

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

World Market Price Value Factors	Last week 06/18/14	Prev. week 06/11/14	1 Year Ago 06/26/13	LDP	2013 Loan Factors	WMP and Loan Rates		
						'13 crop	L/G	M/G
Long Grain	17.72	17.72	19.16	00.00	10.34	Yield	57.94/11.23	63.26/7.45
Medium Grain	17.37	17.37	18.84	00.00	9.72	WMP	11.63	11.89
Short Grain	17.37	17.37	18.84	00.00	9.72	Loan	6.65	6.58
Brokens	12.14	12.14	13.56	-	5.83	Difference	(4.98)	(5.31)

## US Prices: (Shipment: August/September)

Southern U.S. - Long Grain	Abbreviation	Quote	Basis
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$26.00	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$26.00	per cwt, BULK, FOB Vessel US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$26.75	per cwt. containerized FOB US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$605.00	per mt sacked delivered Laredo TX
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	N/A	per cwt sacked delivered Miami FL
U.S. #3 Long Grain, max. 15% Broken, Hard Milled	#3/15	\$25.00	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #3 Long Grain, max. 15% Broken, Hard Milled	#3/15	\$595.00	per mt sacked delivered Laredo TX
U.S. #2 Long Grain Brown, max. 4% Broken, 75% yield	#2/4/75	\$546.00	per mt bulk FOB vessel NOLA
U.S. #1 Parboiled L/G Brown, max. 4% Broken, 88% yield	#1/4/88	\$585.00	per mt bulk FOB vessel NOLA
U.S. #1 Parboiled L/G MILLED, max. 4% Broken	#1/4 Parb	no quote	per mt sacked FOB vessel NOLA
U.S. #1 Parboiled L/G MILLED, max. 4% Broken	#1/4 Parb	\$635.00	per mt bulk FOB vessel NOLA
U.S. #2 Long Grain Paddy, 55/70 yield	#2 55/70	\$380.00	per mt bulk F.O.B. vessel NOLA
Long Grain, max. 20% broken, Hard milled (Ghana specs)	#4/20/hm	\$24.50	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #5 L/G, max. 20% broken, WELL MILLED	#5/20/wm	\$24.25	per cwt. sacked, F.A.S. U.S. Gulf

### Southern U.S. - Medium Grain

U.S. #2 Medium Grain, max. 4% broken, Hard Milled	#2/4%	N/A	per mt bulk FOB vessel NOLA
U.S. #2 Medium Grain Paddy, 58/69 yield	#2 58/69	N/A	per mt bulk FOB vessel NOLA

### Southern U.S. - Package Quality

Package Quality Parboiled L/G, max. 4% broken	Pkg. Parb.	\$28.00	per cwt. bulk F.O.B. mill
Package Quality Long Grain Milled, max. 4% broken	Pkg. L/G	\$26.00	per cwt. bulk F.O.B. mill
Package Quality Long Grain Milled, max. 4% broken (select variety)	Pkg. L/G	28.00-29.00	per cwt. bulk F.O.B. mill
Package Quality Long Grain Brown Rice, max. 4% broken	Pkg. Br.	\$29.00	per cwt. bulk F.O.B. mill
Package Quality Medium Grain Milled, max. 4% broken	Pkg. M/G	\$31.50	per cwt. bulk F.O.B. mill

### California - Medium Grain

U.S. #1 Medium Grain, max. 4% Broken (Med)	#1/4	\$1075.00	per mt sacked 25kg containerized FOB Mill
U.S. #1 Medium Grain, max. 4% Broken (Korea Specs, add \$20 for 10kg)	#1/4	\$1175.00	per mt sacked 20kg, container CIP Oakland
U.S. #1 Medium Grain milled rice, except max. 7% Broken (Japan Specs)	#1/7%	\$1050.00	per mt sacked in 1mt tote bags FOB vessel
U.S. #3 Medium Grain Brown rice, max. 8% broken (Korea Specs)	#3 Brown	\$965.00	per mt in 40kg bags containerized Oakland
U.S. #2 Medium Grain Paddy, 58/69 yield	#2 58/69	\$710-\$720	per mt bulk ex-spout Sacramento CA

### California - Package Quality

Package Rice for Industrial Use and Repackers	#1/4%	\$45.00	per cwt. bulk F.O.B. Mill
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### U.S. South Brokens:

Flour Quality brokens	Flour Qlty	\$24.50	per cwt. bulk, F.O.B. rail
Pet Food Quality / #4 Brewers (milled)	pet food	19.00-24.00	per cwt. bulk, F.O.B. rail

### U.S. California Brokens:

Flour Quality brokens	(tight supplies)	Flour Qlty	\$34.00	per cwt. bulk, F.O.B. mill
Pet Food Quality / #4 Brewers		spot mkt	\$20-21	per cwt. bulk, F.O.B. mill

# Far East Report

## SOUTHEAST ASIAN MARKETS

In the interest of lending some clarity to the political and commercial sectors in **Thailand**, herein is an overview of the market at a glance:



- 1- Since the military junta took charge of the government and removed the caretaker PM, the sale of intervention stocks has been suspended.
- 2- Export activity has slowed considerably, following a robust period that prevailed in concert with the dramatic release of stocks during most of the first half of 2014.
- 3- Account #1, prices have firmed and "available" stocks are relatively tight.
- 4- For the first time since June 10, 2013, Thai white rice has been incorporated into the next **Iraq** tender (July 6) as one of the vendor origins. FYI, Thai 5% prices were around \$500 per MT FOB at that time.
- 5- What once was declared a new election in July is now being characterized as one that may take up to a year to materialize... if not longer? However, they do plan to have a temporary constitution and interim government in place by September... we shall see.
- 6- On the bright side of the picture, exports had escalated during Jan-May as stocks were released and prices dropped to not only competitive levels but the cheapest in the region...among the "big 4" exporters (Thailand, India, Vietnam, and Pakistan).
- 7- It is becoming increasingly likely that we will see fresh purchases out of **Indonesia** and **The Philippines**, even though both are carrying over 60 day inventories in the hands of BULOG and the NFA respectively. For months, the CRMR has pointed out that the lack of historical purchases thus far this marketing year by these two potentially large importers has resulted in part of the reason for the downward pressure in the market. However, we further projected the positive prognosis for import activity during the second half of 2014.



As regards present day pricing, 100% B is quoted at around \$405-410 per MT FOB Bangkok; 5% is \$390-395, and parboil \$430-435.

In **Vietnam**, export numbers have dropped over 25% compared to the same period last year. A reduction in sales to **China**, **Indonesia**, and **The Philippines** are critical factors in the equation.



However, a recent sale of 200,000 MT of 5% to **Malaysia** at a reported price of \$410 per MT FOB HCMC has firmed up prices. Shipment is to be made thru August.

As a result, 5% is now quoted at \$405-410; 25% is \$370...Viet and Thai price are virtually at par with one another.

Otherwise, the market is fairly quiet although political tensions still run hot over the territorial claim in the waters of the South China Sea.

### Thailand Exports

Preliminary unofficial rice exports (excluding premium white and fragrant rice) from January 1 – June 15, 2014 totaled 2,018,728 metric tons, up 25 percent from the same period last year.  
US Dollar to Thai Baht exchange 1 : 32.450

## INDIA and PAKISTAN

Meanwhile, prices in **India** remain steady to firm as concerns over possible negative ramifications to new crop plantings due to an El Nino phenomenon grow increasingly tenuous. Albeit still early in the sowing of the main or Kharif crop is about 50% behind the pace of last year due to water issues associated with the late monsoon. This development would be in sharp contrast to this past year whereby India sold over 10 MMT for the third straight year.

Prices are steady to firm, even though stocks are still plentiful from the harvest last October. 5% is quoted at \$415-420 per MT FOB Kakinada.

The most recent export report shows 175,000 MT either under load or to be loaded at anchorage. Another two vessels carrying 40,000 MT are due in this week.

Of particular note is that **Iraq** has also floated a tender for Basmati rice.

This market is quite a "mixed bag" and one to monitor very closely given the size of their crop and the volume of their exports.

In **Pakistan**, the market has finally resumed trade, so to speak, following the violence that shut down businesses for the past month. However, Ramadan is rapidly approaching (June 28); and, the market will continue its quiet demeanor.

Prices have remained steady to firm throughout this period of civil unrest. 5% is quoted at \$430-440 per MT FOB Karachi; 25% is around \$385.



## OFFSHORE QUOTES



**Thailand**



**Vietnam**



**India**



**Pakistan**



**Uru.**



**Arg.**



**Brazil**

100%B '13/'14	\$410.00	5%	\$410.00								
5% '13/'14	\$395.00	10%	\$400.00	5%	\$415.00	5%	\$435.00	\$630.00	\$625.00	N/A	
10% '13/'14	\$390.00	15%	\$385.00	10%	N/A	10%	\$425.00	\$620.00	\$615.00		
15% '13/'14	\$385.00	25%	\$370.00	15%	N/A	15%	\$410.00	N/A	N/A		
25% '13/'14	\$360.00	Brokens	\$335.00	25%	\$385.00	25%	\$385.00				
25% '12/'13	N/A				IR64 PB 5%	\$405.00	Parb 5%	\$440.00	N/A		
Brokens	\$320.00				1121 parboil	\$1850	Parb 15%**	N/A	<u>Uru Parb</u>		<u>Brokens</u>
Parb. 100B sorted	\$435.00				<u>Basmati</u>		Brokens	\$325.00	<u>Brown 5%</u>		N/A
Thai Hom Mali	\$990.00				Traditional	\$2350	<u>Basmati</u>		N/A		<u>parb-brwn</u>
Frag. Brokens	\$365.00	MEP-25%	\$375.00		Pusa	\$1950	S. Kernal	\$1650.00			N/A
All prices basis U.S. dollars per metric ton, FOB vessel, corresponding home port **Bangladesh Specs, Brazil prices basis Bagged FOB vsl											

Contract Month	Tuesday's Settle Price	Net Change From				Prices	
		Monday		Last Report		One Year Ago 06/25/13	
'14 July	\$14.790	Down	0.165	Up	0.755	'13 July	\$15.570
'14 Sep	\$13.690	Down	0.065	Down	0.065	'13 Sep	\$15.630
'14 Nov	\$13.905	Down	0.055	Down	0.035	'13 Nov	\$15.900
'15 Jan	\$14.065	Down	0.050	Down	0.035	'14 Jan	\$16.130
'15 Mar	\$14.225	Down	0.045	Down	0.040	'14 Mar	\$16.140
'15 May	\$14.225	Down	0.045	Down	0.040	'14 May	\$16.285

## U.S. Paddy Market Report

**Texas** - No trading reported. There is very little old crop remaining unsold. New crop harvesting is not expected to begin until the end of July. So far, the new crop looks good.

**Louisiana** - The market is mostly quiet. There was a little interest in long grain last week at \$15.00 per cwt FOB farm for July, and \$13.64 for August. New crop looks good.

**Mid South** - New crop futures rallied 50 cents and then dropped back during the past two weeks resulting in a net decline of 3-6 cents. There is not much old crop remaining unsold. Current long grain prices are \$16.25 per cwt delivered mill. Otherwise, barges are bid/asked at \$16.25/\$16.75 per cwt CIF NOLA, \$14.25 for new crop. The new crop looks good.

**California** - No new trading reported. Most growers are asking for \$22.00 per cwt over loan (or higher), while buyers' ideas are around \$18.00.

Reflective Prices (all basis per cwt FOB country 2013 crop)				
	Texas	Louisiana	Mid-South	California
Long grain	15.75-16.00	\$15.00	\$15.25b/\$15.75a	*
Med Grain	*	-	\$15.00 bid new	24.50/28.50

L/G is #2 55/70, M/G is #2 58/69 (California #1)

\* - These areas do not have sufficient supplies of this type to quote.

## U.S. Report

### U.S. GULF, MERCOSUR, & FUTURES

While the South anxiously awaits official results from the **Iraq** tender that just closed Monday, IGB has floated another tender right in behind it that includes **Thai** white rice this time...in addition to the approved origins in the Western Hemisphere. I must say, this was a bit of a surprise to the industry...not only because it is in such close proximity to the tender still pending, but that it will be held during Ramadan. It is rather obvious to this writer that Iraqi officials are acting quite prudently to shore up stocks at a time that civil unrest is at an extremely high level. The \$64,000 question is...what effect will the surge on the part of ISIS troops on Baghdad have on discharge of vessels at UM QASAR? Let us only hope that stability can soon be restored soon...INSHALLAH.

FYI, there was a total of 110,000mt offered competitively from the **U.S.**, **Argentina**, and **Uruguay** collectively at prices that ranged \$715-719 per MT CIF FO. These were virtually the same levels sold on the last tender.

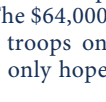
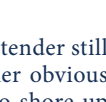
L/G #2-4% is being quoted in this "bridge crop" position (old crop for the mid South and new crop for TX/LA.) at \$565-575 per MT bulk FOB vessel or about \$20 higher for bagged rice.

The long grain barge market is quiet as new crop futures have given back the rally last week and closed down \$0.03-0.06 for the week.

Long grain barges are bid/asked at \$365/375 per MT bulk FOB vessel NOLA amid very light trading.

Medium grain is extremely quiet.

The undertone of the market is soft account a reverse in the futures, the reluctance on the part of buyers to post "workable" new crop bids account the increase in acreage in Arkansas, and concerns about where the export demand will come from.



### CALIFORNIA, AUSTRALIA, and the "MED"

The last little bit of planting is winding down, and we are now calling the total acreage around 415,000 acres...about a 25% reduction compared to last year and a slightly larger decrease than the last USDA projections (18%). The drought and scarcity of water continue to be a huge problem.

Meanwhile, the market is quiet. Even with this tremendous reduction in acreage, along with a smaller Australian crop, millers and traders fear that \$1000 per MT type export prices will drive some buyers away. A classic case of..."the easiest cure for high prices are high prices".

Mills are already discounting new crop prices for prominent domestic and industrial buyers...at least those that are ready and willing to buy. Quotes are around \$45 per cwt. basis bulk FOB mill.

Not much else to say, but that this market faces some serious growing pains and price discovery issues.



## Upcoming Tenders:

**July 1** [KCCO \(inv. 2000002596\)](#) tender to buy 10,540mt of rice, for shipment inland plants: August 1 to August 15, 2014 and/or August 16 to August 31, 2014.

**July 6** **Iraq** tender to buy 30,000mt of long grain milled rice (USA, Uruguay, Argentina, Brazil, and Thailand).

**???** **Iraq** tender to buy Basmati rice.

## Tenders Results:

**May 29 AARQ** [Association for the Administration of Rice Quotas, Inc.](#)

Lowest winning bid prices for TRQ certificates (\$/MT)

Total MT for which TRQ Certificates Awarded: 9680

Semi-Milled or Milled Rice: \$3.12

**June 23 Iraq** tender to buy 30,000mt of rice. Results pending.

**June 3 Korea** tenders to buy: No awards.

**June 5 COL-RICE** auction for 12,540mt (milled rice equivalent) worth of TRQ certificates.

Total Metric Tonnage Available = 12,540 MT

Total Metric Tonnage Awarded = 12,540 MT

Lowest Winning Bid Price = \$189.25 / MT

Average Winning Bid Price = \$195.46 / MT

## USDA Export Sales Highlights

(for the period June 6-12, 2014)

### Sales

Net sales of 85,900 MT for 2013/2014 were up noticeably from the previous week and from the prior 4-week average. Increases were reported for:

Turkey	(33,500 MT)
Iraq	(30,000 MT)
Mexico	(18,500 MT)
Guatemala	(5,300 MT)
Jordan	(2,500 MT)
Decreases were reported for:	
Ghana	(11,000 MT)

### Exports

Exports of 40,900 MT were down 55 percent from the previous week and 39 percent from the prior 4-week average. The primary destinations were were :

Mexico	(21,500 MT)
Haiti	(9,500 MT)
Canada	(2,900 MT)
Honduras	(1,500 MT)
Saudi Arabia	(1,300 MT)
Source: USDA	

(for the period May 30 - June 5, 2014)

Net sales of 33,600 MT for 2013/2014 were down 7 percent from the previous week, but up 6 percent from the prior 4-week average. Increases were reported for Haiti (18,200 MT), El Salvador (4,000 MT), Mexico (3,900 MT), Saudi Arabia (2,100 MT), and Canada (1,800 MT). Net sales of 300 MT for 2014/2015 were reported for Jordan.

Exports of 89,900 MT were up 27 percent from the previous week and 37 percent from the prior 4-week average. The primary destinations were Mexico (29,000 MT), Colombia (28,400 MT), Japan (13,300 MT), Saudi Arabia (10,700 MT), and Canada (3,600 MT).

## USDA Crop Progress

USDA Crop Progress: Rice *Headed* - Week Ending June 22, 2014

Rice Condition - Selected States: Week Ending June 22, 2014

State	Selected States, Week Ending				2009-2013 Average	(percent)				
	June 22, 2013	June 15, 2014	June 22, 2014							
	(percent)					Very Poor	Poor	Fair	Good	Excellent
Arkansas	-	(NA)	1	2	-	6	32	48	14	
California	-	(NA)	-	-	-	10	15	40	35	
Louisiana	10	3	12	22	-	1	21	60	18	
Mississippi	-	(NA)	-	2	-	1	19	62	18	
Missouri	-	(NA)	-	-	-	6	32	51	11	
Texas	18	1	5	17	-	4	40	49	7	
6 States	3	(NA)	3	5	-	6	26	49	19	
				Previous Week	-	6	25	54	15	
				Previous Year	1	4	27	43	25	

- Represents zero. National crop conditions for selected States are weighted based on 2011 planted acres

## Rice Co-Products - Spot market prices basis \$ per short ton bulk, FOB mill (spot prices, not deferred)

	Texas	Louisiana	Arkansas	California
<b>Bran:</b>	\$125-\$130	\$125	\$130-150	\$190-\$210
<b>Mill Feed:</b>	\$55	\$55	\$65	-
<b>Ground Hulls:</b>	\$10-\$15	\$15	\$50	-
<b>Unground Hulls:</b>	\$10-\$15	\$15	\$15	\$8

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Creed Rice Market Report

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