

**WX**



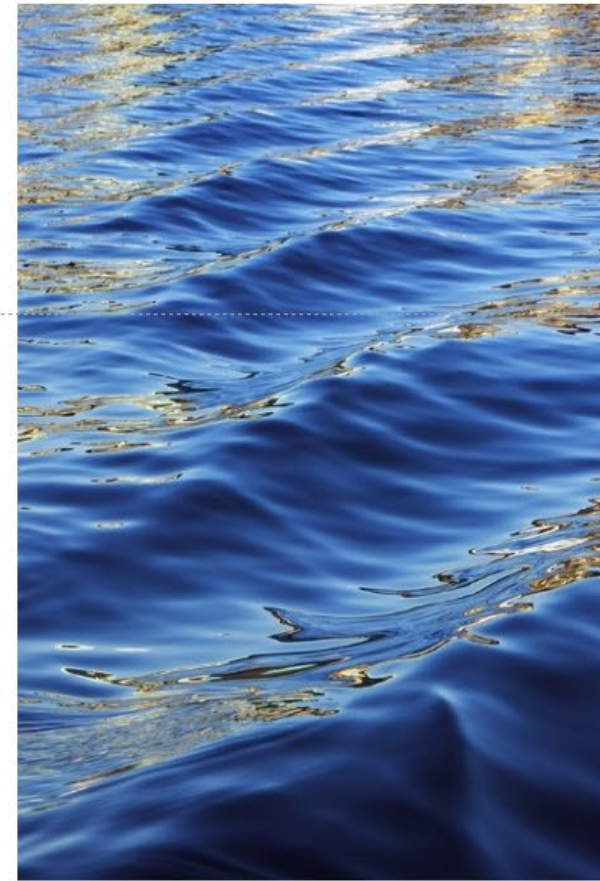
**CROP**

**TRANSPORT  
AND WATER**



Little shorty sees  
some good news  
for US rice  
**Firstgrain Outlook**

Top of the Market Rice Information  
Milo Hamilton, CEO, Firstgrain, Austin, TX  
John Anderson, Rice Consultant,  
East Prairie, MO





## *Rice is Firstgrain Precious*

Rice feeds 3.5 billion persons

“More precious than pearls  
and jade are the five grains,  
of which rice is first.”





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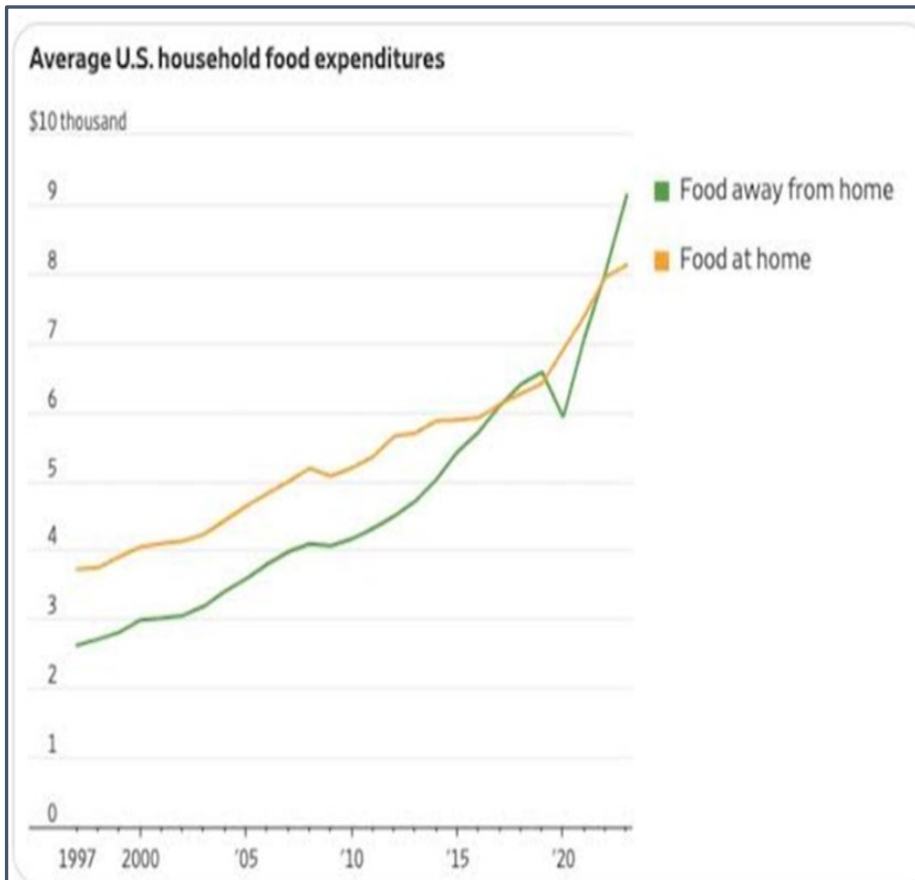
# You need Firstgrain

- **Can help you navigate complex market conditions, identify potential price increases in the future.**
- **Decades of rice marketing knowledge domestic and global. Sees trends, end users, production, and trading.**
- **Hands on milling experience, international relationships, and working with major corporations and the end user companies**
- **Keeps you current to make informed decisions and optimize the rice selling price.**

# The Mega Trends for rice: The demand strong for US rice

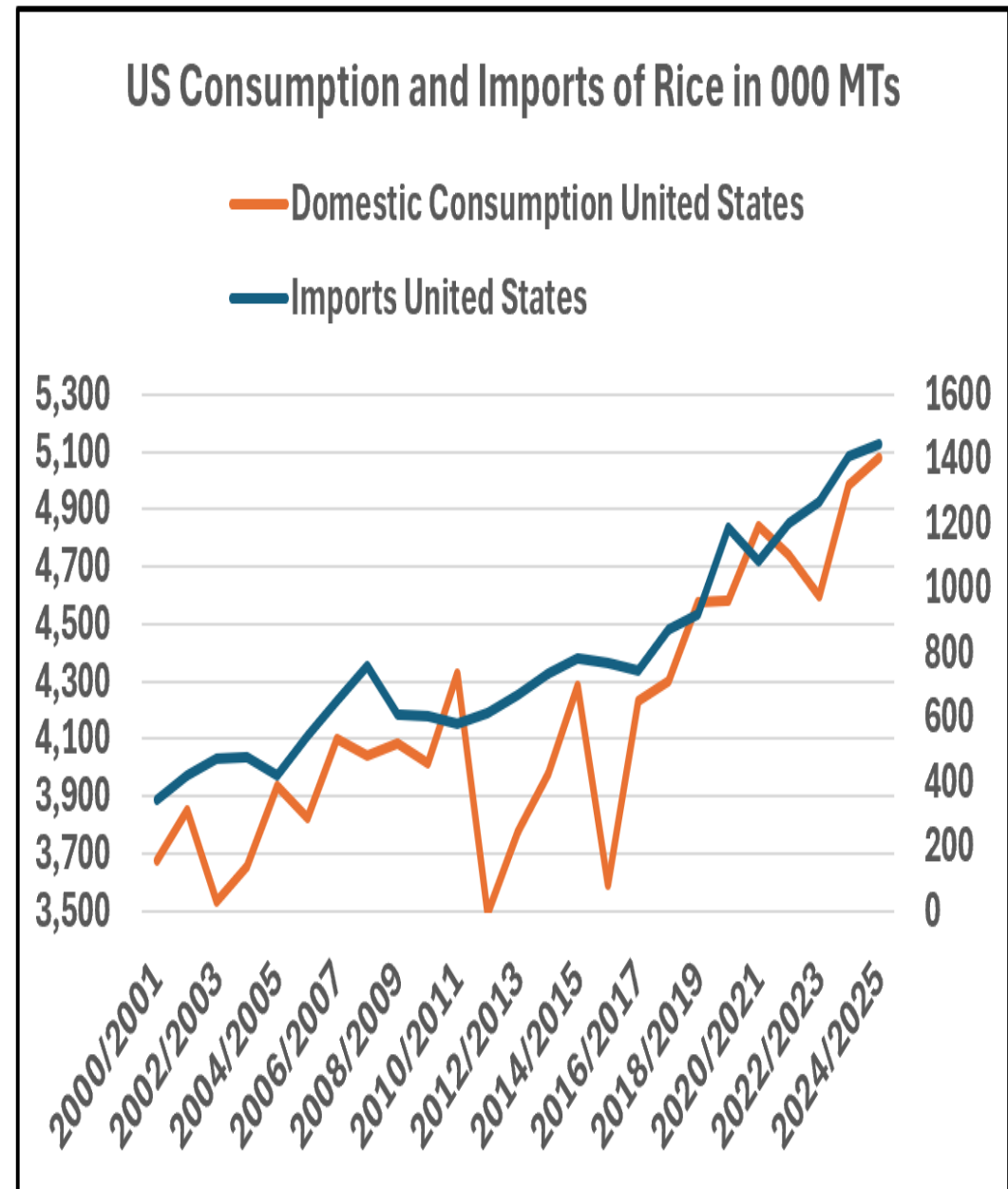
- Bearish short-term price trend in commodities now but...
- Long term North American/US rice food demand steady growth for decades.
- US productivity per hour worked rising faster than other countries for decades.
- Fast food affect: Away from home rice consumption & imports rising

# Good news for US rice demand.

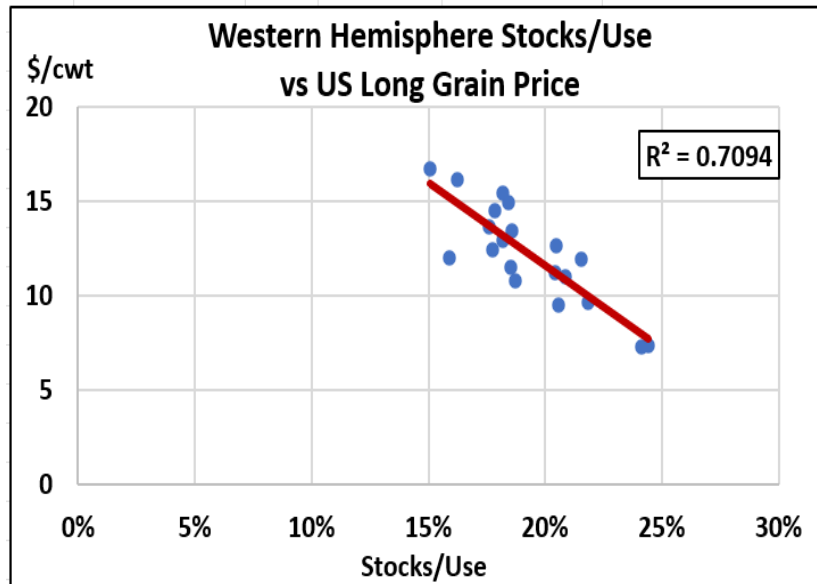
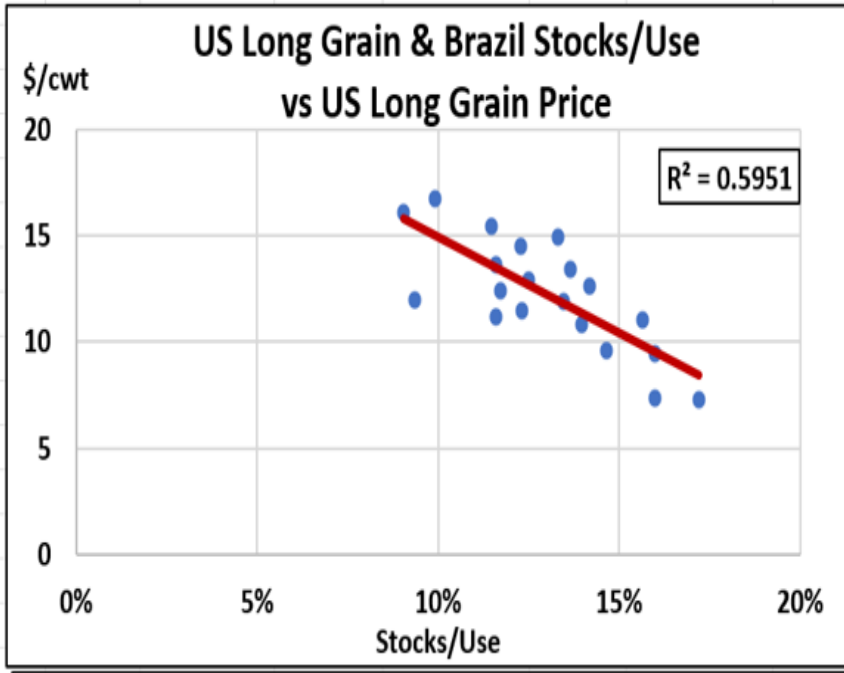


Powerful 10 year trend in spending on food away from home...

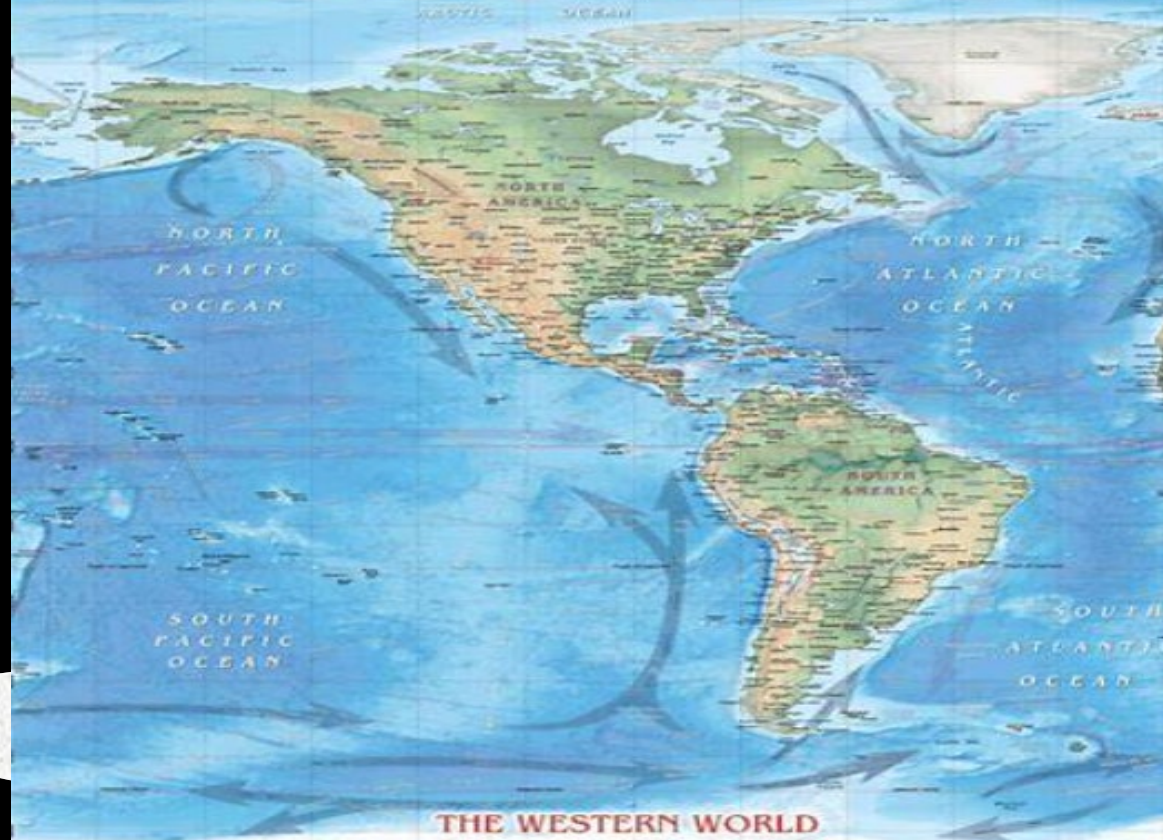
"The average household spent nearly 53% of its food budget on food away from home last year, a record-high proportion and up 10 percentage points from 2003"







Stocks/Use Ratio	R-Squared with US Long-Grain Prices
U.S. All Rice	13.8%
World	14.6%
U.S. Long Grain	33.1%
Brazil	42.7%
<b>US Long Grain &amp; Brazil</b>	<b>59.5%</b>
Western Hemisphere	70.9%

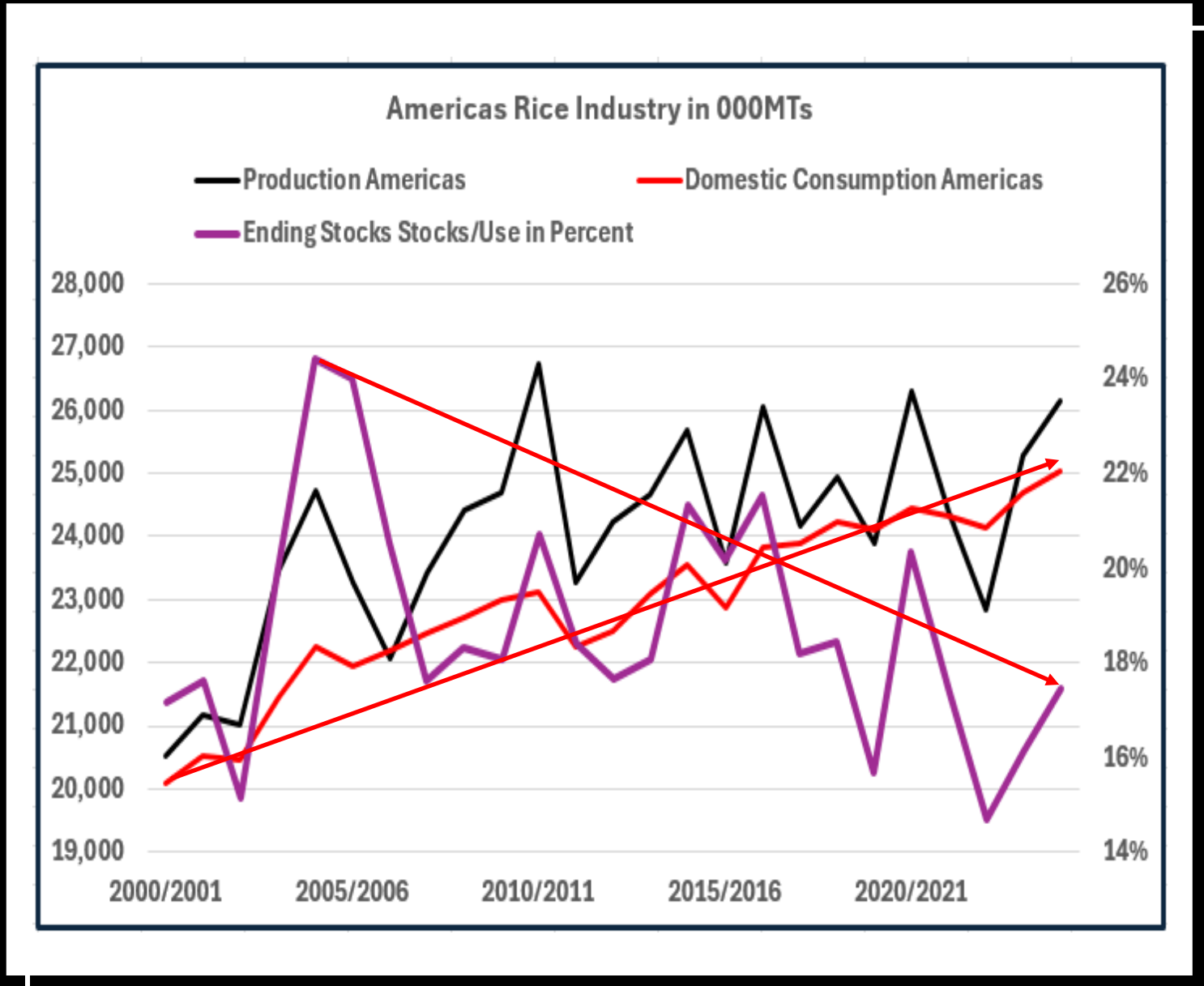
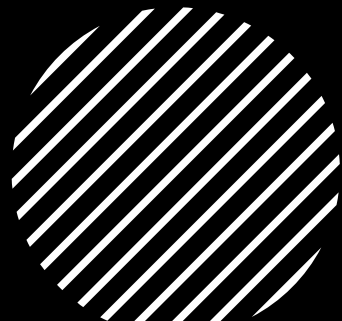


**Brazil and the USA (BRAZUS)  
are the China and India (Chindia) of  
rough rice in the Americas**



# BRAZIL/USA: BATTLE FOR SHARE

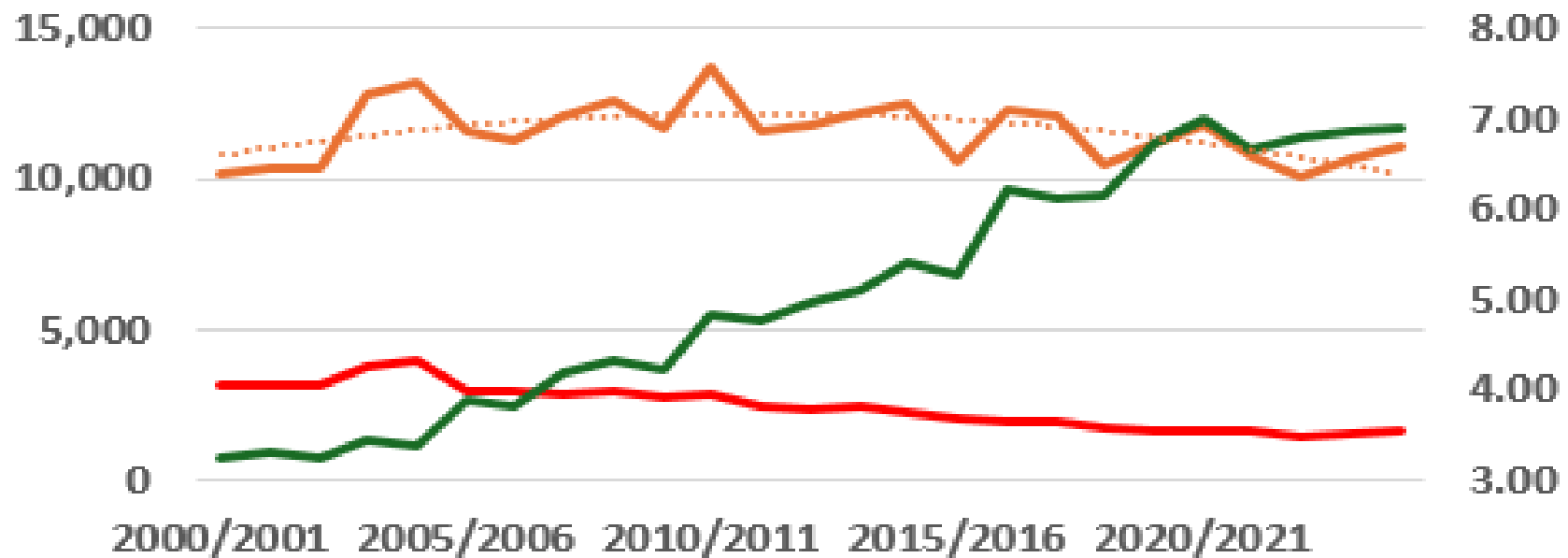
CONSUMPTION  
RISING,  
PRODUCTION FLAT,  
STOCKS/USE STILL  
LOW DESPITE  
BUILD UP  
THIS YEAR





# Brazil Rice Production

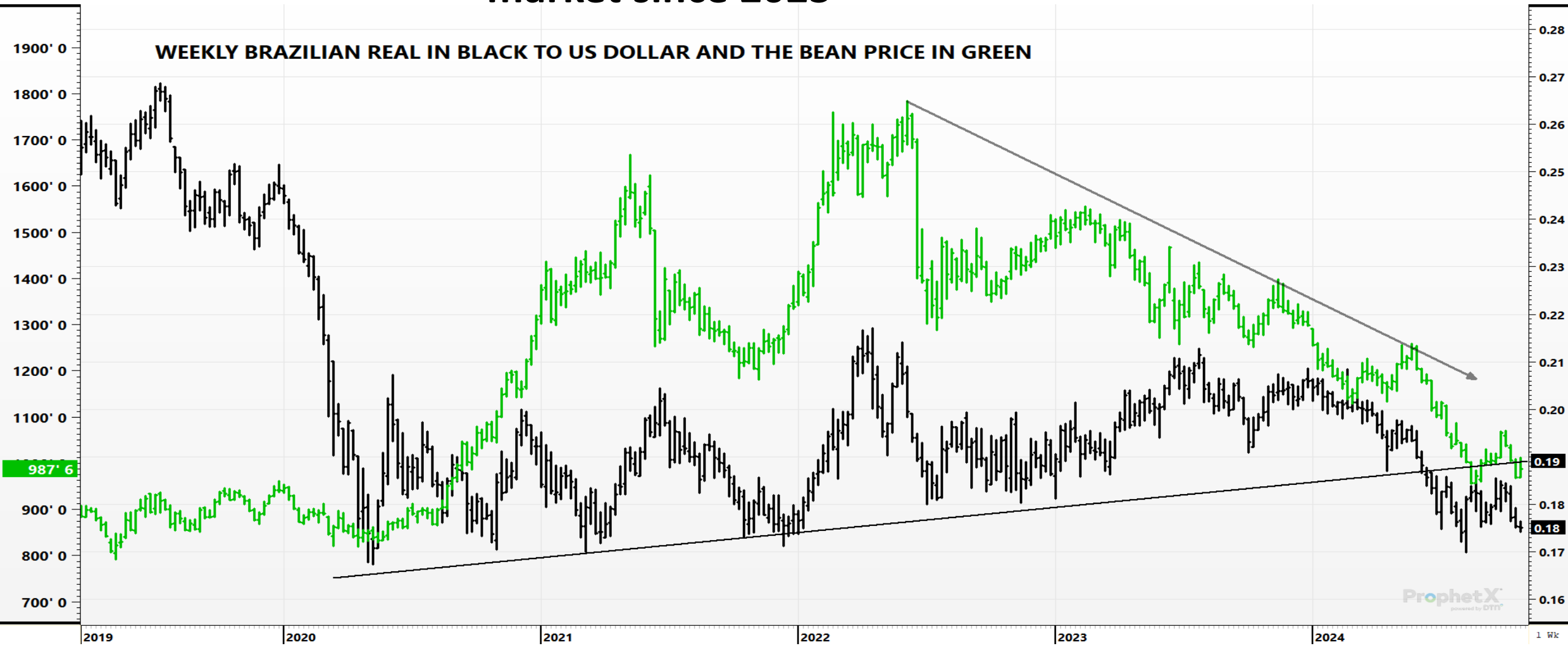
- Rice, Milled Area Harvested mil. Hect. Brazil
- Rice, Milled Rough Production in 000 MTS Brazil
- Rice, Milled Yield MT/Hect Brazil
- ⋯ Poly. (Rice, Milled Rough Production in 000 MTS Brazil)



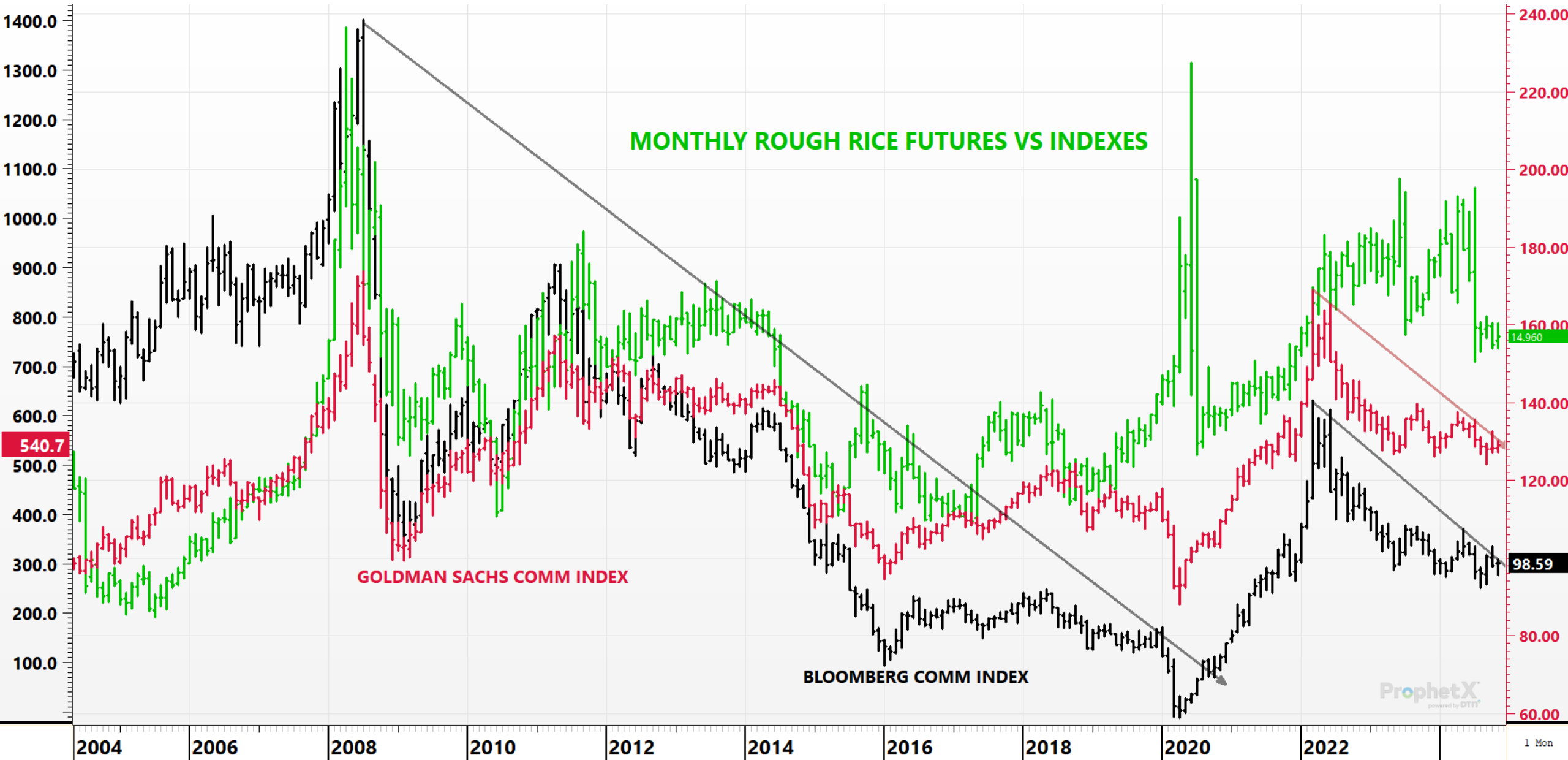
## MORE KEY PRICE RELATIONSHIPS FOR US ROUGH RICE FUTURES

1. Bearish pressure on grains from soybeans and Brazilian real.
2. Downside pressure from Thai milled offer.
3. Americas dynamics: price ratio of US/Brazil

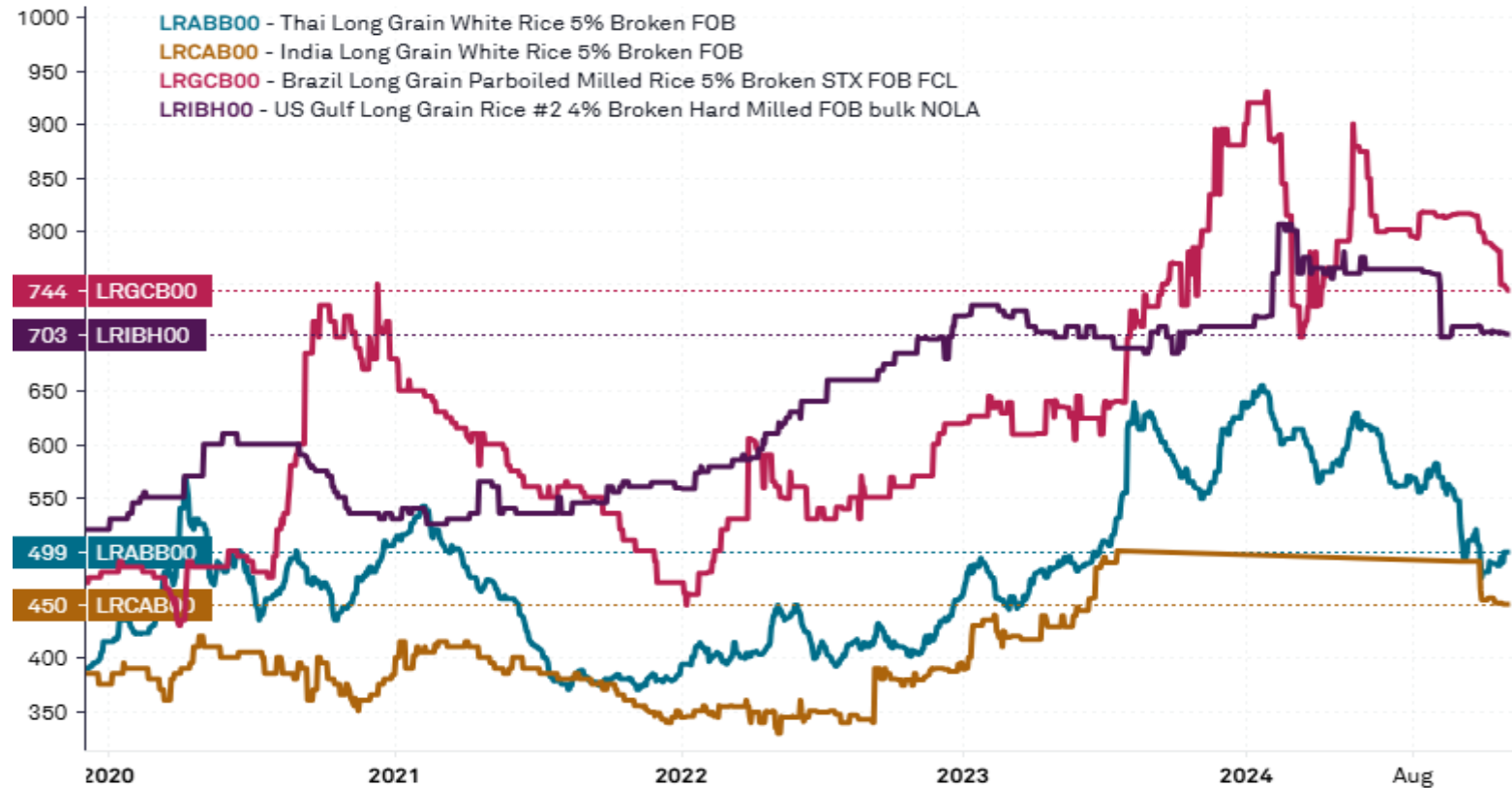
# Soybeans are in a bear market since 2023



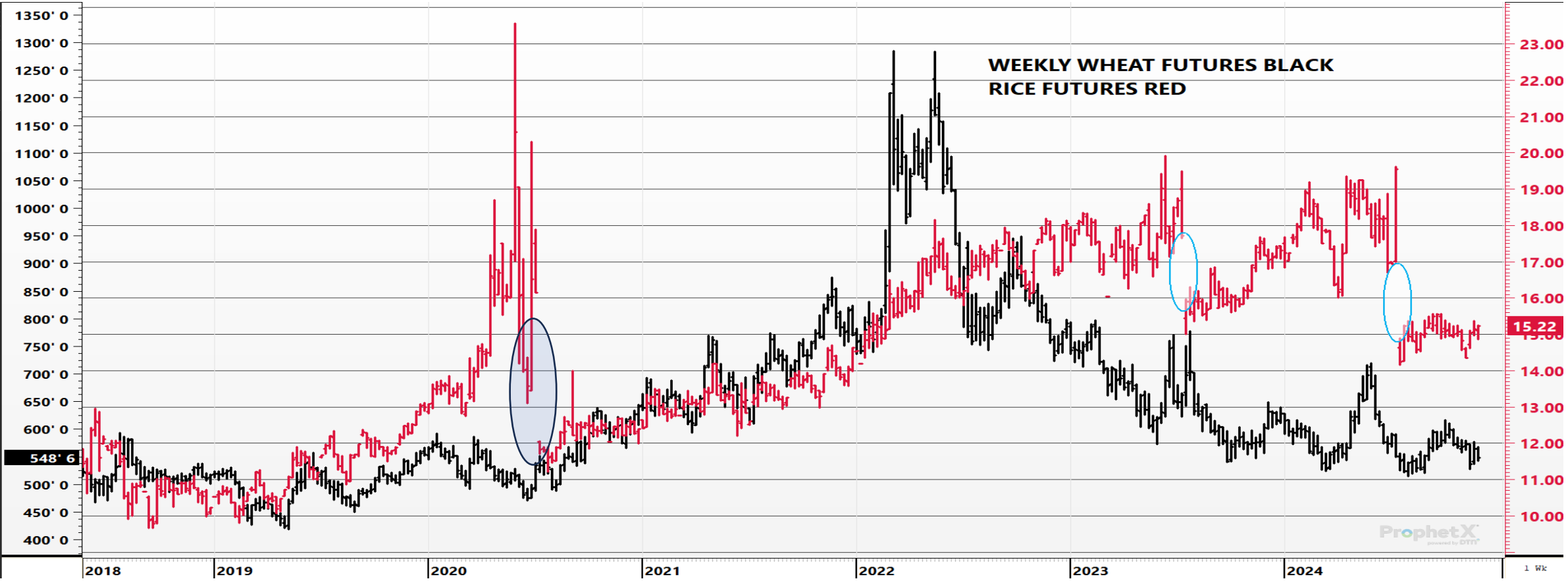




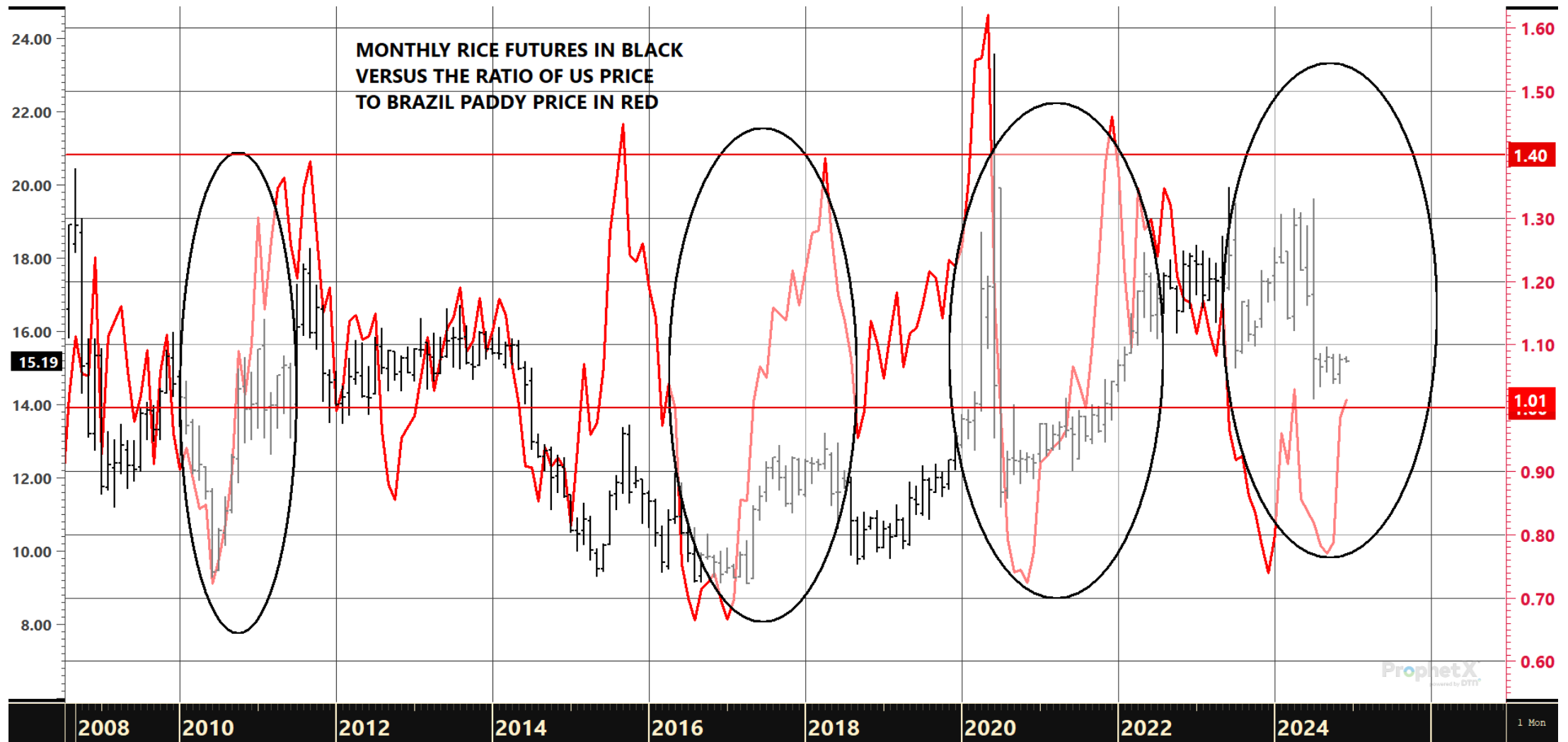
**Brazil is \$40 per MT over US, \$245 over Thai and \$294 over India 5% milled rice.**

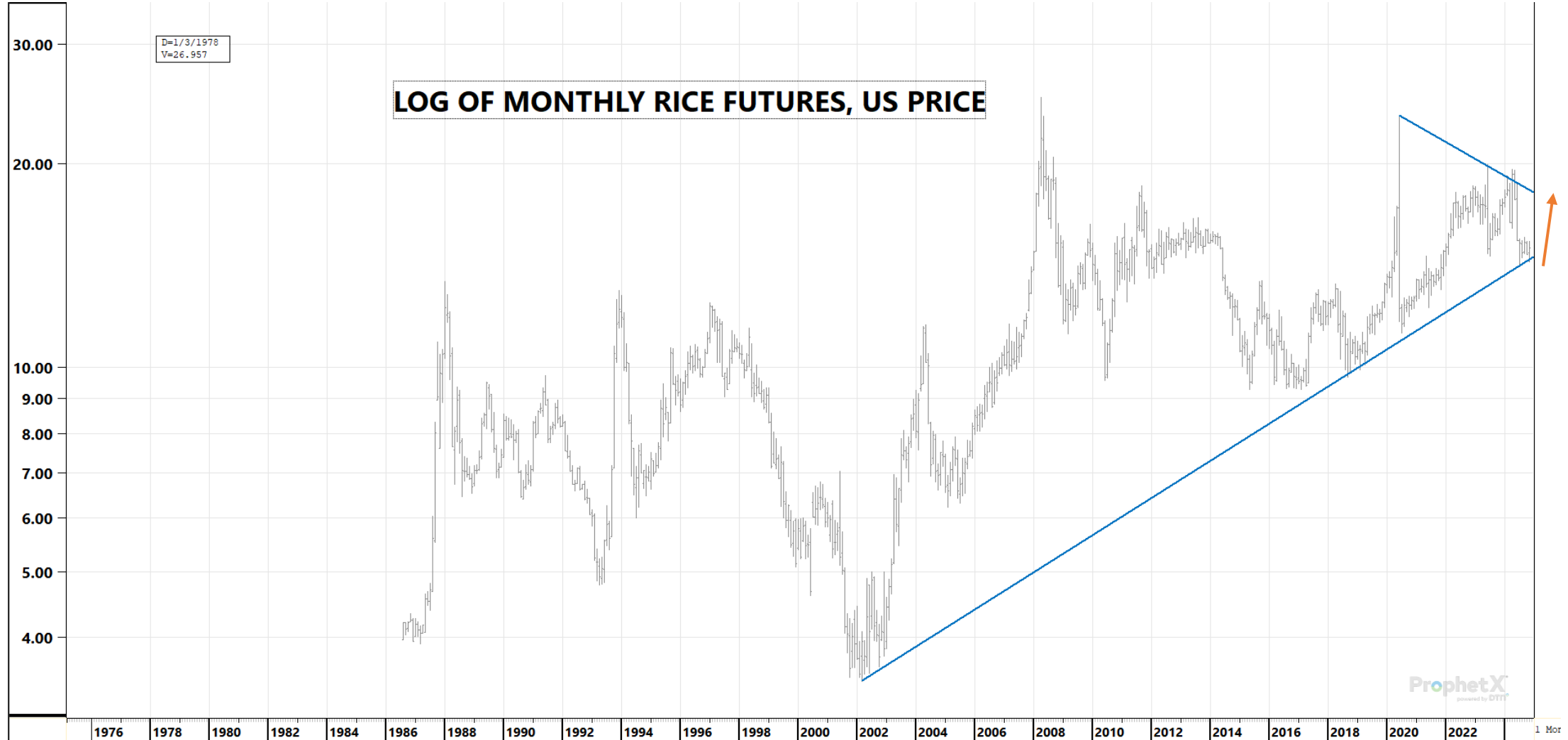


# Wheat is trying to form a bottom in 2024 since the double top in 2022

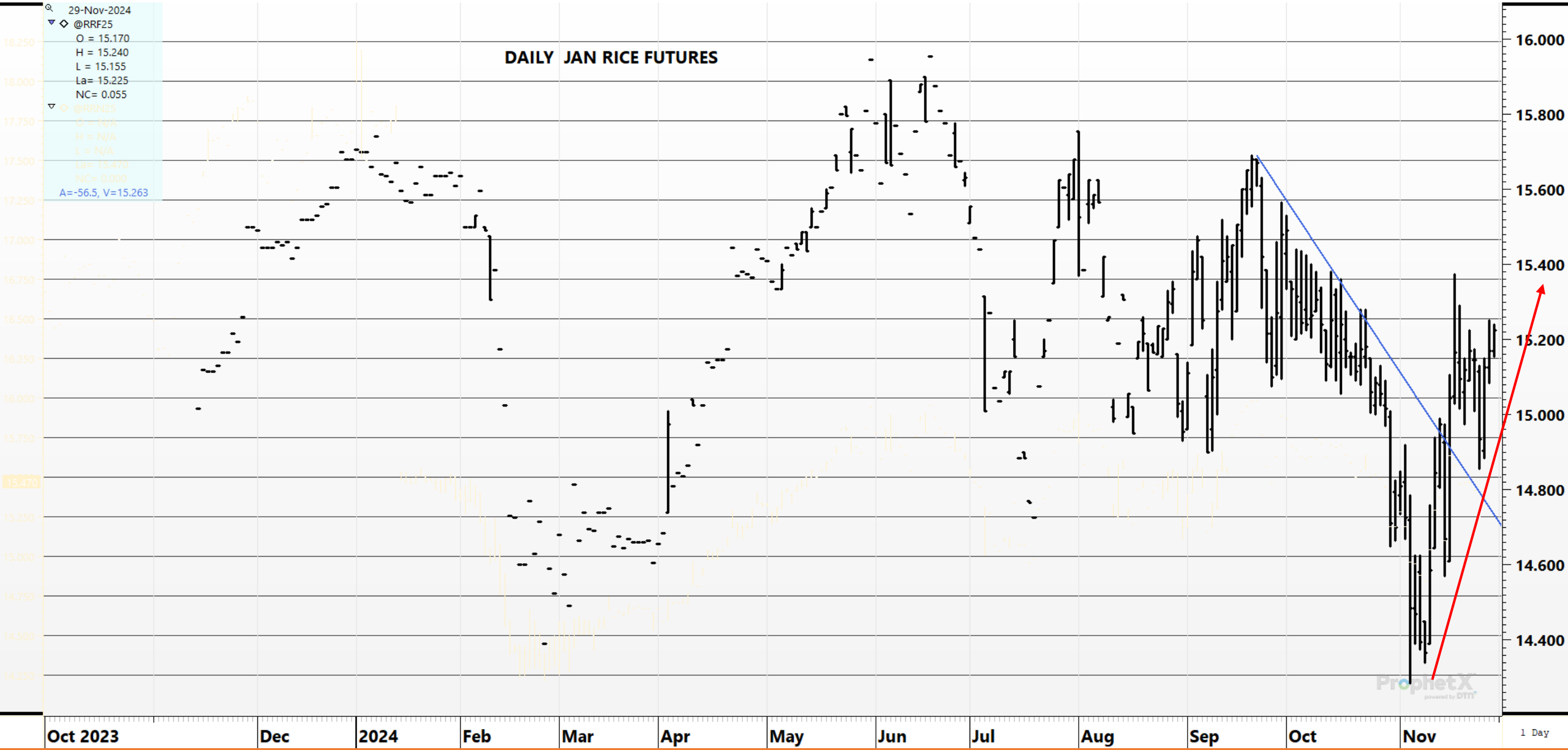








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# 7 Forces driving prices

1. Prices in Asia low correlation to US.
2. Regional rice prices in Americas rule.
3. US versus Brazil: big driver of US value.
4. Massive short spec position now.
5. Nearby price decline in motion.
6. Domestic grocery demand in US is long term positive.
7. Log of US price over time: still strong



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## So, you need Firstgrain's take on the rice price.

- **Coverage to date: 40% of your 2024 crop priced.**
- **Coverage should be extended to 60-70% by Jan 2025.**
- **Extend coverage of 2024 crop to 80%+ on a rally.**
- **New crop 2025 coverage up to 25% prior to 2025 harvest.**



## How to contact us



# FIRSTGRAIN

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