



Arkansas Rice Update

Dr. Jarrod Hardke & Scott Stiles

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www.uaex.edu/rice



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Hurry Up and Wait

“I been in the right place, but it must have been the wrong time.” It’s been nice to see some tractors on the move this week. Fieldwork has been spotty and scattered, but it’s nice to see something happening for a change. However, some of that ground has still looked a little wet so early-season compaction issues may show up in the form of weak stands and increased herbicide injury.

The first fields have been planted this week with some rice planted around Hunter and now near Lake Village with more planted in north Arkansas today. Soil temperatures are still cool, but that’s nothing new for this time of year. Seed will sit in the ground for a while before anything happens though.

While temperatures are forecast to steadily improve, there are once again several rain chances in the extended forecast. Currently the rain expected this weekend is now turning into rain throughout next week. Or if you look at a different model there is a break for a few days before rain chances crank up again next Friday.

We still have time to get things done, but the opportunities to say that are running short. One good window and the outlook will change quickly.

Figure 1. Fieldwork in progress on the prairie.



Rice Germination Rates

In recent years, we’ve grown accustomed to rice seed germination rates around 90%. This year, some rice seed was impacted by conditions prior to harvest in 2018 which did lower some germination rates.

At this time in 2018, certified seed tested showed an average germination rate of 92% on 794 samples (range 74-98%). This year the current results are an average germination rate of 84% on 573 samples (range 0-97%) [personal communication, Mary Smith, ASPB].

Seed bags may not always be labeled with the exact germination rate. As long as they meet the minimum of 80% that may be all that’s listed on the bag, though they may have actual germination rates much higher. All this is to say that you may want to consider some slight increases to seeding rates to ensure adequate initial stands are achieved.

Seeding Rate Recommendations

The RICESEED Update for 2019 can be found here:

<https://www.uaex.edu/farm-ranch/crops-commercial-horticulture/rice/Riceseed%20Update%202019.pdf>.

Our recommendations remain to use a baseline (starting) seeding rate of 30 seed/ft² on loamy soils and 36 seed/ft² on clay soils when planting varieties. For hybrids, 10 seed/ft² for loamy soils and 12 seed/ft² for clay soils. Adjust these rates upward depending on soil conditions, planting date, and location in the state.

Optimum yields can be achieved at lower seeding rates, but the goal is to achieve a stand of 15 plants/ft² with varieties and 6 plants/ft² with hybrids. Plant the seed necessary to achieve a uniform stand at these stand densities.

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Planting Date Studies

We're not yet into what we consider the optimum planting window, but the southern half of the state is into the window where we know we can make rice. Results of 2016-2018 planting date studies at Stuttgart can be found at the link below, which show late March through mid-April as being optimal time to achieve near maximum yields.

2016-2018 Planting Date Studies:

<https://www.uaex.edu/farm-ranch/crops-commercial-horticulture/rice/2016-2018%20Planting%20Date%20Studies.pdf>.

We have begun planting date studies at Pine Tree as well, but that data is currently limited. The quick take-home message at that location is lower yields at the late March and early April planting dates in 2018. This is likely due to the seed sitting in the ground for 30+ days prior to emergence, but more data will be collected to confirm if this yield trend continues. Yields improved significantly at the late April and early May planting dates.

Rice Market Comments

The May contract is retesting the January 11 high of \$11.08 this week. Keep in mind the May contract posted a key reversal down on January 11 when it last traded to \$11.08 1/2. For the nearby futures contracts, \$11 has been rock-solid chart resistance since last August. Basis offers for old crop rice have been attractive in recent weeks.

Many times basis can erode on a strong futures rally. Strong demand and tight inventory is needed to maintain basis strength. Since February 20th the May contract has rallied \$1.18/cwt (as of Thursday 3/21).

May 2019 CME Rough Rice Futures.



Also worth mentioning, the new crop September contract is also trading at \$11/cwt this week. Since the week of February 18th the September contract has rallied about 93 cents/cwt (42 cents/bu). New crop basis is generally 18 to 30 cents/bu under September futures, depending on delivery point. This equates to new crop bids in the \$4.66 to \$4.77/bu range.

Explaining with 100% certainty why a market rallies or sells off can be near impossible. It's likely concerns that significant acres would switch away from rice was a price driver over the past month. The current fundamentals facing the rice market are bearish and the weather-related fieldwork delays both pointed to lower 2019 rice acres.

Given the new crop rally back to \$11, one now has to wonder if rice acres will materially change at all this year. What alternative crop would rice acres shift to? New crop soybean basis remains very weak. Basis for fall delivery to the Mississippi River is 20 to 30 cents under November futures. Fall delivery to local elevators is 40 to 50 cents under, which places bids in the \$8.95 to \$9.05 range this week. This sets the yield bar for soybeans pretty high before a seed is even planted – 50 bu/acre at least to break-even on rented farms.

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| Soybean Returns based on Yield and Price | | | | | | |
|---|---------|---------|---------|---------|---------|--------|
| RR or LL, Furrow Irrigated, Operating Cost \$ | 333.99 | | | | | |
| Producer Share: | 75% | | | | | |
| | 8.75 | 9.00 | 9.25 | 9.50 | 10.00 | 10.50 |
| 30 | -137.12 | -131.49 | -125.87 | -120.24 | -108.99 | -97.74 |
| 40 | -71.49 | -63.99 | -56.49 | -48.99 | -33.99 | -18.99 |
| 50 | -5.87 | 3.51 | 12.89 | 22.26 | 41.01 | 59.76 |
| 60 | 59.76 | 71.01 | 82.26 | 93.51 | 116.01 | 138.51 |
| 70 | 125.39 | 138.51 | 151.64 | 164.76 | 191.01 | 217.26 |
| 80 | 191.01 | 206.01 | 221.01 | 236.01 | 266.01 | 296.01 |

The inability to shift some rice acreage to an alternative crop does not bode well long term for the rice market. One could argue today that 2019 rice acreage will remain essentially flat year-over-year – assuming a favorable planting window eventually opens. The NASS *Prospective Plantings* report (due out next Friday) will shed some light on grower's intentions as of early March.

The black cloud over the soybean market continues to be the lack of a trade agreement between the US and China. Unfortunately, it appears that planting will be underway before any trade deal is finalized. If there's any good news, it is the fact that the US and China are still in negotiations. Trade Representative Lighthizer and Treasury Secretary Mnuchin will be traveling to Beijing next week. China's Vice Premier is expected to travel to Washington the following week.

Calendar:

March 29: *Prospective Plantings* and *Rice Stocks*

April 9: *WASDE* (supply/demand report)

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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