



Arkansas Rice Update

Dr. Jarrod Hardke & Scott Stiles

August 25, 2017 No. 2017-23

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Crop Progress

“This is not the kind of answer I’m lookin’ for from you.” Of course I’m talking about Hurricane Harvey. He’s no friend of mine. Depending on which model you look at currently we could dodge the brunt of the storm or catch it right in the teeth. More on Hurricane Harvey in the Rice Market Update below.

Field yield reports are something to smile about so far. South Arkansas is really getting into the swing of things and action is also picking up on the Grand Prairie. The majority of yields show some improvement over last year’s results and there are some big numbers out there. A lot of yields in the 180-210 range with some reaching up and touching 230 and 240 (all dry bu/acre).

The tale of two crops has yet to be told though with only a handful of confirmed harvest reports in north Arkansas. Those sound very good so far, but we have yet to move into the areas most affected by early-season flooding and levee loss. There is also a significant amount of weedy rice and grass escapes that may have brought yields down and are beginning to cause lodging.

Wind mixed with a little rain from the remnants of Harvey next week could be a very bad recipe considering the majority of the rice crop remains in the field. Even if rainfall amounts are minimal, if they’re riding on a strong wind they can create the push needed to start the domino effect of lodging. Then it becomes a race against time to preserve yield and quality.

This coming week a number of on-farm research trials will be harvested that should also help to begin painting a better picture of the year and what expectations may be. That preliminary data will be shared as it becomes available.

Fig. 1. Bright sunny weather has combines rolling in more areas.



Harvest Aids

With the upcoming rain in the forecast, many are considering harvest aids to hurry up and get fields out. Please keep in mind these guidelines before applying a harvest aid. The last thing we want to do is to salt more rice than we can get harvested before a storm system moves in. Bad things happen when that occurs – to the tune of lost grain yield and milling yield.

Sodium chlorate can be used to reduce foliage and grain moisture to move fields closer to desired moisture levels for harvest. However, sodium chlorate should only be applied once grain moisture is below 25%. DO NOT apply if grain moisture is below 18%. In just a few days after application, grain moisture levels can fall up to 5%, so be prepared to harvest no more than 4-7 days after application. DO NOT apply a harvest aid immediately prior to suspected rainy weather that will delay immediate and timely harvest.

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Rice Market Update

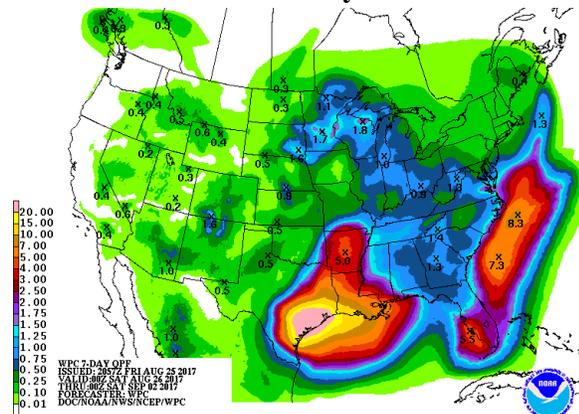
“He gave me my best crop ever, and then He remembered.”

-- Karen Blixen, *Out of Africa*

While most of the grain market discussion this week focused on Cornbelt crop tour results, our attention turned to the Gulf of Mexico. The rice trade is closely watching Hurricane Harvey which will make landfall Friday near Corpus Christi, Texas as a strong category 3 storm. Afterwards, the storm is expected to move eastward along the coast. Several days of heavy rainfall are expected in eastern Texas. Rains of 12-24” along with a 5-9’ storm surge will cause widespread flooding in the coastal areas. The storm will slowly push northeast early next week into Louisiana and most of Arkansas. At this point it appears the heaviest rainfall accumulations in southern Arkansas will be in the 2-4” range.

The graphic below includes a total rainfall estimate thru September 1. Updates to this forecast will be available at this link: [National Hurricane Center](http://NationalHurricaneCenter.com)

Fig. 2. 7-day rainfall outlook including effects of Hurricane Harvey.



At mid-day Friday, CBOT September rice futures were trading 2 to 4 cents higher near \$12.40—up about 25 cents for the week. With extremely heavy rains in the outlook, Chicago rice futures closed higher Monday thru Thursday this week.



First Notice Day is next Thursday (Aug. 31) for the September futures contract. New crop pricing considerations will then turn to the November contract which is currently trading at a 31 cent premium to September at \$12.71. Basis continues to remain steady around the state at 50 cents under futures at mills and 75 to 80 cents under at driers.

U.S. Crop Progress:

In Monday’s *Crop Progress* report USDA indicated rice harvest was advancing ahead of the 5-year average pace in Louisiana and Texas. Harvest is gaining momentum this week in Arkansas and Mississippi with favorable yield reports. Extension agents in Louisiana report variable rice yields with 69% of the crop harvested as of August 20. Texas rice harvest was estimated at 70% complete.

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Rice Harvested (percent).				
	8/20/16	8/13/17	8/20/17	5 Yr Avg.
Arkansas	4	1	3	4
Louisiana	59	59	69	56
Mississippi	2	-	5	6
Texas	70	52	70	52
6 states	15	12	16	14

Source: USDA-NASS.

Also, NASS released the results this week from the **2017 August Rice Stocks Survey**. For Arkansas, rough rice stocks in all positions on August 1, 2017, totaled 23.0 million hundredweight, up 13 percent from August 2016. Stocks held on farms totaled 2.5 million hundredweight and off-farm stocks totaled 20.5 million hundredweight.

2016 Rice PLC Projections:

At this point in the year producers and ag lenders alike are particularly interested in the outlook for rice PLC payments. The USDA Farm Service Agency has a website which provides projected PLC payment rates. It can be found at this link: [ARC/PLC Program Data](#).

Look under the heading “**Program Year 2016 Data**”. Click on the “**Projected 2016 PLC Payment Rates**” link. These projections are updated monthly following the USDA WASDE (supply/demand) reports. The final marketing year prices and PLC payment rates for 2016 are expected to be announced in October.

2016 Projected PLC Payment Rates, Rice.

	A	B	C	(A minus higher of B or C)
Unit: \$/bu.	Reference Price	Loan Rate	Marketing Year Avg. Price	Projected PLC Payment Rate
Long-Grain	\$6.30	\$2.925	\$4.32	\$1.98
Medium-Grain	\$6.30	\$2.925	\$4.54	\$1.76

Source: USDA-FAS, August 2017.

For the previous two crop years ARC and PLC payment rates have been reduced by 6.8 percent due to the 2011 Budget Control Act. Applying that same percentage reduction, the net 2016 PLC payments would be \$1.85 per bushel for long-grain and \$1.64 per bushel for medium-grain. PLC payments are made on 85% of base acres and 90% of the 2008-2012 average farm yields. Payment limitations are set at \$125,000 per person.

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.

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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

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