

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

World Market Price Value Factors	This week 07/09/14	Last week 07/02/14	1 Year Ago 07/10/13	LDP	2013 Loan Factors	WMP and Loan Rates		
						'13 crop	L/G	M/G
Long Grain	To be	17.72	19.16	00.00	10.34	Yield	57.94/11.23	63.26/7.45
Medium Grain	released	17.37	18.84	00.00	9.72	WMP	11.63	11.89
Short Grain	July 9	17.37	18.84	00.00	9.72	Loan	6.65	6.58
Brokens	8:30am EDT	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%	\$25.25	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$25.25	per cwt, BULK, FOB Vessel US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$26.00	per cwt. containerized FOB US Gulf
U.S. #2 Long Grain, max. 4% Broken, Hard Milled	#2/4%	\$590.00	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	\$24.25	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #3 Long Grain, max. 15% Broken, Hard Milled	#3/15	\$580.00	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	\$365.00	per mt bulk F.O.B. vessel NOLA
Long Grain, max. 20% broken, Hard milled (Ghana specs)	#4/20/hm	\$23.75	per cwt. sacked, F.A.S. U.S. Gulf
U.S. #5 L/G, max. 20% broken, WELL MILLED	#5/20/wm	\$23.50	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	\$1030.00	per mt sacked 25kg containerized FOB Mill
U.S. #1 Medium Grain, max. 4% Broken (Korea Specs, add \$20 for 10kg)	#1/4	\$1130.00	per mt sacked 20kg, container CIP Oakland
U.S. #1 Medium Grain milled rice, except max. 7% Broken (Japan Specs)	#1/7%	\$1005.00	per mt sacked in 1mt tote bags FOB vessel
U.S. #3 Medium Grain Brown rice, max. 8% broken (Korea Specs)	#3 Brown	\$920.00	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%	\$43.00	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	\$27-\$32	per cwt. bulk, F.O.B. mill
Pet Food Quality / #4 Brewers		spot mkt	\$21-\$27	per cwt. bulk, F.O.B. mill

Far East Report

SOUTHEAST ASIAN MARKETS

The market in **Thailand** remains quite firm, as the military caretaker government continues to hold intervention stocks off the market as they strive toward completing their inventory survey. This could go on for another 6-8 weeks with the only sales being made small ones against advance payment.



As a result, Thai white rice prices have relatively strong support at current levels, and will likely stay that way until the military approves the release of intervention stocks and the policy that is to be followed...i.e. possibly some minimum price based on the new price support to the growers...we shall see.

However, first things first. As early reports from this survey have uncovered sizeable losses either out of condition or simple pilferage (some reports indicate as much as 300,000 mt), one can safely bet the military is going to deal with this swiftly before allowing any further release of stocks.

In the meantime, quotes for 100% B range \$425-430 per MT FOB Bangkok; 5% is around \$415, and parboil is \$435.

Speaking of parboil: The Nigerian government recently reduced the import tariff from 100% to 60% which has resulted in an increase in demand.

As regards **Iraq**, there were two Thai offers totaling 72,000 MT at \$506 and \$520...results are still pending.



For the time being, we have a superficially friendly market by virtue of the fact large government held stocks have been temporarily taken off the market for the purpose of inventory calculation in what is otherwise, in the grander scheme of things, an oversupply situation of huge proportions induced by gross negligence on the part of the recently removed Thai Pheu (RED) party....that's it in a nutshell, albeit a pretty large nutshell!

In **Vietnam**, for different reasons, the market is similarly firm driven by the recent 200,000 MT sale to **Malaysia**, border trade with **China**, as well as the ongoing shipments to **The Philippines** against the old contract for 800,000 MT.



The next market of keen interest is **Indonesia**. FYI, there have been recent print media reports quoting government sources that buffer stocks as more than adequate. BULOG may be fairly comfortable for the 60 days or so; however, I still maintain they will come into the market during the last quarter of 2014 to buy up to 1 MMT to secure those buffer stocks...look for this to happen not before the Viet summer/autumn crop is completed and readily available as well as the resumption of sales out of Thai intervention stocks. I look for not only Indonesia to capitalize on this, but China and NFA as well.



As regards quotes, 5% is offered at \$405-410 per MT FOB Bangkok; 25% is around \$365-370.



The undertone of the market is firm for the near term in spite of total exports lagging behind last year's pace.



Thailand Exports

Preliminary unofficial rice exports (excluding premium white and fragrant rice) from January 1 - June 29, 2014 totaled 2,271,006 metric tons, up 33 percent from the same period last year.

US Dollar to Thai Baht exchange 1 : 32.385

INDIA and PAKISTAN



On paper, at least for the naysayers, the lateness of the monsoon is gathering a following each day that passes. It is noteworthy that plantings are about 50% behind normal for this time during the sowing of the Kharif crop. However, at this juncture, there is still plenty of time to get the necessary rainfall, albeit late, to produce a decent crop.

Last week, **Iraq** held their tender for Basmati rice from **India**. No awards were made. The offers totaled 50,000mt of 1121 at price ranging \$1593 - \$1595 and 37,500mt of Pusa at prices ranging \$1435 - \$1440 per mt CIF.

As far as the market is concerned, both white rice and parboil prices remains steady to firm with IR-64 5% quoted at \$420-425 per MT FOB Kakinada; whilst parboil is around \$405-410 (enjoying the fresh demand from **Nigeria**, like **Thailand** due to the reduction in the tariff).

Meanwhile, the government continues to secure bigger stocks at minimum support prices. These stocks now exceed 30 MMT.

In sharp contrast to Thailand, this is a fairly healthy overall market environment.



In **Pakistan**, the fiscal year that ends in July shows a slight decrease of around 5-8% compared to last year. This was due to shortage of power allocations, civil unrest, and had nothing to do with reduced demand. In fact, the Rupee value of total exports exceeded last year. This is account steady core demand from regional markets and high Basmati prices.

IRRI-6 5% is quoted at \$435 per MT FOB Karachi; 25% is around \$390-395.

The overall undertone of the market is steady to firm. Only wish I could say something positive and encouraging about the civil unrest on the ground.

OFFSHORE QUOTES

Thailand		Vietnam		India		Pakistan		Uru.	Arg.	Brazil
100%B '13/'14	\$430.00	5%	\$410.00							
5% '13/'14	\$415.00	10%	\$400.00	5%	\$425.00	5%	\$440.00	\$625.00	\$620.00	N/A
10% '13/'14	\$405.00	15%	\$390.00	10%	N/A	10%	\$435.00	\$615.00	\$610.00	
15% '13/'14	\$395.00	25%	\$365.00	15%	N/A	15%	\$430.00	N/A	N/A	
25% '13/'14	\$370.00	Brokens	\$335.00	25%	\$390.00	25%	\$390.00			
25% '12/'13	N/A			IR64 PB 5%	\$410.00	Parb 5%	\$435.00	N/A		
Brokens	\$320.00			1121 parboil	\$1480	Parb 15%**	N/A	<u>Uru Parb</u>		<u>Brokens</u>
Parb. 100B sorted	\$435.00			<u>Basmati</u>		Brokens	\$330.00	<u>Brown 5%</u>		N/A
Thai Hom Mali	\$990.00			Traditional	\$2250	<u>Basmati</u>		N/A		<u>parb-brwn</u>
Frag. Brokens	\$365.00	MEP-25%	\$375.00	Pusa	\$1680	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 07/09/13	
'14 July	\$14.845	Up	0.230	Up	0.345	'13 July	\$15.415
'14 Sep	\$13.700	Up	0.085	Up	0.170	'13 Sep	\$15.195
'14 Nov	\$13.890	Up	0.070	Up	0.155	'13 Nov	\$15.445
'15 Jan	\$14.085	Up	0.090	Up	0.180	'14 Jan	\$15.670
'15 Mar	\$14.275	Up	0.115	Up	0.195	'14 Mar	\$15.815
'15 May	\$14.400	Up	0.235	Up	0.315	'14 May	\$15.960

U.S. Paddy Market Report

Texas - No change. No trading reported as 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 - No change. The market is mostly quiet as there is very little rice remaining unsold. The last prices were \$15.00 per cwt FOB farm for July, and \$13.64 for August. New crop continues to look good.

Mid South - The market is very quiet. Current long grain offers are around \$7.00 per bushel FOB farm. There is very limited buying interest slightly below \$16.00 per cwt delivered mill. Otherwise, we would call the barge market bid/asked at \$15.75/\$16.75 per cwt CIF NOLA.

California - No change. 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	\$14.75b/\$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

Same song, seemingly infinite verse...all eyes keenly focused on the **Iraq** tender currently under offer, results pending. There was one U.S. bagged offer of 35,000 MT at \$714.50 CIF FO. Hopes run high for a much needed award, felt throughout the industry in the South. An award would go a long way to filling nearby milling time and getting the new crop off to a spirited start.

#2-4% offers have weakened over the past month or so from a high of \$625 per MT bagged FOB vessel to more like \$575-580 today.

A projected increase in planted acreage of long grain over 30%, dubious inconsistent success with **Iraq**, and infusion of foreign rice in key markets like **Haiti**, has caused a glut in those markets and delays in fresh shipments. This signals a bearish start to the new crop. However, an Iraq award could be just the "tonic" this market could use to stem the negative tide.

It is interesting to note that there was one offer from **Argentina** at \$729 per MT CNF FO, which comes at a very difficult time for the rice industry in that country for a number of reasons.

Meanwhile, **Uruguay** continues to ship against old Iraqi contracts as well as core business and finds itself in a very comfortable position having their milling time fully committed well into Sept.

The long grain paddy market is virtually DORMANT, for lack of a better term. For nominal purposes we would call barges bid/asked at levels reflecting \$330/350 per MT bulk FOB vessel NOLA, respectively.

Shortly after the stocks and acreage reports were released, the futures hit a slide but later recovered and ended up about \$0.15 for the week, with the exception of July which is in the midst of the



infamous end of the year battle as it goes off the board!

The overall undertone of the market is definitely soft. Iraq's decision will play a key role, although limited and short lived in scope.

CALIFORNIA, AUSTRALIA, and the "MED"

If one chooses to characterize the southern long grain paddy market as dormant, then you might have to consider using comatose to describe the overall state of the California market. Once again, there was a very bearish export sales report showing just 5000 MT sale to **Jordan**.

There were two sales reported to **Turkey** two weeks ago...one of 21,000 MT of paddy, and the other 12,500 MT of milled rice. On the surface, given the high CA values today, it looks like the milled rice might be some old position or old sale that went sour and resurrected recently. The paddy is another issue as the GMO hearing in **Turkey** is not until July 17...most curious and even dubious these two... especially when it is not clear whether this is southern Jupiter or calrose or a mix of the two. This mystery is certainly the most fascinating thing in the market of late...to say the very least. We are inclined to believe these are old sales out of California...just an educated guess on my part!

Price discounting continues in the domestic market with prices falling to \$42 per cwt. bulk mill. And, the export quotes are down about \$44 per MT.

In **Australia**, the harvest got off to a slow start and is in the midst of a late finish due to much needed rainfall from a long range view point. Early reports indicate good yields and excellent quality.



Upcoming Tenders:

??? **Iraq** re-tender to buy 15,000mt of Basmati rice from India.

Tenders Results:

June 29 Iraq tender to buy 15,000mt of Basmati rice from India for reply July 3. No awards. Offers: 50,000mt of 1121 at price ranging \$1593 - \$1595 and 37,500mt of Pusa at prices ranging \$1435 - \$1440 per mt CIF

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. Bought 6210mt of #2/7% at \$550.48 - \$590.28 and 4330mt of #5/20% at prices \$565.15 - \$569.55.

July 6 Iraq tender to buy 30,000mt of long grain milled rice (USA, Uruguay, Argentina, Brazil, and Thailand) for reply July 10. Results pending. Offers: There were two Thai rice offers totalling 72,000 MT at \$506 and \$520 per mt CIF, there was one U.S. bagged offer of 35,000 MT at \$714.50 CIF FO, and one offer from Argentina at \$729 per MT CNF FO.

July 7 Korea tenders to buy 60,369mt. Results pending.

USDA Export Sales Highlights

(for the period June 20-26, 2014)

Sales

Net sales of 26,700 MT for 2013/2014 were up noticeably from the previous week, but down 37 percent from the prior 4-week average. Increases were reported for:

Haiti	(17,800 MT)
Cote D'Ivoire	(10,400 MT)
Honduras	(7,500 MT)
Jordan	(5,000 MT)
Mexico	(2,700 MT)
Decreases were reported for unknown destinations	(21,600 MT)
Nicaragua	(400 MT)
Dominican Republic	(300 MT)

Exports

Exports of 50,100 MT were up 53 percent from the previous week, but down 15 percent from the prior 4-week average. The primary destinations were:

Mexico	(26,800 MT)
Japan	(13,000 MT)
South Korea	(3,200 MT)
Canada	(3,000 MT)
Jordan	(800 MT)
Source: USDA	

USDA Crop Progress

USDA Crop Progress: Rice *Headed* - Week Ending July 6, 2014

Rice Condition - Selected States: Week Ending July 6, 2014

State	Selected States, Week Ending				2009-2013 Average	(percent)				
	July 6, 2013	June 29, 2014	July 6, 2014							
	(percent)					Very Poor	Poor	Fair	Good	Excellent
Arkansas	-	5	11	7	1	7	30	47	15	
California	-	4	6	-	-	5	15	50	30	
Louisiana	44	31	57	49	-	1	19	57	23	
Mississippi	2	2	4	15	-	-	18	62	20	
Missouri	-	2	5	1	-	3	32	46	19	
Texas	46	12	20	42	-	3	44	47	6	
6 States	9	9	17	14	-	5	25	50	20	
				Previous Week	-	5	26	50	19	
				Previous Year	1	4	26	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
Bran:	\$130	\$125	\$140-160	\$200-\$220
Mill Feed:	\$55	\$55	\$65	-
Ground Hulls:	\$10-\$15	\$15	\$50	-
Unground Hulls:	\$10-\$15	\$15	\$15	\$8

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