



Arkansas Rice Update

Dr. Jarrod Hardke & Scott Stiles

Sept. 9, 2016 No. 2016-26

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Crop Progress

The rollercoaster ride continues. For many, yields continue to be variable. Much of our results seem to still be related to planting date and ultimately when the rice we planted was flowering – before or during the heat of late July. Those fields that were able to outrun the heat are performing pretty well – below expectations but average to above average. Those fields that ran right into the heart of high temperatures continue to experience a large amount of blank kernels.

There are other fields where blank kernels don't necessarily seem to be the issue, maybe pointing to a change in the results we've been seeing. However, there has been a noticeable effect all year long of compaction having an effect on fields and that may also be lowering some yields whether the heat was a factor or not.

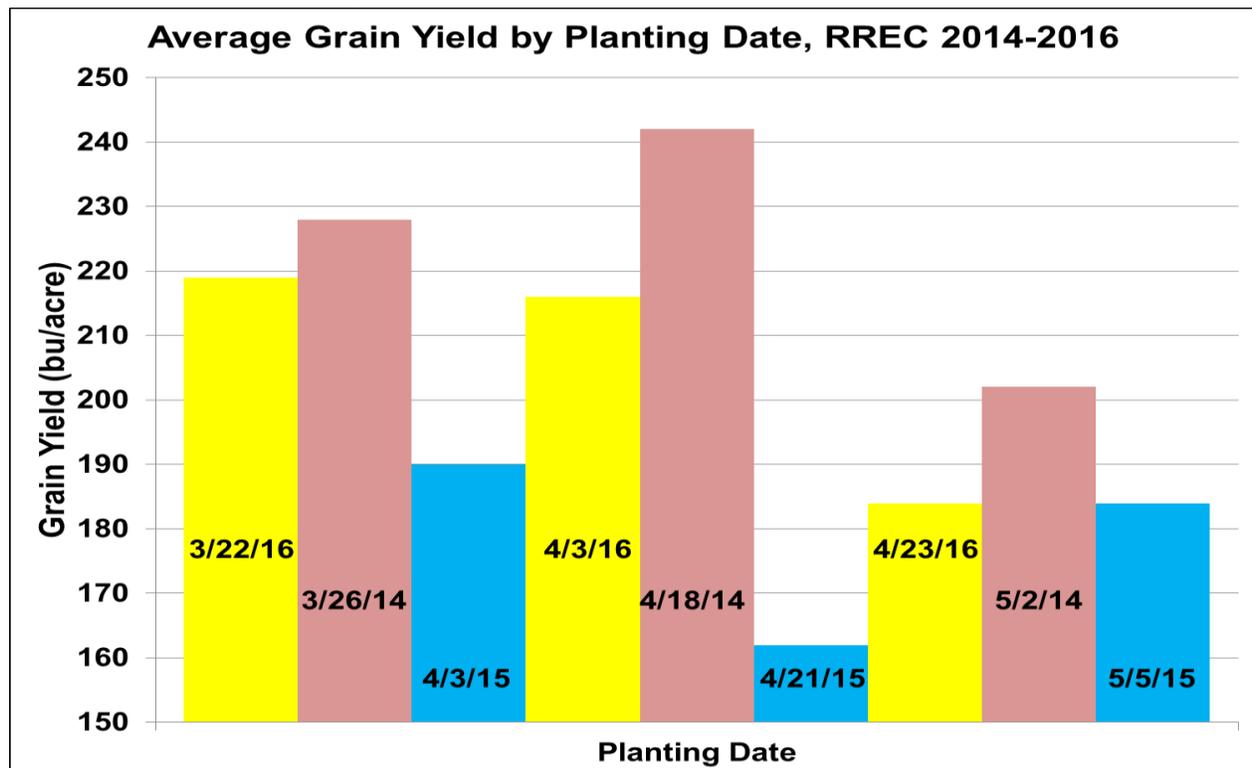
Feelings continue to be mixed depending on your location of where we go from here. For

some yields are the same, others think they're improving, others think they're getting worse.

To be about 50% harvested, that's still a great deal of uncertainty. The majority of that harvest progress is south of I-40 but the north will be catching up quickly as long as conditions remain favorable.

Milling yields still leave something to be desired. The average so far is probably somewhere around 50% head rice meaning further reductions in price received – extremely disheartening given the already low prices. On top of that, the rice that is yielding that flowered ahead of the heat went through grain fill during the heat, meaning grain chalkiness is up.

Someone once said, "If you don't have anything nice to say, come sit next to me." These days I feel like I need to sit next to that person. But there are good to nearly great yields out there, we just need to see more and soon.



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The Game is Evolving

The heat-related effects on the rice crop are being discussed in these updates and reports from others lately. As a result the big question lately has been – “it’s always hot in Arkansas, why are we having these problems now? What’s different?” The simple answer is – a lot.

The Figure below is probably complicated to look at but let’s try to view it in its simplest terms. Each point shown is the week of the year where we reached 50% planting progress and where we reached 50% headed progress.

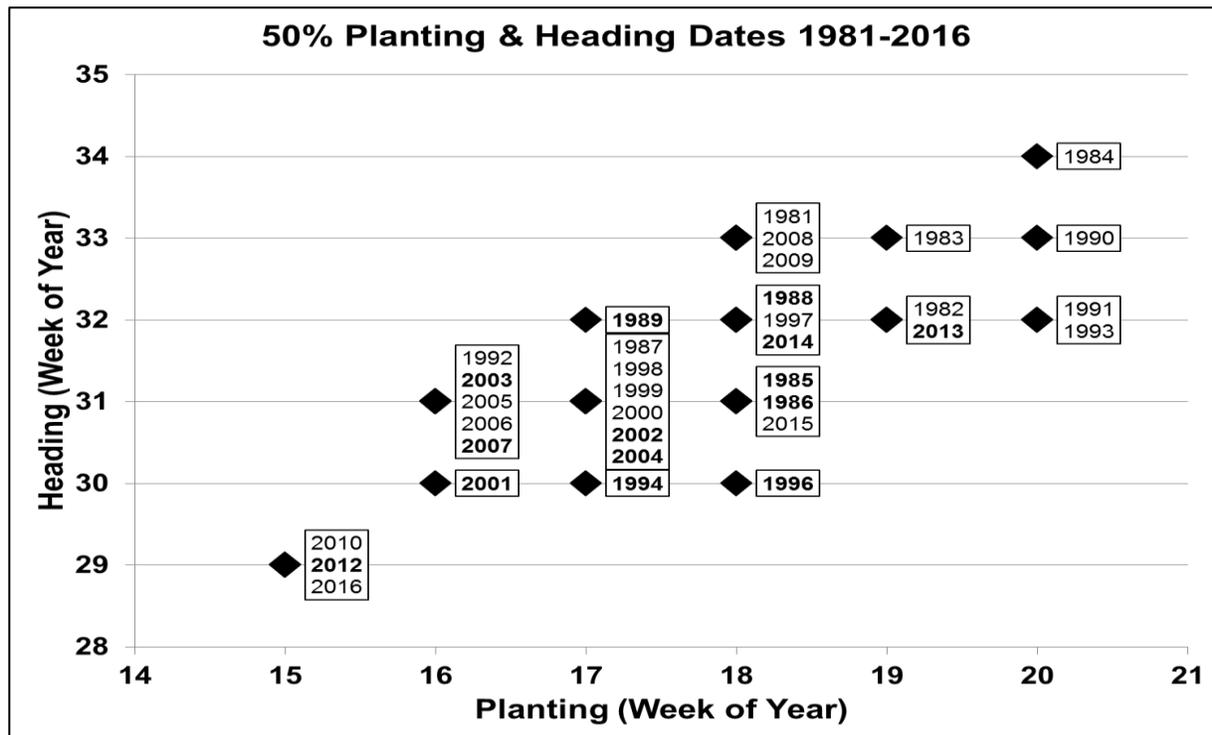
For instance, in 2010, 2012, and 2016 we reached 50% planting progress by the 15th week of the year and reached 50% headed progress by the 29th week of the year. Planting progress is on the horizontal axis and headed progress is on the vertical axis.

The 15th week of the year is about April 15, and the 29th week of the year is about July 21st. It jumps out pretty easily that we’ve moved period of heading and flowering into July

primarily in the 2000s. This has been a function of planting rice earlier and earlier, as well as growing cultivars that have shorter and shorter maturities.

Early planting and early maturity have moved us into a situation where July heat is more of a factor on an annual basis than it was in the 80s and 90s. Planting earlier generally provides greater yields but carries its own set of issues. This provides additional support for spreading out planting dates and growing multiple cultivars with a range of maturities. Easier said than done sometimes – such as 2015.

But in 2016 our planting progress was only behind 2010 and 2012, one a very difficult year for yields, the other set a state average yield record. We can’t control the weather but we can hedge our bets against it. We will also need cultivars with improved heat tolerance during flowering if we’re going to continue planting this early with early maturing cultivars.



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Market Update

USDA-NASS Crop Progress

In Monday’s Crop Progress report the National Ag Statistics Service (NASS) increased the percentage of the U.S. crop rated “poor” to “very poor” to 15%; up from 13% the previous week. The percentage of Arkansas’ crop rated “poor” to “very poor” was increased from 19% to 24 percent. In reviewing data back to 1998, this year marks the highest percentage of the Arkansas crop rated “poor” to “very poor” for this point in the growing season. Twenty-four percent of the Arkansas crop would equate to roughly 379,000 acres. Condition ratings for other rice producing states were held steady week-to-week.

Favorable weather and a return to summer-like temperatures allowed harvest to advance rapidly over the past week. As of September 4th, Arkansas’ rice crop was 31% harvested—ahead of the 5-year average of 22 percent. The U.S. harvest progress was estimated at 35% complete compared to the 5-year average of 30 percent.

USDA-NASS Crop Progress: Rice Condition (%)

| Week ending September 4, 2016 | | | | | |
|-------------------------------|-----------|------|------|------|-----------|
| | Very poor | Poor | Fair | Good | Excellent |
| Arkansas | 10 | 14 | 31 | 33 | 12 |
| California | - | - | 15 | 75 | 10 |
| Louisiana | 6 | 11 | 30 | 50 | 3 |
| Mississippi | - | 2 | 22 | 48 | 28 |
| Missouri | 1 | 3 | 25 | 50 | 21 |
| Texas | 3 | 4 | 25 | 55 | 13 |
| 6 states | 6 | 9 | 27 | 46 | 12 |
| Previous week | 5 | 8 | 27 | 47 | 13 |
| Previous year | 2 | 5 | 28 | 48 | 17 |

Dry conditions allowed harvest to gain some momentum over the past week. As of August 28th, Arkansas’ rice crop was 12% harvested—slightly ahead of the 5-year average. The U.S.

harvest progress was estimated at 22% compared to the 5-year average of 21 percent.

USDA-NASS Crop Progress: Rice Harvested (%)

| Week ending September 4, 2016 | | | | |
|-------------------------------|-----------|-----------|-----------|-----------|
| | 8/28/2015 | 8/21/2016 | 8/28/2016 | 5-yr avg. |
| Arkansas | 26 | 12 | 31 | 22 |
| California | 1 | - | 1 | 1 |
| Louisiana | 88 | 70 | 77 | 82 |
| Mississippi | 31 | 10 | 28 | 29 |
| Missouri | 1 | 2 | 18 | 6 |
| Texas | 76 | 82 | 88 | 83 |
| 6 states | 32 | 22 | 35 | 30 |

USDA-FAS Long-Grain Export Sales:

• Rough Rice

Export sales for the week ending September 1st were 32,162 metric tons (MT); up sharply from the previous week’s total of 7,945 metric tons. The largest sale last week was 26,000 MT to Mexico. Other buyers were El Salvador, Guatemala and Honduras. As of September 1, rough rice export sales total 336,351 MT of which one-third has been shipped. Long-grain rough rice export sales are running 29% behind last year’s pace at this time.

• Milled Rice

Long-grain milled sales for the week ending September 1st totaled just 3,312 metric tons (MT). With 12 markets buying relatively small quantities, the largest sale last week was 1,000 MT to Saudi Arabia, bringing their total to 20,407 MT to date. As of September 1, milled export sales total 121,147 MT of which 41,122 MT have been shipped. Milled export sales are running 48% behind last year’s pace at this time.

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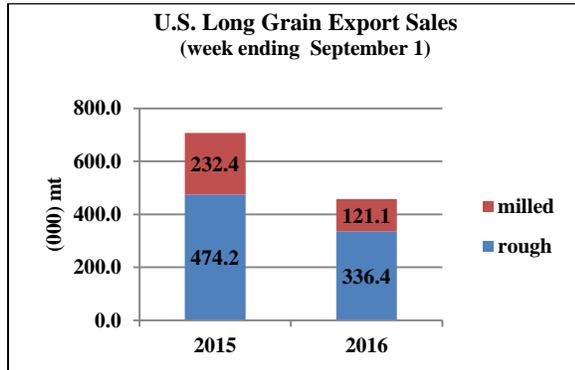
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Source: USDA-FAS.

Market Commentary:

At mid-day Friday, November rice futures were trading near unchanged at \$9.53 per hundredweight (cwt.). The contract has spent this shortened trading week mostly between \$9.50 and \$9.68. The bottom of this trading was however extended to \$9.45 in Friday's overnight trade with prices recovering during the day session.

CBOT November 2016 Rice Futures.



Rough Rice Futures Quotes

Open weather and rapid harvest progress has keep prices subdued but supported, with closing prices staying above \$9.52 this week. The trade is closely following field reports of disappointing yields. Thus, traders are anxiously waiting for Monday's USDA supply/demand and Crop Production reports. These will be released at 11:00 a.m. central on September 12. As is commonly seen, these key

monthly reports can result in sharp price moves which may push rice futures out of the trading range seen over the past week. If USDA makes no changes to production Monday, the mostly dry weather outlook next week should keep prices under pressure given the current production and ending stocks estimates. Export demand has not provided price strength thus far either.

No changes to rough rice basis were seen this week. Around eastern Arkansas basis has generally been quoted as 50 cents per cwt. under November futures for September/October delivery to mills. Basis for delivery to dryers is currently in the range of 65 to 85 cents per cwt under November futures.

USDA Report Calendar.

| Date | Report |
|------|-----------------------------------|
| 9-12 | NASS Crop Production (11:00 a.m.) |
| 9-12 | WASDE (supply/demand, 11:00 a.m.) |
| 9-12 | NASS Crop Progress (3:00 p.m.) |
| 9-14 | USDA ERS Rice Outlook released |
| 9-15 | FAS Export Sales (7:30 a.m.) |

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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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