



Arkansas Rice Update

Dr. Jarrod Hardke, Dr. Nathan Slaton, & Scott Stiles

March 15, 2019 No. 2019-04

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We're Having a... Heatwave?

“Sun is shining, the weather is sweet, make you want to move your dancing feet.” Wait a few minutes and Arkansas weather will change. That wasn't really true the last six months, but in a blink we may be on the verge of the first real positive change in the weather.

The next week is not only sunny and dry, but there are a lot of days with a north wind. It couldn't actually dry out, could it? I'm going to act like it is. The great philosopher Joe Dirt once said, “You can't have no in your heart.”

The forecast got it right the other day with 1+” of rain which turned into 2.5”. With the weather conditions we now have moving things along, I believe we'll have rice in the ground by the end of next week. Of course, as has been stated many times, most of what will be going on in the next week is field preparation rather than planting.

We're all ready to get this show on the road. But let's try to keep costs down by avoiding recreational tillage and of course recreational planting (or practice planting). We don't have the time or money or seed to do it over again.

Managing Zinc Fertility

We currently recommend zinc (Zn) fertilization on soils with pH over 6.0 and soil test Zn below 4 ppm. When fields meet these conditions, it is recommended to apply 10 lbs of actual Zn per acre (typically as zinc sulfate). This rate recommendation is due to the lack of mobility of Zn in the soil and to obtain sufficient distribution of fertilizer granules. We can achieve adequate Zn fertilization and build Zn soil test levels at the same time.

The use of a Zn seed treatment can also be beneficial, primarily as insurance to combat areas of fields with lower Zn levels. Best results are obtained when Zn-treated seed contains 0.25 to 0.5 lb Zn/cwt after treatment, which can result in increased tissue Zn levels and yield increases. The primary problem with Zn seed treatments is failure to get enough Zn on the seed.

The Zn seed treatments we mainly use are a zinc oxide form. There are some Zn seed treatment products out there claiming better performance at lower rates with forms other than zinc oxide. This is not true. The form the Zn comes in is not as important as rate.

Where soil Zn levels are marginal, a Zn seed treatment combined with another low-use-rate Zn fertilization method may be adequate. The lower the soil test level, the greater benefit received from 10 lbs Zn per acre and the avoidance of very costly methods to recover from a deficiency in-season. Recent research has shown that 10 lbs Zn/acre as zinc sulfate significantly increases the rice seedling Zn tissue concentration compared to other Zn fertilization methods at low Zn rates.

Figure 1. 10-day weather outlook.

DAY		DESCRIPTION	HIGH / LOW	PRECIP	WIND
TODAY MAR 15		Partly Cloudy	54/32	0%	NW 18 mph
SAT MAR 16		Mostly Sunny	55/36	0%	N 7 mph
SUN MAR 17		Sunny	60/35	0%	WNW 10 mph
MON MAR 18		Sunny	55/35	0%	NNE 8 mph
TUE MAR 19		Mostly Sunny	57/42	10%	SE 6 mph
WED MAR 20		AM Showers	62/42	40%	WSW 9 mph
THU MAR 21		Sunny	66/43	10%	NW 7 mph
FRI MAR 22		Mostly Sunny	68/49	10%	SW 8 mph
SAT MAR 23		Partly Cloudy	69/54	10%	S 12 mph
SUN MAR 24		Partly Cloudy	73/56	20%	S 12 mph
MON MAR 25		AM Showers	72/52	40%	SW 12 mph

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Rice Market Comments

Since February 20th CBOT rice futures have rallied about 90 cents. However, daily settlement prices continue to stay below the 100-day moving average, which is now at \$10.84 ½.

May 2019 CME Rough Rice Futures.



The rice market may be getting some strength from weather concerns in the Mid-South as field work continues to lag behind. Louisiana was the only state releasing rice planting progress this week: 1% planted vs. 3% last year vs. 1% 5-year avg.

As of Thursday morning, May rice futures were trading 7 to 8 cents lower at \$10.75. Long-grain export sales were disappointing for the week ending March 7 with net cancellations of -29,962 MT of rough rice. Year-to-date however, total long-grain export sales are still running 11% ahead of last year's, largely on better rough rice sales to Mexico.

Regarding the trade talks with China, it now appears that the trade summit between China and the U.S. will be delayed until later in April. Link to the full story: [Delay in China-U.S. Trade Summit](#).

In USDA's March WASDE report released last Friday, there were no changes to the 2018 long-grain balance sheet – other than the

projected producer price (see PLC Update below).

The only supply/demand adjustments were to medium/short grain. Imports were raised 0.5 million cwt to 5.5 million on increased China shipments to Puerto Rico. Exports were reduced 2 million cwt on slow shipments to date but are still projected to be 6.3 million above last year. Medium and short grain ending stocks were raised 2.5 million cwt to 13.4 million.

U.S. Medium/Short Grain, Supply, Demand, and Price.		
	February 2018/19 proj.	March 2018/19 proj.
Production (million cwt.)	60.3	60.3
Beginning Stocks (million cwt.)	7.6	7.6
Imports (million cwt.)	5.0	5.5
Total Supply (million cwt.)	72.9	73.4
Domestic Use (million cwt.)	30	30
Exports (million cwt.)	32	30
Total Use (million cwt.)	62	60
Ending Stocks (million cwt.)	10.9	13.4
Avg. Farm Price (\$/bu.)	\$5.49	\$5.49
Source: USDA, March 2019		

On the world balance sheet, USDA estimated rice ending stocks at a record 172.19 MMT compared to 167.62 MMT last month. Foreign production was increased 5.7 MMT in March with India accounting for 5 MMT of the increase.

For South America, USDA lowered Brazil rice production 0.27 MMT to 7.48 MMT compared to the highest estimate for the marketing year of 8.16 MMT in December. Brazil's exports at 0.70 MMT are expected to be well below last year's total of 1.15 MMT.

Rice stocks are tightening in South America, declining for the second year in a row to a projected 1.75 MMT. This would be the lowest stocks total for South America since 2012 (1.691 MMT).

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The next USDA WASDE report will be released on April 9, 2019. USDA-NASS will release its *Prospective Plantings* report on March 29, 2019 along with the quarterly *Rice Stocks*.

Rice Market Comments

In the March 8th WASDE report USDA increased the 2018 average producer price for long-grain by 10 cents to \$10.80 per cwt or \$4.86/bu. A projected PLC Payment Rate can be estimated by subtracting \$4.86/bu from the PLC Reference Price of \$6.30/bu. The result is a projected PLC Payment Rate of \$1.44 per bushel (not accounting for sequestration). **In previous years of the 2014 Farm Bill, ARC and PLC payment rates have been reduced by approximately 6.8 percent. Assuming this will also apply to the 2018 payments, the net PLC payment for long-grain would be \$1.34 per bushel.**

The 2018 average producer price for southern medium grain is projected to be \$12.20 per cwt or \$5.49/bu, which equates to a PLC payment of 81 cents per bushel (75 cents/bu net).

2018 Projected PLC Payment Rates, Rice. (March 2019)

Unit: \$/bu.	A	B	C	(A minus higher of B or C)	-6.8%
Reference Price	Loan Rate	Marketing Year Avg. Price	Projected PLC Payment Rate	Net PLC Payment Rate	
Long-Grain	\$6.30	\$2.925	\$4.86	\$1.44	\$1.34
Medium-Grain	\$6.30	\$2.925	\$5.49	\$0.81	\$0.75

The final 2018 marketing year prices and PLC payment rates for rice are expected to be announced in October 2019. Projected 2018 PLC payment rates are updated monthly on the USDA Farm Service Agencies' ARC/PLC website at this link: [ARC/PLC Program Data](#).

2019 Crop Insurance Planting Dates for Rice:

Initial Plant Date: 4/1/2019

Initial Plant Date – The earliest date the insured may plant and qualify for a replanting payment if such payments are authorized. If a commodity is planted prior to this date, the crop is not eligible for a replanting payment, but is still insurable.

Final Plant Date: 5/25/2019

Final Planting Date – The date by which the crop must initially be planted in order to be insured for the full production guarantee or amount of insurance per acre. If the crop is planted after this date there will be a reduction in coverage of 1% per day throughout the late-planting period. Crops planted after the Final Planting Date are considered in the “Late Planting Period.”

Additional Information

Arkansas Rice Updates are published periodically to provide timely information and recommendations for rice production in Arkansas. If you would like to be added to this email list, please send your request to rice@uaex.edu.

This information will also be posted to the Arkansas Row Crops blog (<http://www.arkansas-crops.com/>) where additional information from Extension specialists can be found.

More information on rice production, including access to all publications and reports, can be found at <http://www.uaex.edu/rice>.

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