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UNITED STATES DEPARTMENT OF AGRICULTURE  
Economic Research Service

OUTLOOK FOR RICE IN 1964

Statement by William R. Askew  
Economic and Statistical Analysis Division  
for the 41st Annual Agricultural Outlook Conference  
Washington, D. C., Wednesday, November 20, 1963

Large Supply

The rice outlook in 1963-64 is highlighted by a record crop and the largest supply since 1956. The 1963 crop, based on the October Crop Report, is estimated at 67.3 million hundredweight and the total supply is placed at 75.1 million. The supply also includes the August 1, 1963, carryover of 7.7 million cwt. and an allowance for a small quantity of imports (see table). A supply of this size is 8 percent above last year's large supply and about 14 percent above the 1957-61 average.

Heavy Demand  
Expected

Total domestic disappearance in 1963-64 is expected to be about 29.5 million cwt. with that for food use totaling about 22.0 million. This quantity for food use would be a moderate increase from the relatively small amount of 21.1 million cwt. in 1962-63. Although the small per capita consumption of rice has held stable, population growth has been the major factor in increasing the quantity of rice used for food in the United States. Rice, alone, has resisted the downward trend in per capita consumption of cereal grains in this country. The use of rice by the brewing industry and that used for seed are both expected to be about the same in 1963-64 as in recent years, about 5.0 million and 2.5 million cwt., respectively.

Exports of rice in 1963-64 are currently estimated at 36.0 million cwt., slightly above the 35.6 million exported last year but somewhat below the record of 37.5 million set in 1956-57. Registrations for export totaled about 7.0 million cwt. (rough basis) from August 1 through October 29 this year, about 1 million above that registered for the same period in 1962. However, the export estimates are subject to more than the usual uncertainty this year. Much of the uncertainty is tied to the current status of both Indonesia and Dominican Republic. Neither of these nations is now eligible for rice under P.L. 480 and estimates of the potential exports to them range from about 5.5 million cwt. to 7.0 million cwt. (rough basis). However, a number of small importing nations have indicated an interest in rice under P.L. 480. The other factor in the export picture is the Soviet Union and Eastern European Bloc countries. Their world wide purchases of grains has led to speculation that they may be potential rice buyers. The United States has already sold some rice to the Soviet Bloc but sales have been small. While Soviet Bloc purchases in some other rice exporting countries have been sizeable, these transactions do not at the present time indicate increases from their usual purchases.

Year-end Stocks  
to Increase

With a projected total disappearance of 65.5 million cwt., the carryover of rice on August 1, 1964, may increase moderately to about 9.6 million. This would be almost 2 million cwt. above a year earlier but substantially below the high level of the late 1950's.

Current Prices Strong

Prices received by farmers for rough rice during August-October 1963 have averaged \$4.97 per cwt. This is 13 cents per cwt. above the same period in 1962 and 26 cents above the \$4.71 per cwt. national average support rate for 1963-crop rice. This support rate is the same as that during the 2 preceding crop years. In both those years, prices received by farmers averaged substantially above support, amounting to \$5.14 per cwt. in 1961-62 and \$4.94 in 1962-63. However, because of the record large crop, farm prices may average only slightly above the \$4.71 per cwt. support level in 1963-64.

The quantity of 1963-crop rice placed under price support loan and purchase agreements through September was only slightly larger than the 821,000 cwt. put under support a year earlier.

The Program  
for 1964

No official announcements on the acreage allotment or price support level for 1964-crop rice had been made as of the end of October 1963. However, the minimum permitted allotment is 1.6 million acres and the minimum permitted price support level is 65 percent of parity.

Rice, rough equivalent: Supply and distribution, United States,  
average 1957-61, annual 1960-63 1/

Item	Year beginning August				
	Average	1960	1961	1962	1963
	1957-61			<u>2/</u>	<u>3/</u>
	Mil. cwt.	Mil. cwt.	Mil. cwt.	Mil. cwt.	Mil. cwt.
<u>Supply</u>					
Carryover August 1 <u>4/</u>	15.2	12.1	10.1	5.3	7.7
Production <u>4/</u>	50.0	54.6	54.2	64.5	67.3
Imports	.4	.3	.4	<u>5/</u>	.1
Total supply	<u>65.6</u>	<u>67.0</u>	<u>64.7</u>	<u>69.8</u>	<u>75.1</u>
<u>Domestic disappearance</u>					
Food <u>6/</u>	20.2	19.9	22.5	21.1	22.0
Seed	2.1	2.1	2.3	2.3	2.5
Industry <u>7/</u>	4.8	4.9	4.7	4.7	5.0
Total	<u>27.1</u>	<u>26.9</u>	<u>29.5</u>	<u>28.1</u>	<u>29.5</u>
<u>Exports</u>	25.2	29.5	29.2	35.6	36.0
Total disappearance	<u>52.3</u>	<u>56.4</u>	<u>58.7</u>	<u>63.7</u>	<u>65.5</u>
<u>Carryover July 31 <u>4/</u></u>	12.3	10.1	5.3	7.7	9.6
Total distribution	<u>64.6</u>	<u>66.5</u>	<u>64.0</u>	<u>71.4</u>	<u>75.1</u>
Difference, unaccounted <u>8/</u>	+1.0	+5	+7	-1.6	---

1/ Milled rice converted to rough basis at annual extraction rate.

2/ Preliminary.

3/ Projected.

4/ Data apply only to major rice producing States. Minor States (South Carolina, North Carolina, Arizona, Florida, Illinois, Tennessee and Oklahoma) account for only negligible production and data on them are generally incomplete.

5/ Less than 50,000 cwt.

6/ Includes shipments to territories and purchases for military food use.

7/ Primarily for beer production.

8/ Results from loss, waste, the variance in conversion factors, the lack of data on other uses such as feed, the different crop years applicable to the major rice areas, and errors and inconsistencies in data from the different reporting sources.