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University of Arkansas System

Arkansas Rice Update

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Crop Progress

The season appears to have made the turn from wet to dry the past week. The extended forecast calls for very hot daytime temperatures and little to no rainfall. The more concerning aspect of the forecast is related to the nighttime temperatures as rice begins to head. We know from previous research that extended periods of high nighttime temperatures can have a negative impact on grain quality.

The current forecast of ~7 consecutive days of nighttime temperatures at or above 75 degrees has the potential to result in that negative impact. While there is no current means of mitigating nighttime temperature issues, it is best to minimize any other potential stresses on plants.

According to DD50 enrollment, nearly the entire crop is past midseason. Heading has also gotten well underway and most will be headed over the next couple of weeks (**Table 1**). Also included for reference are the projected dates for harvest – the time at which we will reach 20% grain moisture (**Table 2**).

Table 1. Percent of acres to reach 50% heading by date.

Date to 50% Hdg	% of Acres
Headed	21%
July 12-18	22%
July 19-25	34%
July 26-Aug 1	19%
Aug 2-8	3%
Aug 9-15	0%
Aug 16-22	1%

Table 2. Percent of acres to reach 20% grain moisture by date.

Date to Harvest	% of Acres
Aug 3-9	1%
Aug 10-16	17%
Aug 17-23	19%
Aug 24-30	32%
Aug 31 – Sept 6	22%
Sept 7-13	7%
Sept 14-20	1%
Sept 21-27	1%

Rice Stink Bugs on the Move

Early-planted rice is beginning to head more each week. As expected, rice stink bug numbers are extremely high in these fields. With a threshold of 5 stink bugs per 10 sweeps, the question isn't whether or not you're at threshold but rather do I really need to count how many are in the net? May sound silly to some but the answer is, **yes, you need to count**, so when you come back after application you can see how much control you were able to get. Remember with numbers as high as this it may require 2 applications to achieve control. If one shot does it, that's great, but you need to be prepared if one isn't enough.

So remember, the threshold of 5 stink bugs per 10 sweeps the first two weeks of heading then dropping to 10 stink bugs per 10 sweeps the second two weeks of heading. Choices on insecticides are Declare, Karate (lambda-cyhalothrin), Mustang Max, and Tenchu. We expect these will be the most available. We've tested all of these and found them all to be effective. We don't see any advantages of one over the other, so shop and get the best price. Consider the addition of an adjuvant under rainy

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conditions or when temperatures increase making uniform insecticide deposition difficult.

One question we've received this past week on fields that have treatment level stink bugs but aren't even heading: "Should I go ahead and spray?" **NO**. If you spray before heading it's no guarantee that you won't have to spray again once the rice begins to head, because there is usually a big influx of stink bugs into the field at heading. So you'll just cost yourself another application.

The first two weeks of heading we are protecting yield potential so get out there and scout if you have rice beginning to head.

Fig. 1. Rice stink bugs on newly heading rice.

Disease Update

We continue getting a few more reports on blast. So far, we have received reports from 12 counties (**Fig. 2**).A field of nearly 100 acres of Jupiter planted around mid-May has been badly affected by blast in Northeast Arkansas. The blast is all across the field with severe leaf burndown here and there. Reportedly, the field did not get the desired depth of flood in time; the soil type is poor to maintain water; and no seed treatment was used. The field is surrounded by trees and is known to have a history of blast (**Fig. 3, 4**).

Fig. 2. Counties and cultivars reporting leaf blast to date in yellow (7/10/15).

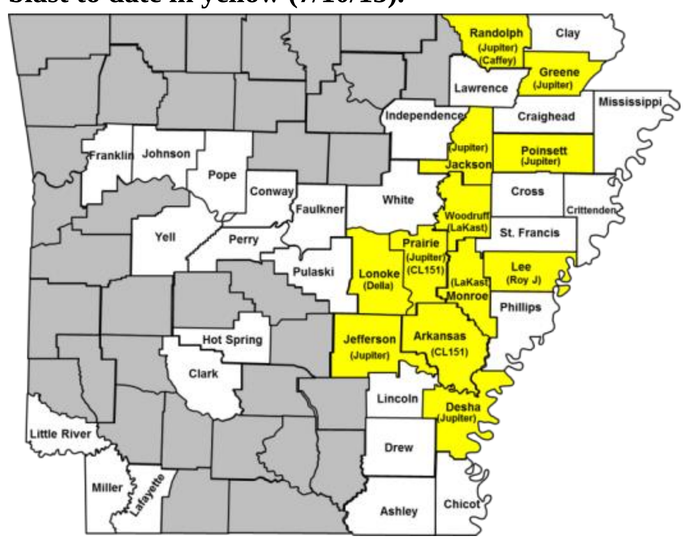

Fig. 3. Brown cast from rice leaf blast disease across 100-acre field of Jupiter in Northeast Arkansas.

Fig. 4. Close-up picture of blast on Jupiter in field from Fig. 3.

Sheath blight has started showing up in a few fields. Recent weather conditions have been favorable for its development; however, issues have not been reported to be as common or severe as anticipated with the favorable weather conditions. In a field of CL163, sheath blight had crept up fast in double-drilled edges (**Fig. 5**). Fields planted with susceptible and moderately susceptible cultivars provided with excessive nitrogen fertilizer and seeding rate or with excessive vegetative growth are prone to severe sheath blight disease.

Fig. 5. Sheath blight on CL163 in double-drilled field edge.

A field of RT XL753 has been reported with 70% positive stops; however, lesions have not gone far from the flood line. Scout before you decide on automatic applications of fungicides for sheath blight. For sheath blight, 50% and 35% positive stops for moderately susceptible and susceptible cultivars, respectively, are recommended to make decisions on fungicide applications.

It is recommended that two conditions are met prior to making a fungicide application for sheath blight management: 1) reach threshold for % positive stops based on disease rating, AND, 2) sheath blight is threatening the upper leaves in the canopy.

Some knowledge of fields and cultivars does help in making some of the judgment calls always associated with sheath blight applications. Shorter height cultivars are at greater risk for sheath blight progression up the plant than taller cultivars – if sheath blight is 2/3 of the way up the canopy on a short cultivar, it is at a greater risk of threatening yield than if it is 2/3 of the way up the canopy on a tall cultivar. Additional considerations are the thicker the canopy, the greater the likelihood of movement; and the weather forecast – hot and dry is not conducive for sheath blight progression.

A few more fields have also been reported from Arkansas, Chicot, and Lawrence Cos. (**Fig. 6**) showing the autumn decline situation. The problem was more prominent closer to the water inlet spots of the field. Draining the flood and drying the field or lowering the water to allow oxygen in the soil until new roots start to show up improves the problem. Please read more on the rescue and protective strategies to manage this problem at http://www.arkansas-crops.com/2014/03/20/effectively-decline-straighthead/ and http://www.arkansas-crops.com/2015/06/13/arkansas-rice-update-6-13-15/.

Fig. 6. A yellow cast like this after nitrogen fertilizer application may be caused by autumn decline. Scout accordingly.

Weekly Market Summary

The July supply/demand numbers were supportive for rice futures as the September contract finished out the week on a positive note. The contract closed 3.5 cents higher today and 45 cents higher for the week. Today completes the fourth consecutive week that the September contract has settled higher.

Table 3. CBOT Rough Rice Futures Settlements ($/cwt).

	September 2015	Change
July 2	$10.63 ½	
July 6	$10.81 ½	+.18
July 7	$10.89 ½	+.08
July 8	$11.01	+.11 ½
July 9	$11.05	+.04
July 10	$11.08 ½	+.03 ½

The big news today was the USDA's July WASDE (supply/demand report). In the old crop (2014/15) long-grain balance sheet, USDA increased Domestic Use 2 million hundredweight (cwt) and Exports 1 million cwt. Those were the only adjustments, thus ending stocks were reduced by 3 million cwt to 25.6 million.

Table 4. U.S. Long-Grain 2014/15 Supply and Demand.

Million cwt.	14/15 June	14/15 July
Beg. Stocks	16.2	16.2
Production	162.4	162.4
Total Supply	199.6	199.6
Domestic Use	98	100
Exports	73	74
Total Use	171	174
Ending Stocks	28.6	25.6
Avg. Farm Price	$11.90-$12.10	$12.10

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As customary, in the July supply/demand report the USDA adjusts planted and harvested acreage to match that of the NASS June 30 *Acreage* report. Thus, "All Rice" harvested acreage was reduced by 156,000 acres this month. Assuming no adjustments to yield, this cut in acreage implied that production would drop by a significant 11.5 million cwt. This goes a long way in explaining why the rice market has accelerated higher since the June 30 *Acreage* report. The market is now working under the assumption that ending stocks will not be increasing in the new crop marketing year – assuming no reductions in demand.

However, in addition to reducing harvested acreage in the July supply/demand report, USDA also reduced the "All Rice" average yield this month by 18 pounds per acre from 7,562 in June to 7,544 pounds. With adjustments to both acreage and yield, "All Rice" production was cut by 12 million cwt (9.5 million in long grain, 2.5 million in medium/short grain).

Table 5. U.S. Long-Grain 2015/16 Supply and Demand.

Million cwt.	15/16 June	15/16 July
Beg. Stocks	28.6	25.6
Production	162	152.5
Total Supply	212.1	199.6
Domestic Use	101	100
Exports	76	76
Total Use	177	176
Ending Stocks	35.1	23.6
Avg. Farm Price	$10 - $11	$10.90 - $11.90

Table 6. U.S. Medium-Grain 2015/16 Supply and Demand.

Million cwt.	15/16 June	15/16 July
Beg. Stocks	14.5	18.5
Production	57	54.5
Total Supply	75	76.5
Domestic Use	30	30
Exports	34	34
Total Use	64	64
Ending Stocks	11	12.5
Avg. Farm Price	$14.50-$15.50	$14.30-$15.30

To recap, new crop (2015/16) long-grain beginning stocks were reduced 3 million cwt to 25.6 million and production was cut by 9.5 million cwt. Total Supply was reduced month-to-month by 12.5 million cwt to 199.6 million cwt. Domestic Use was reduced by 1 million to 100 million cwt. Ending Stocks fell by 11.5 million to 23.6 million cwt – **2 million cwt below 2014/15.**

Today's adjustments reflect a significantly different outlook from past months. The July supply/demand numbers now project a tighter long-grain supply situation instead of the massive build-up in stocks that pressured market prices lower through mid-May. In response, USDA increased its' 2015/16 average price outlook for long grain from $10.50 (mid-point) last month to $11.40/cwt.

There were a number of adjustments in the Medium/Short Grain balance sheets. Old Crop demand was reduced by 4 million cwt (-2 million each in Domestic Use and Exports). This went directly to Ending Stocks, increasing the total by 4 million cwt to 18.5 million.

Table 7. U.S. Medium Grain 2014/15 Supply and Demand.

Million cwt.	14/15 June	14/15 July
Beg. Stocks	13.3	13.3
Production	58.7	58.7
Total Supply	75.5	75.5
Domestic Use	31	29
Exports	30	28
Total Use	61	57
Ending Stocks	14.5	18.5
Avg. Farm Price	$14.80-$15.00	$14.80

On the new crop balance sheet (**Table 6**), much of the 4 million cwt increase in Beginning Stocks was offset by the 2.5 million cwt production cut. Ending Stocks increased by 1.5 million to 12.5 million cwt.

Rice Fundamentals and Technicals

Last week's downward revision in acres provided a huge boost for rice futures. To put this in perspective, the September contract opened at $10.05 on June 30. It traded up to $11.38 today. Futures were also supported this week on reports that Iraq had bought 60,000 tons of U.S. Rice. This is expected to be delivered early in the new crop marketing year. Iraq also issued a new tender this week for 30,000 tons of rice.

[Iraq Seeks to Purchase 30,000 Tons of Rice in International Tenders]

As has been mentioned in previous weeks, the market is also getting a steady flow of El Nino-related drought news from key Asian rice production areas. In today's supply/demand report, USDA reduced Thailand's 2015/16 production by 800,000 tons (4%) from last month. World Ending Stocks were reduced 930,000 metric tons to 90.51 million metric tons.

[UN Sees Smaller Increase in Rice Output as El Nino Parches Crops]

[Thai Drought Pits Army Against Farmers Over Water Curbs]

Basis:

Following a strong or extended futures rally, it's not uncommon to see basis weaken. That's exactly what is happening this week in regard to new crop rough rice basis. At many locations basis has widened-out (weakened) 15 cents over the past week. Seventy-five (75) cents under September futures is typical at mills this week for fall delivery. For fall delivery to dryers, 80 to 95 cents under September futures is being reported, with 95 cents under being common.

Technicals:

From a technical trader's perspective, rice futures are due a pull-back. The 14-day Relative Strength Index (RSI) is overbought at 72.67. Another closely watched technical indicator is the 200-day Moving Average – which is currently at $11.30 for the September contract. Trading did reach a high of $11.38 today but could not hold and settled almost 30 cents off the highs. This is not a good sign and would generally indicate a price correction is beginning. For the time being, $11.30 is near term overhead resistance, with $11.50 being very strong resistance. Considering how steep and fast the majority of this price rally has occurred, a correction would not be surprising.

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The September contract has gained $1.14 over the past four (4) weeks.

CME September 2015 Rough Rice Weekly Chart.

The DD50 program can be accessed at http://DD50.uaex.edu. It has now been improved for use on both your computer and your **mobile devices**.

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 jhardke@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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