						
Rice production in 2020/21						
Bangladesh	35,997	-303	0.4	↓	↑	The production forecast was lowered due to a 100,000-hectare reduction in the harvested area estimate to 11.8 million hectares due to flooding from Cyclone Amphan that struck in July and led to severe flooding through mid-August. The Government of Bangladesh reported area losses to both the summer harvested aus crop and lower plantings of the fall harvested aman crop. Despite this month's downward revisions, both yield and production remain record high.
Brazil	7,344	136	-2.9	↑	↓	This month's upward crop revision is largely based on the Government of Brazil's recently released preliminary forecasts for the 2020/21 rice crop, with the bulk of the crop planted this fall and harvested next spring. Harvested area was raised 100,000 hectares to 1.7 million hectares, up 40,000 hectares from a year earlier and the first area increase since 2013/14. The expected area increase is based on a substantial tightening of supplies and rising prices. The average yield was lowered more than 4 percent to 6.35 tons per hectare as most of the area expansion is expected to occur in the lower yielding areas in the northeast and central regions of Brazil where the rice is typically not irrigated. Yields in the irrigated southeast are projected to return to trend levels after last year's abnormally high record.
Burma	13,000	-100	2.4	↓	↑	Crop forecast lowered due to a 50,000-hectare reduction in harvested area to 7.05 million hectares, mostly due to a lack of rainfall in the south compared with a year earlier. The south is the largest rice growing region in Burma. In addition, there was reported flooding in the upper and central regions of the north, likely reducing area.
Chile	111	4	1.8	↑	↑	The small upward crop revision is based on information from the Ministry of Agriculture indicating slightly higher planted area. The harvested area estimate was raised 1,000 hectares to 26,000 hectares.
European Union	1,985	15	0.3	↑	↑	The EU rice production forecast was raised due to a larger Spanish crop. At 555,000 tons, Spain's crop forecast is up 15,000 tons from the previous forecast but down 1.6 percent from a year earlier. The Spanish production was raised due to a higher area estimate. Spain is the second-largest rice producing country in the EU. Spain's rice production has declined 14 percent since 2011/12, mainly due to declining area.
India	119,000	1,000	0.5	↑	↑	India's 2020/21 rice production forecast was raised to a record 119.0 million tons, a result of a higher area estimate. At 44.5 million hectares, India's 2020/21 harvested area is up 500,000 hectares from the previous forecast and 1.6 percent above a year earlier and the largest harvested area since 2008/09. The harvested area estimate was raised this month based on a faster pace of plantings of the kharif crop through August and favorable 2020 monsoon rains across most of the major rice-growing states.
Iraq	266	-67	-23.3	↓	↓	Iraq's 2020/21 rice production forecast was lowered based on both a smaller harvested area estimate and a weaker yield. Harvested area was lowered 10,000 hectares to 100,000 hectares, 10,000 hectares below a year earlier. The area estimate was lowered due to water conservation measures. Iraq's 2019/20 crop was the largest on record.
Thailand	18,600	-1,400	5.4	↓	↑	Thailand's 2020/21 production has been lowered again due to impacts from the current drought, despite forecasts for 5 percent more rainfall this fall as irrigation allocations for the second crop have been reduced by the Royal Irrigation Department. This month, the U.S. Agricultural Office in Bangkok lowered its forecasts for both second crop area and yield.
United States	7,143	218	21.8	↑	↑	This month, USDA raised its harvested area estimate for the 2020/21 rice crop 48,000 hectares to 1.21 million hectares based on a revised National Agricultural Statistics Service estimate that incorporated all available data, including certified program acreage reported by USDA's Farm Service Agency. In addition, NASS lowered its yield forecast 1 percent, partly based on adverse impacts from Hurricane Laura that made landfall on August 27 on the Gulf Coast and soon moved into the Delta, bringing wind and rain.
Uruguay	879	25	3.9	↑	↑	Uruguay's 2020/21 production forecast was raised based on a revised trend yield. The yield revision was due to a higher 2019/20 yield. Area is unchanged.

Continued--

Table A - Global rice production, selected monthly revisions and year-to-year changes, September 2020--continued						
Country or region	Current forecast	Change from last month's forecast	Percent change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation and comments on year-to-year change or month-to-month revision
Rice production in 2019/20						
Chile	109	5	-2.7	↑	↓	Production estimate raised based on slightly higher area and yield estimates reported by the Ministry of Agriculture. The area estimate was raised 1,000 hectares to 26,000 hectares and yield increased 0.3 percent.
European Union	1,979	9	0.7	↑	↑	EU rice production estimate was raised based on a higher yield in Spain. Spain's 2019/20 production estimate was raised 9,000 tons to 564,000 tons.
India	118	487	1.7	↑	↑	India's 2019/20 production estimated was raised based on revised area and production data reported by the Ministry of Agriculture and Farmers Welfare's Fourth Advance Estimates of Production of Food Grains released on August 19. The upward crop revision is due to a 180,000-hectare increase in harvested area to 43.780 million hectares. The yield remains estimated at a record 4.06 tons per hectare.
Philippines	11,927	17	1.7	↑	↑	Production estimate raised slightly based on April-June area and production data from the Philippines Statistics Authority. For the July-June market year, harvested area was lowered 63,000 hectares and the average yield was raised 1.5 percent.
Thailand	17,655	345	-13.2	↑	↓	Thailand's production estimate was further lowered due to adverse impacts of the current drought that reduced both area and yield of the second crop more than forecasted prior to the completion of harvest.
Uruguay	846	30	1.7	↑	↑	The 2019/20 rice crop, harvested this April-May, was revised up based on a 3.7-percent increase in the yield reported by the Ministry of Agriculture.

Source: Created by USDA, Economic Research Service with data from USDA, Foreign Agricultural Service, Production, Supply and Distribution Database.

With production exceeding use by almost 3.2 million tons, global ending stocks in 2020/21 are projected to increase almost 2 percent from a year earlier to a record 184.8 million tons, though down 0.4 million tons from the previous forecast. This is the 14th consecutive year of increasing global rice stocks. This month, ending stocks were lowered for Bangladesh, Indonesia, and Thailand, but raised for the United States. China's 2020/21 ending stocks of 116.5 million tons remain unchanged from the year-earlier record. On an annual basis, India and the United States account for the bulk of the expected increase in global ending rice stocks in 2020/21, with India's stocks projected at a record 38.0 million tons. China is projected to account for 63 percent of global ending stocks and India for 21 percent in 2020/21. The global ending stocks-to-use ratio is forecast at 37.2 percent, up slightly from 37.0 percent in 2019/20 but still fractionally below the 2000/01 record of 37.3 percent.

Global Rice Trade Projected To Increase 3 Percent in 2021

Global rice trade in 2021 is projected at 44.4 million tons (milled basis), up 0.15 million tons from the previous forecast and more than 3 percent larger than a year earlier. However, global trade remains well below the 2017 record of 48.1 million tons, with sharp reductions in imports by Bangladesh, Nigeria, and Sri Lanka since 2017 major factors for this long-term decline.

In 2021, Thailand and India are expected to expand exports the most, increasing 1.0 million tons for both top global rice suppliers. Australia, Cambodia, and the United States are also projected to increase exports in 2021. In contrast, Argentina, Brazil, Pakistan, Paraguay, Uruguay, and Vietnam are expected to export less rice in 2021, with Brazil's and Vietnam's exports expected to decline 0.3 million tons.

Table B - Selected rice importers at a glance (1,000 metric tons), September 2020.						
Country or region	Current forecast	Change from last month's forecast	Percent change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation of year-to-year change in forecast or month-to-month change in forecast
Rice importers, 2021						
Angola	500	50	4.2	↑	↑	Import forecast raised to a record-high based on a revised 2020 import forecast.
Iraq	1,150	50	4.5	↑	↑	Imports increased due to a smaller crop.
Malaysia	1,100	50	0.0	↑	→	The strong import pace reported in the first half of 2020 is expected to continue. Imports are unchanged from the 2020 record.
United States	1,200	50	2.1	↑	↑	The record-high levels of aromatic imports from Thailand and India reported in 2020 are expected to continue in 2021.
Table B - Selected rice importers at a glance (1,000 metric tons), September 2020.--Continued						
Country or region	Current forecast	Change from last month's forecast	Percent change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation of year-to-year change in forecast or month-to-month change in forecast
Rice importers, 2020						
Angola	480	30	6.7	↑	↑	Import forecast raised based on stronger-than-expected shipments from Thailand.
Bolivia	20	11	150.0	↑	↑	Stronger-than-expected imports to date from Brazil and Argentina.
Brazil	800	100	15.8	↑	↑	Brazil's 2020 import forecast was raised based on larger-than-expected shipments from Paraguay and Uruguay--both regular suppliers--as well as purchases from India and Pakistan. In addition, the Government of Brazil announced on September 10 that it will remove its tariff on 400,000 tons of Non-MERCOSUR milled- and rough-rice imports through December 31, 2020. Domestic rice prices in Brazil are currently quite high as supplies are tight prior to the next harvest that starts in early 2021.
El Salvador	100	25	58.7	↑	↑	Imports raised to a record-high based on larger-than-expected shipments from Paraguay.
Indonesia	550	-50	-8.3	↓	↓	Reduction based on a very weak pace of purchases to date.
Israel	140	10	11.1	↑	↑	A stronger-than-expected pace of imports since mid-Spring raised imports to a record-high.
Kazakhstan	110	-15	-29.5	↓	↓	Weaker-than-expected purchases from Pakistan.
Malaysia	1,100	100	10.0	↑	↑	Continued strong buying by both the Government of Malaysia and private sources has raised the 2020 import forecast to a record-high.
Nicaragua	100	15	-2.9	↑	↓	Import forecast raised based on stronger-than-expected shipments from Brazil and the United States.
Saudi Arabia	1,300	200	-8.8	↑	↓	Despite reduced tourism due to COVID-19, imports of aromatic rice have remained strong.
Singapore	350	50	9.0	↑	↑	Larger-than expected imports to date, especially from Thailand and India.
Turkey	270	20	17.4	↑	↑	Larger-than-expected imports during the summer, especially from China and Brazil.
United States	1,185	35	20.8	↑	↑	Larger-than-expected aromatic imports through July, especially aromatic varieties from Thailand and India.
Table C - Selected rice exporters at a glance (1,000 metric tons), September 2020						
Country or region	Current forecast	Change from last month's forecast	Percent change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation of year-to-year change in forecast or month-to-month change in forecast
Rice exporters, 2021						
Brazil	900	100	-25.0	↑	↓	Export forecast was raised based on a larger crop, although stocks are being rebuilt as well.
India	12,000	1,000	9.1	↑	↑	A larger crop and expectations that prices will remain very competitive compared with other Asian suppliers boosted India's 2021 export forecast.
Thailand	7,500	-1,000	15.4	↓	↑	Thailand's export forecast was lowered based on uncompetitive prices and a reduced production forecast.
Uruguay	850	50	0.0	↑	→	Export forecast raised based on a larger crop. Uruguay's market year 2019/20 export forecast was raised based on larger-than-expected shipments to Cuba and Mexico.
Table C - Selected rice exporters at a glance (1,000 metric tons), September 2020.--Continued						
Country or region	Current forecast	Change from last month's forecast	Percent change from a year earlier	Month-to-month direction	Year-to-year direction	Explanation of year-to-year change in forecast or month-to-month change in forecast
Rice exports, 2020						
Costa Rica	12	3	0.0	↑	→	Export forecast was raised based on stronger-than-expected demand to date from Nicaragua.
Ecuador	50	10	103.4	↑	↑	Raised 2020 export forecast based on stronger-than-expected shipments to Colombia. Colombia's demand for rice is rising due to concerns over COVID-19.
Honduras	8	5	33.3	↑	↑	Exports to El Salvador have been larger than expected.
India	11,000	500	12.4	↑	↑	A stronger-than-expected pace of shipments to-date and very competitive prices.
Mexico	12	7	0.0	↑	→	Unexpected sales to the Netherlands.
Paraguay	700	60	8.7	↑	↑	Export forecast raised to a record-high based on stronger-than-expected shipments to Brazil and Uruguay.

Source: Created by USDA, Economic Research Service with data from USDA, Foreign Agricultural Service, Production, Supply and Distribution Database.

On the 2021 import side, the Philippines are forecast to increase imports 0.4 million tons as production is projected to decline almost 8 percent and consumption to steadily rise. In addition, imports are projected to increase 200,000 tons each for Cote d'Ivoire, Nigeria, and the United Arab Emirates in 2021. Smaller import increases in 2021 are projected for Guinea, Iran, Madagascar, Mali, and the United States. These 2021 import increases are expected to be partially offset by reduced imports by Australia, China, Egypt, Indonesia, and Turkey.

Trading prices for most grades of Thailand's regularly milled white rice have increased 5-6 percent over the past month, as domestic supplies further tighten prior to the start the main crop harvest later in the fall. Thailand's 100-percent Grade B long-grain milled rice for export was quoted at \$500 per ton for the week ending September 7, up \$24 from the week ending August 10, but down \$8 from the week ending August 31. Prices for Thailand's 5-percent broken parboiled rice were also quoted at \$500 per ton for the week ending September 7, up \$30 from the week ending August 10, but also down \$8 from the week ending August 31.

In contrast, price quotes for Vietnam's rice have decreased over the past month as new sales have been weak. However, prices remain supported by the lack of new supplies until the onset of the winter (or 10th month) crop in October. For the week ending September 8, prices for Vietnam's 5-percent broken kernel long-grain milled rice (from the recently harvested autumn crop) were quoted at \$475 per ton, down \$20 from the week ending August 11. Prices quotes from Uruguay for most grades of long-grain milled rice were up about \$50 per ton from a month earlier, while quotes from most other South American sources were unchanged. The major South American exporters—located in the southern half of the continent—completed their 2019/20 harvest in late May, with no new supplies expected until next spring.

U.S. trading prices for long-grain milled rice were unchanged over the past month, with supplies of exportable rice from the 2019/20 crop extremely small and new sales remaining very weak through early September. Prices for U.S. long-grain milled rice, Number 2 Grade, 4-percent broken kernels (free on board a vessel at a Gulf port, Iraq specifications) remain quoted at \$625 per ton for the week ending September 8, unchanged from the week ending August 11. U.S. prices for Latin American milled-rice markets—Haiti, Colombia, and Mexico—remain quoted at \$550 per ton for the week ending September 8, also unchanged from the week ending August 11.

Quotes for California Number 1 Grade, 4-percent broken kernels for the week ending September 8 remain quoted at \$905 per ton (free on board at a domestic mill, Mediterranean specifications), unchanged from a month earlier. For delivery to the Port of Oakland, California medium-grain milled rice (Korean specifications) prices remain quoted at \$975 per ton for the week ending September 8, also unchanged from a month earlier. For listings of trading prices by exporter and grade of rice, see Table 9 in the Excel file.

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