Crop Progress

Some like it hot – for those that do, your time has arrived. Consistent temperatures in the 90s and bright conditions have the crop looking better every day. We now have over 25% of the rice in the state heading, and that number is rapidly increasing. Now comes the time of year which received the most attention last year.

The last two weeks of July and the first two weeks of August are typically the hottest “month” of the year. This is shaping up to be very similar at the moment, and next week is forecast to have 5+ days of highs in the 90s and overnight temperatures 75+. For those keeping score at home, nighttime temperatures 75 or greater for ~5 or more consecutive nights during grain fill has been shown to cause grain quality issues. I’m just the messenger; unfortunately I don’t control the thermostat.

There’s nothing we can officially do about it, but it wouldn’t be the worst idea to keep a riser cracked open and water moving a little more in fields to maybe keep them cooled off. During the excessive 2015 heat that mirrored the upcoming forecast, many noted better yields closer to the water inlet (in contrast to most years where yields are lower due to the cold water effect).

Rice Stink Bug Management Reminders

Some fields are already seeing re-infestation of rice stink bugs after initial treatments a week ago. Keep in mind to adhere to thresholds all the way to when rice reaches hard dough.

The next question is “how much hard dough is enough?” Initial work on this question completed in 2016 suggests that we need in the range of 60-80% hard dough or more before rice susceptibility seriously tapers off. This is only one year of data but will give us something to go by for now as we look to adjust based on a larger dataset after 2017. Fields noted to have more uneven heading may remain more susceptible to stink bug injury for longer this year. So, be particularly diligent in continuing to scout those fields that will have many late panicles still susceptible to injury.

Management Key:
Rice stink bug (RSB) thresholds are:
- 5 RSB per 10 sweeps the 1st 2 weeks after 50% heading.
- 10 RSB per 10 sweeps the 2nd 2 weeks after 50% heading.

Fig. 1. Rice stink bugs, heading rice, and the early morning dew.
Fig. 2. It might be a tough year, but at least you’re not this turtle!

Fig. 3. Some drift continues to be an issue, in this case Liberty.

Rice Market Update

The July USDA supply/demand report turned Chicago rice futures sharply lower. The daily chart for the September ’17 contract is shown below. The third vertical bar from the right-hand side is Wednesday’s (July 12) trading range. Technical traders would call this a “key reversal down”, which indicates the two-month uptrend in prices may be over for the time being. To support the validity of the reversal formation, the September contract closed lower on Thursday on a sharp week-to-week decline in export sales and is trading lower again at midday Friday.

As expected, 2017 production was reduced this month for both medium and long-grain. The long-grain production estimate was cut by 5.6 million to 136.4 million hundredweight (mcwt.). However, sharp reductions in both old crop and
new crop demand worked to offset all of the decrease in 2017 production.

Below is a summary of the July adjustments to the U.S. long-grain supply/demand tables.

2016/17:
- 2 mcwt. reduction in Domestic Use
- 2 mcwt. reduction in Exports
- 3.8 mcwt. increase in Ending Stocks (.2 mcwt. reduction in imports).

2017/18:
- 3.8 mcwt. increase in Beginning Stocks
- 5.6 mcwt. decline in Production
- 3 mcwt. reduction in Domestic Use
- 1.2 mcwt. increase in Ending Stocks
- Avg. producer price increased to $5.27/bu. from $4.95/bu. in June.

U.S. Long Grain Supply and Use

<table>
<thead>
<tr>
<th></th>
<th>2016/17</th>
<th>2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harvested Acres (million)</td>
<td>2.403</td>
<td>1.820</td>
</tr>
<tr>
<td>Yield (lbs/ac)</td>
<td>6,927</td>
<td>7,495 est.</td>
</tr>
<tr>
<td>Production (mcwt)</td>
<td>166.5</td>
<td>136.4</td>
</tr>
<tr>
<td>Beg. Stocks</td>
<td>22.7</td>
<td>31.5</td>
</tr>
<tr>
<td>Imports</td>
<td>20.3</td>
<td>21.0</td>
</tr>
<tr>
<td>Total Supply</td>
<td>209.5</td>
<td>188.9</td>
</tr>
<tr>
<td>Domestic Use</td>
<td>100</td>
<td>92</td>
</tr>
<tr>
<td>Exports</td>
<td>78</td>
<td>77</td>
</tr>
<tr>
<td>Total Use</td>
<td>178</td>
<td>169</td>
</tr>
<tr>
<td>Ending Stocks</td>
<td>31.5</td>
<td>19.9</td>
</tr>
<tr>
<td>Avg. Farm Price ($/bu.)</td>
<td>$4.37</td>
<td>$5.27</td>
</tr>
</tbody>
</table>

Source: USDA, July 2017 WASDE.

As of July 12, USDA is projecting a 2016 marketing year average price for long-grain of $9.70/cwt. or $4.37/bu. A projected PLC Payment Rate can be determined by subtracting the $4.37/bu. marketing year average price from the PLC Reference Price of $6.30/bu. This would result in a projected PLC Payment Rate of $1.93 per bushel (not accounting for sequestration). For the previous two crop years ARC and PLC payment rates have been reduced by 6.8 percent. Applying that same percentage reduction, the projected 2016 PLC payment would net $1.80 per bushel. The final marketing year price for 2016 long-grain is expected to be announced in October.

2016 Projected PLC Payment Rates, Rice.
(As of July 12, 2017)

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>(A minus higher of B or C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit: $/bu.</td>
<td>Reference Price</td>
<td>Loan Rate</td>
<td>Marketing Year Avg. Price</td>
<td>Projected PLC Payment Rate</td>
</tr>
<tr>
<td>Long-Grain</td>
<td>$6.30</td>
<td>$2.925</td>
<td>$4.37</td>
<td>$1.93</td>
</tr>
<tr>
<td>Medium-Grain</td>
<td>$6.30</td>
<td>$2.925</td>
<td>$4.54</td>
<td>$1.76</td>
</tr>
</tbody>
</table>

Projected 2016 PLC payment rates are updated monthly on the USDA Farm Service Agencies’ ARC/PLC website at this link: [ARC/PLC Program Data](http://www.fsa.usda.gov/arc/plc).

Look under the heading “Program Year 2016 Data” for “Projected 2016 PLC Payment Rates”.

Also at the link shown above, FSA recently added projected 2017 crop PLC rates. For long-grain rice FSA is currently using the mid-point of the price range included in the July WASDE report—which is $11.70/cwt. or $5.27/bu. Using this average price a PLC payment of $1.03/bu. would be expected for the 2017 crop (not accounting for sequestration). The mid-point of the 2017 price range for southern medium grain is $5.36/bu., which equates to a PLC payment of 94 cents per bushel. As a reminder, PLC payments are made on 85% of base acres and historical average yields.
Coming Up:
Monday, July 17th
NASS Crop Progress – 3:00 PM
Thursday, July 20th
FAS Export Sales – 7:30 AM
*all times Central.

Enroll Fields in the DD50 Program to Help Time Management Decisions
The DD50 program can be found at http://DD50.uaex.edu. Please let us know if you have any questions or encounter any problems.

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.

Acknowledgements
We sincerely appreciate the support for this publication provided by the rice farmers of Arkansas and administered by the Arkansas Rice Research and Promotion Board.

The authors greatly appreciate the feedback and contributions of all growers, county agents, consultants, and rice industry stakeholders.