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# Creed Rice Market Report

*September 25, 2019*

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## Asian Long Grain Report

### SOUTHEAST ASIAN MARKETS - Thailand:

The market remains markedly quiet; prices are mostly sideways, amid modest decreases over the past 2 weeks. Nevertheless, Thai exporters find themselves in a very difficult situation; quoted values are considerably higher than their regional competitors, ... hence, buyers are opting to cover elsewhere.



The superficially inflated prices, account the reduction in planted acreage, in concert with devastating drought conditions have driven prices to unattainable levels.

Simply put: they have lost valuable market share in key demand centers.

The undertone of the market is rather bearish, and in need of substantive fresh demand offshore.

#### Thailand Exports

Preliminary unofficial rice exports (excl. fragrant rice) from Jan. 1 – Sept. 1, 2019, totaled 4,285,457 mt, down 32% from the same period last year.

Dollar to Thai Baht exchange 1 : 30.47

### Vietnam:

No doubt, Viet exporters (and the industry as a whole) have directly benefited from aforementioned situation in Thailand, in particularly **The Philippines**. **Vietnam** has several “proprietary” large scale buyers offshore, that **Thailand** does not ... **Cuba, Iraq**, and border trade with **China**; consequently, this core business has provided some underlying support, which has offset the bearish global demand-side of the equation.



In spite of this rather healthy trade portfolio, prices remain flat and the undertone steady, at best.

### USDA GAIN report summary: China

#### Post reports:

- Milled rice production in 2019/20 is unchanged at 146 million tons.
- Marketing Year (MY) and Trade Year (TY) imports in 2019/20 are lowered to 3.3 million tons, and exports are unchanged. On a TY basis, China is set to be a net exporter for the first time in nine years, buoyed by competitive export prices and growing market opportunities in Latin America and Africa.
- Imports in 2019/20 are expected down with less demand for foreign supplies amid ongoing auctions of reserves. Auction prices have been attractive to



domestic buyers and the percentage sold (of quantity offered) has been robust.

- China's auction of old-crop rice reserves in 2019 has been attractive for domestic buyers and resulting selling rates (ratio of rice purchased to rice offered) have been strong in 2019's second quarter. Since January 2019, China auctioned nearly 12 million tons of rice from its state-owned inventories, significantly up from the previous year.

[Click here for entire report.](#)

### Indonesia:

In the interest of bridging their trade deficit, the ministries of trade (both **Indonesia** and **India**) have announced that a deal has been made, involving the sale of **Indian** rice and sugar, in exchange for leveling the playing field for Indonesian palm oil. The value of the deal is estimated to increase trade between Indo. and India to around \$50 Billion.



The deal is a huge boost to the export of Indian rice, penetrating a market that has been virtually reserved for **Thailand** and **Vietnam**, thereby critically impinging on one of their most valued/regional destination markets.

Furthermore, **Thai/Viet** exporters have now witnessed precipitous changes via trade deals that influence the marketing strategy, in varying degrees, for **Cambodia, Myanmar, Indonesia, China, and India**; hence, exacerbating the uninspired export activity they currently face.

It remains to be seen how much rice **BULOG** ultimately decides to import, above and beyond the 1-1.4 MMT CRC estimate.

### Cambodia:

In sharp contrast, the market conditions here are quite vibrant, in concert with the recent long-range partnership forged with **China**. The agreement focuses on expanding and modernizing infrastructure; quite frankly, this agreement is multi-faceted in that it provides something **Cambodia** direly needs ... upgraded hard assets and a reliable trading partner, something they have been soliciting for years.



By my estimation, this is a win/win agreement ... trade of product is achieved for both, and infrastructure expanded with equity for each.

FYI, it should be duly noted that the industry is aggressively seeking options to offset the loss of market share as a result of favored nation status in **EU**.

The undertone of the market is steady/firm.

Continued on Page 3

## Asian Long Grain Report

### NEAR EAST MARKETS - India:

The “big ticket” item is the announcement of a bilateral trade agreement with **Indonesia**, involving rice and sugar exports; the deal will elevate trade to \$50 Billion annually. By doing so, **India** penetrates a market that the **Thai** and **Viet** exporters have dominated for years (see **Indonesia** segment). It also comes at time that **India** direly needs fresh export outlets, given their listless export activity today.



Meanwhile, there is just not much in the way of fresh demand offshore, outside of the **West African** trade and the core Basmati sales to a variety of offshore receivers.

The moisture readings from the monsoon continue to improve ... see details on page 8. Kharif production is now projected to be 100.35 million tons for the kharif season of the 2019-20 crop year, versus 102.13 million tons last year.

In closing, note that prices are mostly unchanged; and, the undertone of the market is soft.

### Pakistan:

The market conditions are mostly unchanged; the most noteworthy is the border trade with **China** to meet near-term needs (consummated in August for shipment Oct/Dec, IRR-6 at \$360-365 per mt). Otherwise, export loadings feature hand-to-mouth type tonnages for the core container business along the **East African coast**.



By and large, exporters are cautious, anticipating lower prices as harvest rolls in.

The undertone of the market is steady, at present.

### Myanmar:

Not to be outflanked, **Myanmar** has exported to **China** (COFCO) 85,000 MT under their 100,000 MOU; and, they are proactively seeking a like agreement for FY 2020.



Strategically, these memorandums provide a vehicle/hedge for coverage, in addition to the larger-scale “COFCO public tender”; simultaneously, in theory, this flexibility may help guard against a bullish trend penetrating the market, based solely on their entry into the market.

The undertone of the market is steady/firm.

### Bangladesh:

Snapshot:

- 1- Boro crop estimates reach record proportions (about 20 MMT - 55% of total crop).
- 2- Cereal imports in-synch with 5-year average.
- 3- Whereas flooding in the northern provinces has created some concern for the every-day household needs, it does not point towards imports.
- 4- Prices are relatively low.



### Sri Lanka:

Snapshot:

- 1- Bountiful '19 crop of 4.6 MMT.
- 2- Surplus of over 500,000 MT.
- 3- S&D reflect no need for imports projected.








### USDA GAIN report summary: Sri Lanka

Post expects rice production in Sri Lanka to increase to 3 million metric tons in the marketing year (MY) 2019/20 under average weather conditions. The year 2018/19 production rebounded after several seasons of drought-affected production and Post expects to reach 2.9 million metric tons of rice. Imports for 2019/20 should drop since local production is sufficient for domestic consumption. Paddy stocks, which had been low in recent years, are likely to increase after significant production improvements but only a marginal increase in consumption. [Click here for entire report.](#)






## Asian Long Grain Report

### THE GREAT HORSE RACES






#### Long Grain 5%

THAI 5%		\$402
VIET 5%		\$325
MYANMAR 5%		\$350
INDIAN 5%		\$370
PAKI 5%		\$368

#### Long Grain 25%






THAI 25%		\$393
VIET 25%		\$310
MYANMAR 25%		\$288
INDIAN 25%		\$330
PAKI 25%		\$348

### HISTORICAL COMPARISON OF ASIAN PRICES

	This Week	Last Week (09/18/19)	3 Months Ago (06/26/19)	1 Year Ago (9/26/18)
 <b>Thailand 5%</b>	\$400	\$400	\$399	\$389
25%	\$393	\$394	\$385	\$368
 <b>Vietnam 5%</b>	\$325	\$325	\$375	\$397
25%	\$310	\$310	\$350	\$375
 <b>Myanmar 5%</b>	\$350	\$350	\$348	\$420
25%	\$288	\$288	\$278	\$340
 <b>India 5%</b>	\$370	\$370	\$375	\$385
25%	\$330	\$330	\$345	\$340
 <b>Pakistan 5%</b>	\$368	\$360	\$365	\$390
25%	\$348	\$340	\$345	\$370

### ASIAN PRICES

Note: These are offers by prospective sellers, not bids by buyers.

 <b>Thailand</b>		 <b>Vietnam</b>		 <b>Myanmar</b>		 <b>India</b>		 <b>Pakistan</b>	
100%B	\$410					5%	<b>\$370</b>		
100B Containers	\$420					10%	N/A	5%	<b>\$368</b>
5%	<b>\$400</b>	<b>\$325</b>	<b>\$350-345</b>			15%	N/A	10%	\$363
10%	\$399					25%	<b>\$330</b>	15%	\$358
15%	\$398	\$320				Brokens	N/A	25%	<b>\$348</b>
25%	<b>\$393</b>	<b>\$310</b>	<b>\$288</b>			IR36 PB 5%	\$370	Parb 5%	N/A
Brokens	\$388	\$305	\$260			1121 parboil	\$1425	Parb 15%**	N/A
Parb. 100B sorted	\$406		\$420			Pusa parboil	\$1325	Brokens	\$315
Thai Hom Mali	\$1205	VN Frag. \$515				Traditional	N/A	<u>Basmati</u>	
Frag. Brokens	\$495					Pusa	\$1350	S. Kernal	\$975

All prices basis U.S. dollars per mt, bagged FOB vessel. Vietnam - S/A crop, except fragrant \*\*Bangladesh Specs. Philippine Specs highlighted in bold above.

## Americas Long Grain Report

### NORTH AMERICA Update:

#### U.S.A.:

The market conditions are unchanged; prices are mostly sideways. The mills are vigorously shipping against old orders (**Mexico, Haiti, Iraq**, & core and domestic business); milling time is basically booked through October, and mostly through the end of the CY, factoring in the holidays.



As anticipated, MERCOSUR won the recent global **GBI** tender; at present, there has yet to be a "US only" tender floated.

The undertone of the market is steady to firm.

### USA Long Grain Exports Update:

Long grain paddy export update (outstanding sales and accumulated export as of Sep. 12):

- 1- '19/'20 (current crop year) -- 593,200mt
- 2- '18/'19 (previous crop year) -- 328,500mt
- 3- '17/'18 (short crop) -- 291,400mt

Long grain milled rice exports (Mexico, Iraq, Haiti, outstanding sales and accumulated export as of Sep. 12):

- 1- '19/'20 (current crop year) -- 307,100mt
- 2- '18/'19 (previous crop year) -- 155,200mt
- 3- '17/'18 (short crop) -- 181,900mt



### USA Rice Outlook Conference

December 8-10, 2019  
Little Rock, Arkansas

### SOUTH AMERICA Update:

#### Mercosur:






Alas, the long-awaited **Iraq** business has become a reality! That said, the 90,000 MT (60,000mt Uruguayan/30,000mt Paraguayan) only addresses immediate needs, with the exception of **Argentina** who "struck-out" on this tender. Suffice it to say, the 120,000 MT total sales (including **Brazil** sale) only scratches the surface, the region is in need of another 200,000 MT in like sales ... last quarter 2019/first quarter 2020.

The undertone of the market is more positive but still un-steadied.



### THE AMERICAS TROPHY

#### Long Grain 5%

USA 5%		\$555
URUGUAY 5%		\$528
ARGENTINA 5%		\$475
BRAZIL 5%		\$475
PARAGUAY 5%		\$465

## Americas Long Grain Report

### USDA Export Sales Report

TOTAL ACCUMULATED EXPORTS OF RICE BY COUNTRY  
TOP 50 RANKED IN DESCENDING ORDER FOR MARKETING YEAR 2018/2019  
COMPARED WITH 4 PREVIOUS MARKETING YEARS  
(1,000 Metric Tons)

COUNTRY	2018/2019 EXPORTS RANK	2017/2018 EXPORTS RANK	2016/2017 EXPORTS RANK	2015/2016 EXPORTS RANK	2014/2015 EXPORTS RANK
MEXICO	759.1 1	695.9 1	709.3 1	618.7 1	716.7 1
HAITI	418.3 2	421.0 2	423.7 3	403.0 3	362.1 2
JAPAN	336.5 3	322.5 3	428.8 2	429.6 2	307.7 3
KOR REP	166.3 4	88.3 11	220.8 5	132.6 9	123.5 9
HONDURA	160.1 5	161.5 4	152.2 6	151.8 7	132.0 7
IRAQ	155.5 6	96.4 9	31.6 18	155.4 6	123.5 8
COLOMB	150.5 7	144.4 5	104.5 11	159.2 5	285.3 4
CANADA	137.6 8	122.9 7	125.1 9	151.0 8	139.3 6
S ARAB	110.2 9	91.6 10	141.0 7	97.0 11	111.7 10
GUATMAL	103.0 10	105.4 8	118.6 10	113.1 10	75.3 15
C RICA	76.6 11	66.9 13	58.8 16	79.4 15	91.3 13
NICARAG	74.9 12	10.0 20	6.1 26	0.0 0	2.0 34
SALVADR	70.1 13	71.1 12	67.4 14	89.6 12	76.4 14
JORDAN	62.9 14	61.1 14	98.5 12	82.2 14	71.9 16
PANAMA	53.8 15	40.6 15	65.5 15	67.8 16	45.8 17
LIBYA	43.9 16	38.1 16	85.1 13	86.2 13	93.2 12
VEZUE	31.8 17	137.6 6	318.9 4	287.7 4	223.9 5
TAIWAN	22.0 18	29.3 17	27.5 20	45.0 18	32.6 18
DOM REP	20.9 19	15.5 18	36.6 17	15.0 21	6.5 23
U KING	16.7 20	13.1 19	2.4 40	12.1 23	20.1 20
ISRAEL	14.7 21	7.4 23	15.2 22	13.7 22	9.3 22

LIBERIA	9.6 22	7.7 22	4.4 30	1.8 34	0.5 55
HG KONG	6.8 23	9.6 21	13.2 23	1.1 43	0.3 59
GHANA	6.4 24	6.8 24	4.2 31	0.0 0	29.8 19
PORTUGL	6.3 25	0.1 65	0.2 74	0.1 73	0.0 0
LEBANON	5.5 26	1.0 40	6.6 25	5.2 26	1.6 38
BAHAMAS	4.9 27	4.5 26	4.0 33	4.9 27	6.1 25
GUAM	4.3 28	3.8 27	4.2 32	3.5 29	4.2 27
KUWAIT	3.7 29	0.6 49	4.6 28	1.2 40	0.5 53
VIETNAM	3.4 30	0.0 0	0.0 0	0.0 0	0.0 0
N ZEAL	3.4 31	3.1 28	3.1 36	2.4 32	2.1 33
U AR EM	3.3 32	2.5 34	8.4 24	5.6 24	3.9 29
GERMANY	3.0 33	2.9 30	1.0 50	0.5 53	0.8 44
N ANTIL	2.9 34	2.9 29	2.9 38	4.1 28	4.3 26
AUSTRAL	2.9 35	5.0 25	5.4 27	5.5 25	6.5 24
AUSTRIA	2.4 36	2.6 32	0.2 75	0.2 67	0.2 66
NETHLD	2.2 37	2.6 33	2.5 39	2.1 33	1.9 37
TURKEY	2.1 38	0.6 47	130.0 8	22.4 19	106.9 11
SINGAPR	2.1 39	2.7 31	4.5 29	3.3 30	3.8 31
GUIN-CON	1.8 40	1.3 36	3.4 34	3.1 31	4.1 28
SWEDEN	1.3 41	1.1 38	0.8 52	0.9 46	1.0 42
NMARIANA	1.3 42	1.1 39	1.5 46	1.2 41	0.9 43
ITALY	1.3 43	0.8 43	0.4 60	0.4 56	0.2 64
SWITZLD	1.2 44	1.6 35	1.8 43	1.6 36	2.0 36
FRANCE	1.1 45	0.6 48	0.9 51	0.1 72	0.7 48
UKRAINE	1.0 46	0.4 55	0.3 67	0.7 50	0.6 50
AM SAMOA	0.9 48	1.2 37	1.1 49	1.3 37	1.2 39
LW WW I	0.9 47	0.8 42	0.7 54	0.7 49	0.5 51
YEMEN	0.9 49	0.9 41	2.1 41	1.8 35	3.7 32
POLAND	0.6 50	0.7 44	0.4 61	0.3 57	0.2 63
TOTAL	3078.3	2816.0	3519.6	3359.6	3267.0

**USA QUOTES:** (Shipment: Oct/Nov) Note: These are minimal quotes only, not bids nor offers.

#### Southern U.S. - Long Grain

	Abbreviation	Quote	Basis
U.S. #2 Long Grain, max. 5% Broken, Hard Milled (Iraq terms and Specs)	#2/5%	\$555.00	per MT sacked, F.O.B. U.S. Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled (Haiti, MX, Colombia)	#2/4%	\$505.00	per MT, BULK, F.O.B. Vessel US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled (Iraq specs)	#2/4%	\$510.00	per MT Sacked F.A.S. US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$505.00	per MT containerized FOB US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$560.00	per mt sacked delivered Laredo TX
U.S. #3 Long Grain, max. 15% Broken, Hard Milled	#3/15	\$520.00	per MT sacked, F.A.S. U.S. Gulf
U.S. #3 Long Grain, max. 15% Broken, Hard Milled	#3/15	NA	per mt sacked delivered Laredo TX
U.S. #2 Long Grain Brown, max. 4% Broken, 75% yield	#2/4/75	NA	per mt bulk FOB vessel NOLA
U.S. #1 Parboiled L/G Brown, max. 4% Broken, 88% yield	#1/4/88	NA	per mt bulk FOB vessel NOLA
U.S. #1 Parboiled L/G MILLED, max. 4% Broken	#1/4 Parb	\$540.00	per mt bulk FOB vessel NOLA
U.S. #2 Long Grain Paddy, 55/70 yield	#2 55/70	\$295.00	per mt bulk F.O.B. vessel NOLA
U.S. #5 L/G, max. 20% broken, WELL MILLED	#5/20/wm	\$425.00	per MT sacked, F.A.S. U.S. Gulf

#### Southern U.S. - Package Quality Long Grain (add \$1.50/cwt premium for sacked truck)

Package Quality Parboiled L/G, max. 4% broken	Pkg. Parb.	\$25.50	per cwt. bulk F.O.B. mill
Package Quality Long Grain Milled, max. 4% broken	Pkg. L/G	\$23.50	per cwt. bulk F.O.B. mill
Package Quality Long Grain Milled, max. 4% broken (select variety)	Pkg. L/G	\$25.00	per cwt. bulk F.O.B. mill
Package Quality Long Grain Brown Rice, max. 4% broken	Pkg. Br.	\$25.00	per cwt. bulk F.O.B. mill

### MERCOSUR QUOTES:



Uruguay



Argentina



Paraguay

Tacuari 5% FOB container	\$560		
Olimar 5% FOB container	\$525		
generic 5% FOB vessel	\$528	\$475	\$465
10% FOB vessel	\$518	\$465	\$340**
15% FOB vessel	N/A	N/A	
Parboiled 5%	\$515		

All prices basis U.S. \$ per mt. Tacuari-Peru specs. \*\* Ex-mill

## Medium Grain Report

### California:

Japan's MA tender resulted in two cargoes of USA medium grain being bought. It is interesting to note that both will be old crop rice for shipment in October. Apparently, there were more old crop stocks than some thought. Prices are reported to reflect \$830-840 per mt basis FOB vessel. These prices reflect less than \$14.00 per cwt over loan for the paddy.



The results of the Korean tenders were finally announced last week. Most of the purchases were Chinese rice. Vietnam sold one parcel of short grain brown, and the USA won the table rice tender. Details of the awards follow in the Korean segment.

Also, of note are the upcoming tenders (October 8) for Taiwan, and the Japan SBS tender at the end of this week. We anticipate Korea will announce their next series of tenders this week, with tender date next week.

Meanwhile, California is entering the main part of their harvest including the various Calrose varieties, not just early maturing short grains. Yields are reported to be average.

Domestic market prices are \$37-38 per cwt FOB mill for old crop rice, with \$1.50 per cwt premium for new crop...further evidence of larger than thought old crop stocks.

### Korea

Korea's first tenders for USA rice was held Sept. 6. See awards posted below:



22,000mt Chinese short grain brown rice at \$768.88  
 22,000mt Viet short grain brown rice at \$482.50  
 22,000mt Chinese medium grain brown rice at \$847.50  
 22,000mt Chinese medium grain brown rice at \$843.88  
 22,000mt Chinese medium grain brown rice at \$837.50  
 and 20,000mt USA medium grain milled rice at \$974.92.

[Click here for complete tender awards details.](#)

### Taiwan

Taiwan now has 3 COA tenders which have been delayed until October 8:



- 1 x 500MT of Short Grain sweet rice.
- 1 x 3,000MT of Medium Grain milled rice.
- 1 x 12,000MT of Long Grain brown rice.

The import licenses auctions have failed twice account "prices were too low".

### Japan:

At their tender of Sept. 20, Japan bought 2 x 13,000mt cargoes of USA medium grain milled rice at prices reported to reflect \$830-840 per mt basis FOB vessel.



### USDA GAIN report summary: Japan

The MY2019/20 total planted area for rice is estimated to decrease slightly to 1.545 million ha, but total production is expected to increase to 7.8 million metric tons (MT) based on a projected yield improvement from last year's crop. MY2019/20 production is expected to be similar to a normal year based on the Ministry of Agriculture, Forestry and Fisheries (MAFF)'s August 15 crop progress report.

Japan is still expected to import 682,000 MT of rice to meet its WTO commitments. [Click here for the entire report.](#)

### Vietnam:

Vietnamese Japonica double water polished, 5% broken, sorted, is quoted at \$420 per mt, sacked, FOB. Vietnamese medium grain milled rice (Ham Chau) 5% broken, double polished, sorted, 2018 crop (105 days) is currently quoted at N/A per mt. Vietnamese medium grain milled rice (Ham Chau) 5% broken, double polished, current crop (95 days) is currently quoted at \$385 per mt.



### USA MEDIUM GRAIN QUOTES:

#### California - Medium Grain

U.S. #1 Medium Grain, max. 4% Broken (Med)	#1/4	\$825	per mt sacked 25kg containerized FOB Mill
U.S. #1 Medium Grain, max. 4% Broken (Korea Specs, add \$20 for 10kg)	#1/4	\$935	per mt sacked 20kg, container CIP Oakland
U.S. #1 Medium Grain milled rice, except max. 7% Broken (Japan Specs)	#1/7%	\$830-840	per mt sacked in 1mt tote bags FOB vessel
U.S. #3 Medium Grain Brown rice, max. 8% broken (Korea Specs)	#3 Brown	\$790	per mt in 40kg bags containerized Oakland
U.S. #2 Medium Grain Paddy, 58/69 yield	#2 58/69	\$530	per mt bulk FOB Stockton, CA

#### California - Package Quality

Package Rice for Industrial Use and Repackers	#1/4%	\$37-\$40	per cwt. bulk F.O.B. Mill
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#### Southern U.S. - Medium Grain

U.S. #2 Medium Grain, max. 4% broken, Hard Milled (Puerto Rico, Libya)	#2/4%	\$620.00	per mt bulk FOB vessel NOLA
U.S. #2 Medium Grain Paddy, 58/69 yield	#2 58/69	\$350.00	per mt bulk FOB vessel NOLA

#### Southern U.S. - Package Quality Medium Grain (add \$1.50/cwt for sacked truck)

Package Quality Medium Grain Milled, max. 4% broken	Pkg. M/G	\$28.50	per cwt. bulk F.O.B. mill
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## USDA International Weather Report

### Eastern Asia:

Dry, seasonably warm weather prevailed throughout eastern China, benefiting maturing summer crops. The dryness was particularly welcome in Heilongjiang and Jilin, where consistent rainfall during the season produced record totals; abundant soil moisture and timely late-season dryness will likely result in high yields for corn, soybeans, and rice. The current dryness was more unfavorable in the southeast, where severe drought during the latter half of the season has reduced moisture supplies for late-crop rice. Most of the rainfall (10-50 mm or more) was focused in central China (Sichuan and environs), coming too late for summer crops but boosting moisture supplies for winter crops sown in October and November. Elsewhere, Typhoon Tapah was turning toward the Koreas late in the week, as showers (25-50 mm or more) from the outer edge of the storm reached South Korea, providing much-needed moisture to ease severe seasonal drought.

### Southeast Asia:

Heavy showers (25-100 mm or more) prevailed across the southern half of Indochina, boosting or maintaining moisture supplies for reproductive rice. In particular, the rainfall in northeastern Thailand has reversed the drought conditions in the early half of the season and improved rice prospects. Meanwhile in the Philippines, Typhoon Tapah formed well north of the country but still enhanced rainfall across Luzon, producing over 100 mm and locally in excess of 400 mm. Overall moisture conditions remained good in key growing areas of the Philippines, with some short-term deficits in the south. Farther south, mostly dry weather in Malaysia and Indonesia supported the main harvest period for oil palm.

### South Asia:

Showers (25-100 mm, locally more) were reported across India, even in the seasonally drier southeast; the wettest time of year in the southeast is October-November. The moisture was beneficial for reproductive kharif crops, especially cotton and oilseeds in central and western growing areas. In contrast, pockets of drier weather continued in eastern rice areas (Orissa and environs), where slight moisture deficits have occurred throughout the season. Meanwhile, the monsoon continued to show signs of retreating from northern India and Pakistan, ushering in drier weather for maturing early-crop cotton and rice.

### Australia:

In Western Australia, mostly dry weather continued across northern and central portions of the wheat belt, further reducing moisture supplies for reproductive winter grains and oilseeds. Elsewhere in the state, widespread showers (5-25 mm) in southern portions of the wheat belt maintained generally good yield prospects for winter crops. Farther east, very timely, soaking rain (15-50 mm) overspread South Australia, helping to boost the yield prospects of reproductive wheat, barley, and canola. In contrast, less rain (5-15 mm) fell across Victoria, especially northern portions of the state, where more rain would be welcome to help maintain crop prospects. In central and southern New South Wales, showers (5-15 mm, locally more) in eastern portions of the wheat belt provided some drought relief, but the rain came much too late to substantially benefit winter crops. In southern Queensland and northern New South Wales, persistent dryness sped maturation of drought-stressed wheat and promoted early harvesting in many areas. Although some summer crop planting has likely begun, the persistent dryness has likely discouraged widespread sowing activity. Temperatures averaged 1 to 3°C above normal in southern and eastern Australia, with midweek maxima briefly approaching 30°C in South Australia. Early in the week, minimum temperatures dropped to near

freezing in eastern South Australia and western Victoria, potentially causing local frost. In Western Australia, temperatures averaged near normal.

### Argentina:

Mostly dry, generally warm weather promoted rapid winter grain development, though western farming areas were still in need of moisture. Little to no rain fell, with only a few isolated locations recording more than 10 mm; additionally, weekly temperatures averaging up to 2°C above normal exacerbated the impacts of the dryness on crops and soils. Daytime highs ranged from the lower and middle 20s (degrees C) in southern Buenos Aires to 40°C in Formosa, promoting rapid emergence of sunflowers in northern production areas, many of which recorded beneficial rainfall last week. According to the government of Argentina, sunflowers were 36 percent planted as of September 19, similar to last year's pace (37 percent); planting has not begun yet in Buenos Aires, Argentina's largest producer of sunseed. The weekly report also noted signs of moisture stress on vegetative winter wheat.

### Brazil:

Showers increased moisture for summer crops in parts of the southeast, but drier conditions continued to dominate farming areas of central Brazil. Rainfall totaled 10 to 50 mm, locally higher, from Parana and southern Sao Paulo southward into Uruguay. Warm weather accompanied the rain, with daytime highs reaching the upper 30s (degrees C) in northern and western Parana and temperatures staying above freezing throughout the south. According to the government of Parana, 2019/20 first-crop corn was 24 percent planted as of September 16 and soybean planting was reportedly beginning in spots, though little progress was reported; in addition, wheat was 44 percent harvested. In Rio Grande do Sul, wheat was 80 percent flowering to filling as of September 19 according to government weekly reporting. In contrast to the southern rain, dry weather dominated much of the central and northeastern interior farming areas, where most farmers awaited the onset of seasonal rainfall to begin planting soybeans. An exception was in outlying production areas of northern Mato Grosso, where scattered showers (locally greater than 10 mm) were recorded. According to the government of Mato Grosso, soybean planting had begun but less than 1 percent of current intentions had been planted.

### Mexico:

Hurricane Lorena brought locally heavy rain and high winds to parts of the south and northwest as it grazed both the southwestern coast and southeastern Baja Peninsula before weakening. The heaviest rainfall (greater than 100 mm) was recorded along the coasts of Jalisco and Michoacan, with lesser amounts (10-50 mm or more) extending from Nayarit to Guerrero; moderate to locally heavy showers (10-50 mm, locally higher) extended northward into Chihuahua as moisture from Lorena became entrained into the monsoon circulation. Tropical storm force winds (sustained winds of 34 knots or greater) were generally confined to locations closest to the coast as the storm made landfall in Jalisco (September 19, with sustained winds of 65 knots) and Baja Sur (September 20, with sustained winds of 74 knots), likely causing only limited damage to infrastructure. Elsewhere, light to moderate rain (5-35 mm) fell across the southern plateau (eastern Jalisco to Puebla); similar amounts were recorded in the southeast, with higher amounts (greater than 50 mm) concentrated over the vicinity of Tabasco and southern Chiapas. Meanwhile, warmth and dryness dominated the northwest, with daytime highs reaching the middle 30s (degrees C) reaching southward through Tamaulipas. The dry region included much of Veracruz, which has been suffering from drought for much of the season.

## Paddy Report

### UNITED STATES -- South

**Texas** - The harvesting of new crop is nearing completion. Long grain has traded at \$5.00-5.10 per cwt over loan this past week (hybrids and conventional varieties).

Tropical storm Imelda dumped over 20 inches of rain in the rice fields around Houston. Rice growing areas east of Houston were the hardest hit, but areas south of Houston also received significant rainfall. Most of the southern area was already harvested. The eastern region still had about 5000 acres that had not been harvested. This is equivalent to about 3% of the entire Texas crop.

**Louisiana** - Long grain paddy is unchanged at \$11.40 per cwt (\$19.00 per barrel) basis FOB country. There is also a bid at \$19.50 per barrel for long grain delivered to the elevator. Medium grain is bid at \$19.50 per barrel (\$12.00 per cwt).

**Mid-South** - The bid/asked prices for new crop long grain barges are \$12.60/\$13.00 per cwt CIF NOLA. Futures prices are down \$0.17 - \$0.32 since our last report. Medium grain is quiet. We would call sellers' price ideas on medium grain as offered at \$14.25 per cwt CIF NOLA.

The harvest in the mid-south is about 60% completed. Yields are slightly lower than last year, or about average. The quality is average to good.

### UNITED STATES -- California

**California** - There is active harvesting of the new crop, all varieties.

No new paddy trading reported. The last business was priced at \$14.00-15.00 per cwt over loan.

Reflective Prices (per cwt FOB country 2019 crop)				
	Texas	Louisiana	Mid-South	California
Long grain	\$12.00	\$11.40	\$11.50/\$12.00	*
Medium Grain	*	\$12.00	\$12.25 bid / \$13.25 ask	\$22.00 new crop

L/G prices are basis #2 55/70, Southern M/G prices are basis #2 58/69, California M/G prices are basis #1 55/70. Mid-South -- Arkansas, Missouri, Mississippi, northeast Louisiana.  
 \* These areas do not have sufficient supplies of this type to quote.

## Rough Rice Futures

**CME Group Rough Rice Futures (09/23/2019 Volume: 946 Open Interest: 10,150)**

Contract Month	Tuesday's Settle Price	Net Change From				Prices	
		Monday		Last Report		One Year Ago 09/25/18	
'19 Nov	\$12.000	Down	0.060	Down	0.275	'18 Nov	\$9.875
'20 Jan	\$12.195	Down	0.065	Down	0.240	'19 Jan	\$10.030
'20 Mar	\$12.340	Down	0.070	Down	0.225	'19 Mar	\$10.155
'20 May	\$12.415	Down	0.065	Down	0.205	'19 May	\$10.295
'20 July	\$12.465	Down	0.065	Down	0.170	'19 July	\$10.435
'20 Sep	\$11.980	Down	0.065	Down	0.320	'19 Sep	\$10.400
'20 Nov	\$11.980	Down	0.065	Down	0.320	'19 Nov	--

## Tenders, Upcoming Events, Notices

### KEY STATS

- **Philippines** - The Philippines, after implementing the new tariffication program, imported 1.43 million mt of rice during March-July, 2019.
- **Indonesia's** BULOG has set its procurement target at 1.8 million tons in 2019. As of July 9, 2019, BULOG has procured a total of 797,425 tons of milled rice equivalent domestically.
- **Vietnam** - Rice exports in January-August are forecast to increase 0.1% from a year earlier to 4.53 million tonnes.
- **Myanmar** - From Oct 1, 2018 to July 12, 2019, Myanmar exported 1.858 million MT of rice. In 2017-2018FY Myanmar exported 3.6 MMT.
- **India's** rice exports for FY 2018-19 were down 7.2% to 11.95 million mt, mainly due to a reduction in non-basmati exports (7.53 mmt, down 14.5%).
- **Pakistan** exported a total of 4.097 million metric tons of rice during July-June of FY19 compared to 4.082 million metric ton in the same period of FY18. During the last fiscal year, some 537,133 tons basmati rice and 3.545 million tons non-basmati rice were exported.
- **Iran** imported 888,491 mt of rice between late March and late August, valued at \$946,216,210.
- **Saudi Arabian** rice imports for MY2018/19 are estimated at 1.35Million mt, up 4% from last year.
- **Turkey's** rice imports during the first nine months of MY 2018/19 (from September to May) were about 136,000 MT and for the full year are expected to be 170,000 MT, milled equivalent.
- **Nigeria's** rough rice production in MY 2019/20 is projected to be 7.4 MMT, down about three percent or 200,000 MT lower than USDA's MY 2018/19 estimate of 7.6 million metric tons. Rice imports in MY 2019/20 are projected to be 2.4 MMT, up nine percent or 200,000 MT higher than the MY 2018/19 estimate of 2.2 million metric tons.
- **Guyana's** rice exports for Jan-June 2019 were 297,489 tonnes of rice, bringing in a total of US\$123.1 million, compared to US\$120.2 million and 312,593 tonnes for the same period a year ago .

### UPCOMING TENDERS

**Sept. 27 Japan SBS** tender for 25,000mt of rice.

**Oct. 8 Taiwan** tender for 1 x 500MT of SG sweet rice, 1 x 12,000MT of LG brown rice, 1 x 3,000MT of MG milled rice (500mt every other month Jan-Dec, 2020).

**Oct. 10 COL-RICE** tender for TRQ certificates (16,596mt milled basis).

### TENDER RESULTS

**May 15 Iraq** tender for USA rice only, for GBI reply latest May 21. **CANCELLED, new tender for May 23 issued. Results pending.**

**May 21 KCCO (inv. 2000006121)** tender (amended) to buy 1840mt of rice. **Bought 1000mt of #5/20% long grain well milled, fortified at \$389.29 per mt intermodal plant Lake Charles; and, 840mt of #5/20% Medium grain parboiled, well milled, at \$799.94 per mt intermodal Houston (RSGW).**

**May 21 Egypt (GASC)** tender for 20,000mt (minimum offer) of Medium/Short grain white rice 10%-12% broken. Arrival periods: July 25 - August 20. **Awarded 85,000mt of Chinese at \$405 per mt - click here for details.**

**May 23 AARQ Auction** for July 2019 TRQ tranche. **Awarded 2344mt - click here for details.**

**May 23 Iraq** tender for USA rice only, for reply May 27. **Iraq purchased a total of 120,000 MT on the recent "US only" tender, at a price of \$584 per MT CIF FO. Exact shipment not disclosed, but should fill milling time through September.**

**June 6 COL-RICE Auction** to sell 15,628mt worth of import certificates. **Results pending.**

**June 6 KCCO (inv. 2000006163)** tender to buy 3500mt. **Awarded at prices ranging \$439.75-\$518.89 FAS Palmer Logistics.click here for details.**

**June 14 Korea (AT1989-BRI-19 (579))** tender to buy 20,000mt of Short Grain Brown Rice, for arrival Gunsan July 1-Aug 31, 2019. **Results pending.**

**June 17 MARITIUS** tender 6000MT long grain white rice (optional origin), in containers, for delivery Aug-Oct.

**June 18 KCCO (inv. 2000006187)** tender to buy 430mt. **Bought at \$493.89 per mt intermodal Houston.**

**July 11 Iraq** tender for USA rice only, for reply the following week. **Bought 2x30,000mt at \$629 per mt CIF FO.**

**July 16 KCCO (inv. 2000006248)** tender to buy 430mt. **Bought 430mt at \$475.81 per mt BHOU, intermodal Houston.**

**July 21 QATAR** tender to buy 4000mt of Pakistani basmati.

**July 25 AARQ Auction** for September 2019 TRQ Tranche. **Awarded 680mt worth of certificates, with lowest winning bid at \$5.85.**

**Aug. 6 KCCO (inv. 2000006324)** tender 3590mt of milled rice. **Bought 600mt of #2/7% L/G at \$479.05 per mt, 1620mt of #2/7% L/G fortified at \$507.49-\$531.52, and 1370mt of #5/20 at \$485.10 - \$509.75.**

**Aug. 19 Mauritius** tender for 6000mt long grain milled rice, optional origin, for delivery in containers Nov. 1 - Jan. 31.

**Aug. 20 KCCO (inv. 2000006366)** tender to buy 1400mt. **Bought 1400mt #3/15% well milled fortified at \$503.97 - \$543.85 per mt intermodal Houston (BHOU).**

**Sept. 5 Iraq** tender for Global origin rice, for reply Sept. 15. **Bought 30,000mt of Paraguayan rice at \$546.15 per mt CNF FO, 30,000mt of Brazilian at \$554.90 per mt CIF FO, and 60,000mt of Uruguayan at \$562.00 per mt CNF FO.**

**Sept. 5 KCCO (inv. 2000006386)** tender to buy 660mt. **Bought 660mt at \$483.68 per mt intermodal Houston.**

**Sept. 6 Korea** tenders for 130,000mt of rice. **Bought: 22,000mt Chinese short grain brown rice at \$768.88  
22,000mt Viet short grain brown rice at \$482.50  
22,000mt Chinese medium grain brown rice at \$847.50  
22,000mt Chinese medium grain brown rice at \$843.88  
22,000mt Chinese medium grain brown rice at \$837.50  
and 20,000mt USA medium grain milled rice at \$974.92.**

**Sept. 19 KCCO (inv. 2000006414)** tender bought only 8330mt of long grain and medium grain #5/20%, 5030mt of parboiled rice was not bought - click here for details.

**Sept. 20 Japan MA** tender for 26,000mt of USA Medium grain, and 28,000mt of global long grain. **Bought the USA medium grain at prices reported to reflect \$830-840 per mt on a FOB vessel basis.**

Click any box for full report

## U.S.D.A. World Market Price:

World Market Price Value Factors	This week 09/25/19	Last week 09/18/19	1 Year Ago 09/26/18	LDP
Long Grain	To be	14.40	14.44	00.00
Medium Grain	released	14.06	14.12	00.00
Short Grain	Sept. 25	14.06	14.12	00.00
Brokens	7:00am ET	8.69	8.71	-

	WMP and Loan Rates			'19 Loan Factors
	L/G	M/G		
Yield	55.55/13.69	61.11/9.51	L/G whole	11.09
WMP	9.19	9.42	M/G whole	10.50
Loan	7.00	7.00	S/G whole	10.50
Difference	(2.19)	(2.42)	Brokens	6.11

## USDA Export Sales Highlights (September 6-12, 2019)

Net sales of 81,900 MT for 2019/2020 were up 76 percent from the previous week, but down 3 percent from the prior 4-week average. Increases primarily for:

Mexico	(23,000 MT, including decreases of 1,100 MT)
Venezuela	(16,100 MT)
Haiti	(15,000 MT)
Guatemala	(7,700 MT)
Saudi Arabia	(5,300 MT)

were partially offset by reductions for:

Dominican Republic	(200 MT)
Kuwait	(200 MT)

## Exports

Exports of 63,500 MT were up 10 percent from the previous week, but up 1 percent from the prior 4-week average. The destinations were primarily to:

Mexico	(25,900 MT)
Venezuela	(16,100 MT)
Japan	(12,500 MT)
Canada	(2,400 MT)
Jordan	(2,000 MT)

Source: USDA

## U.S. Rice Supply and Use (Sept. 2019)

(Rough Equivalent of Rough and Milled Rice)

TOTAL RICE	17/18	18/19	19/20	19/20
		Est.	Proj. Aug.	Proj. Sep.
Million Acres				
Area Planted	2.46	2.95	2.76	2.54
Area Harvested	2.37	2.92	2.71	2.71
Yield	7,507	7,692	7,577	7,563
		Million Hundredweight		
Beginning Stocks	46.0	29.4	50.6	44.9
Production	178.2	224.2	205.4	187.3
Imports	27.5	29.0	29.2	29.6
Supply, Total	251.8	282.6	285.2	261.8
Domestic & Residual	135.4	144.1	137.0	131.0
Exports, Total	87.1	93.6	101.0	95.0
Rough	28.8	33.0	38.0	33.0
Milled (rough equiv.)	58.2	60.6	63.0	62.0
Use, Total	222.4	237.7	238.0	226.0
Ending Stocks	29.4	44.9	47.2	35.8

## Major USA Export Markets

DESTINATION	CURRENT MARKETING YEAR		NEXT MARKETING YEAR		OUTSTANDING SALES	
	: THIS WEEK :	YR AGO :	: THIS WEEK :	YR AGO :	SECOND YR :	THIRD YR :
Long grain Paddy						
C RICA	33.2	17.5	0.0	0.0	0.0	0.0
COLOMB	0.0	0.0	13.4	17.5	0.0	0.0
GUATMAL	26.4	19.5	11.6	6.2	0.0	0.0
HONDURA	33.7	42.7	28.0	17.9	0.0	0.0
MEXICO	163.1	80.8	120.4	82.1	0.0	0.0
NICARAG	104.5	0.0	0.0	0.0	0.0	0.0
PANAMA	0.0	0.0	0.0	5.0	0.0	0.0
SALVADR	18.0	15.6	5.1	10.4	0.0	0.0
VENEZ	10.0	0.0	25.9	13.5	0.0	0.0
Long grain Milled						
IRAQ	119.9	30.0	32.1	0.0	0.0	0.0
S ARAB	11.9	10.1	6.1	14.6	0.0	0.0
CANADA	8.6	3.5	8.0	8.0	0.0	0.0
HAITI	69.5	46.1	76.0	64.6	0.0	0.0
MEXICO	6.7	8.5	2.9	6.0	0.0	0.0
Medium Grain Milled (includes short grain milled)						
JAPAN	36.4	1.2	64.0	53.6	0.0	0.0
TAIWAN	0.2	1.1	0.0	1.2	0.0	0.0
JORDAN	20.3	7.2	4.1	7.2	0.0	0.0
KOR REP	0.0	*	0.2	0.2	0.0	0.0
Medium Grain Brown						
TOTAL KNOWN & UNKNOWN	0.1	0.2	0.5	0.6	0.0	0.0
Medium Grain Paddy						
MEXICO	26.5	4.7	4.3	0.0	0.0	0.0
All Rice						
TOTAL KNOWN & UNKNOWN	722.9	312.1	430.3	330.9	0.0	0.0

## U.S.D.A. Crop Progress:

### Rice *Harvested* - Selected States -- Week Ending Sept. 22.

State	Sep. 22, 2018	Sep. 15, 2019	Sep. 22, 2019	2014- 2018 Avg.
Arkansas	67	44	61	65
California	14	5	10	12
Louisiana	96	88	91	95
Mississippi	81	51	64	67
Missouri	42	22	44	42
Texas	97	92	94	97
6 States	63	46	58	61

## U.S.D.A. Crop Progress:

Rice Condition - Selected States: Week Ending Sept. 15, 2019

[These 6 States planted 100% of the 2018 rice acreage]

State	Very poor	Poor	Fair	Good	Excellent
percent					
Arkansas	1	7	31	42	19
California	-	-	-	45	55
Louisiana	1	4	30	58	7
Mississippi	-	1	20	63	16
Missouri	3	6	38	40	13
Texas	1	4	30	54	11
6 States	1	5	25	47	22
Previous week:	1	5	25	46	23
Previous year:	-	4	22	58	16

- Represents zero.

## USA - Broken and Co-Products

**U.S. South Broken:**

Flour Quality broken	Flour Qty	17.75-18.00	per cwt. bulk, F.O.B. rail
Pet Food Quality, #4 Brewers (milled)	pet food	15.50/17.00	per cwt. bulk, F.O.B. rail

**U.S. California Broken:**

Flour Quality broken	Flour Qty	\$20.00	per cwt. bulk, F.O.B. mill
Pet Food Quality, #4 Brewers	spot mkt	\$17.00	per cwt. bulk, F.O.B. mill

**Rice Co-Products - Spot market prices basis \$ per short ton bulk, FOB mill (spot prices)**

	Texas	Louisiana	Arkansas	California
<b>Bran:</b>	\$85	\$125	\$80-90	\$134
<b>Mill Feed:</b>	\$35-40	\$40	\$40	-
<b>Ground Hulls:</b>	\$5	\$7	\$10	-
<b>Unground Hulls:</b>	\$5	\$7	\$5	\$0

**Notes:**

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