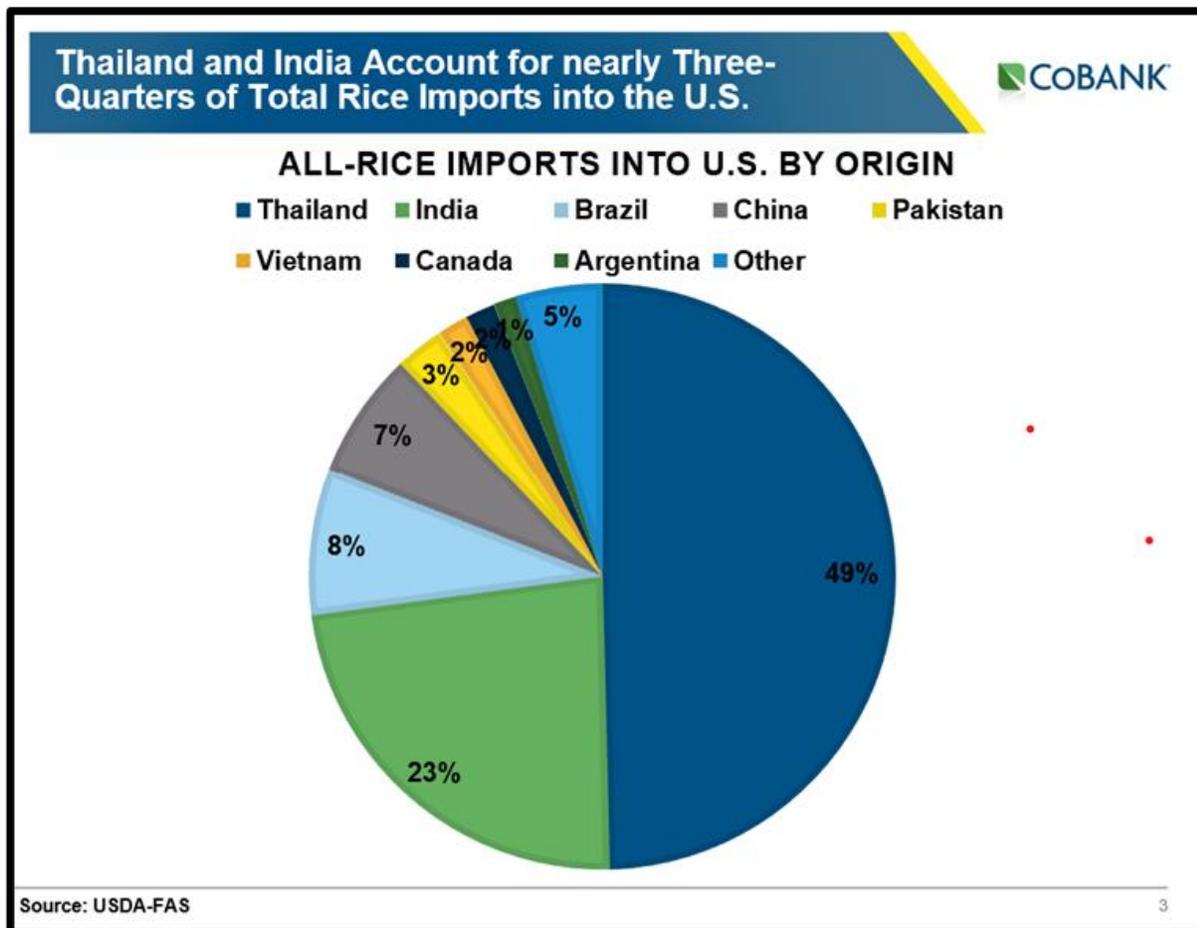




Alert

Date: 11/15/21



FIRSTGRAIN Rice Price Viewpoint: The above pie chart is part of a joint study by Tanner Ehmke of Cobank and Milo Hamilton of Firstgrain. We hope to present it in New Orleans in December and covers the ideas behind this study in our next two newsletters. Unfortunately, the key rice economist at USDA, Mr.

Nathan Childs, is unlikely to be there due to travel restrictions. We need more in person meetings to fill out what we gain from video meetings online.

The above chart shows that 80% of our imports originate in Thailand, India, and Brazil this year. Most of the imports are rice with an aroma or fragrance. They are gaining traction in the Asian ethnic markets over the last 20 years. But other exporters have their finger in this pie. One exporter from New Orleans tells us that Vietnam has a 20% import duty on jasmine grown in the US. Eight countries ship rice to the US along with another 5% of "others."

Many countries export rice and more countries are also allowing imports of rice. The world rice trade is changing but a slow rate of change. Four exporting countries import as well as export significant quantities of rice. They are China, Vietnam, Brazil and of course the US. Two decades ago this list was just two: Brazil and the US. India, unfortunately, remains old school and imports almost no rice from other countries. They are too busy flooding the market with their rice with its complex array of subsidies. We understand that China alone has about 31 programs to support its rice farmers.

Asia: The Indian rice price is slipping lower again with the Paki price, whose Rupee is devaluing.

South America:

Brazil Paddy (cash): The price is at \$10.92 per cwt, down of course

North America:

Rice: Volume was up to 1021 contracts. Commercials are longer than shorter for the first time in many moons.

Jan. closed \$14.15 per cwt. up 3.5 cents.

Mar. closed \$14.335 cwt. up 1.5 cents.

Strategy for the 2021 crop:

We would be no more than 50% priced on new crop now. Our average price for 2021/2022 is \$13.90.