April 23, 2020

**Malting Flour**
Why are most Hard Wheat Flours treated with malted barley flour? Malted barley flour (MBF) is added to Hard Wheat Flours to assist yeast fermentation. During the dough forming stage, the MBF provides specific enzyme activity that converts the starches in the wheat flour into simple sugars. These sugars then are available as a food source for the yeast to maintain proper fermentation. A related effect of MBF is proper crust browning. Yeast activity will continue in the baked good until it reaches 120° to 130° F in the oven. Up to this point, the yeast is still consuming simple sugars. Once the yeast activity ceases, any remaining (residual) sugars in the dough will assist in crust browning. Bakers who desire increased crust color often will supplement their dough with additional sugar sources. The most common is regular sugar or non-fat dry milk solids.

Information provided by General Mills Foodservice
WHEAT
Weekly Market Highlights – April 23, 2020

- Hard red spring wheat futures prices traded lower this week. Basis premiums were adjusted slightly. Amount of spring wheat arriving for sale is very small when compared with one year ago, which could support basis levels in the coming weeks.
- Hard red winter wheat futures prices traded higher, continuing to find support given demand for mid protein wheat used to produce all-purpose flour for use at home. Basis premiums fell for most grades.
- Also supportive for winter wheat futures was the USDA’s lower quality rating for the crop, falling from 62% to 57% good to excellent due to dry conditions in some growing areas.
- Russia’s weather has caused enough concern that they are announcing pending limits on exports. The Ukraine is considering similar measures. In prior years, these announcements did not lead to a significant increase in exports for the U.S.
- U.S. farmers will need weather to cooperate as they begin to prepare their fields and plant spring wheat and row crops in the coming weeks. Areas planted to winter wheat could use some rain.

RICE
Little Rock, AR  Mon Apr 13, 2020  USDA Market News Service
National Weekly Rice Summary
(Arkansas-Louisiana-Texas-California)

Domestic Trend
In the south, long grain milled rice prices mostly steady, instances 1.50-2.25 higher in Arkansas; medium grain milled rice prices steady. Parboiled prices steady to 1.50 higher. Second heads prices mostly steady, instances .25 lower in Arkansas; Brewers prices steady. Rice by-products: Rice Bran prices mostly steady, instances 5.00 lower in Arkansas; Millfeed steady; Rice Hulls steady, instances 10.00 lower in Arkansas.

In California, medium grain milled rice prices steady. Second heads and Brewers steady. Rice by-products: Rice Bran and Rice hulls steady.

<table>
<thead>
<tr>
<th>MILLED RICE</th>
<th>Arkansas</th>
<th>Texas</th>
<th>Louisiana</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long white</td>
<td>28.00 – 29.00</td>
<td>30.25-31.00</td>
<td>27.50</td>
<td>----</td>
</tr>
<tr>
<td>Long brown</td>
<td>29.00 – 31.00</td>
<td>32.25</td>
<td>NA</td>
<td>----</td>
</tr>
<tr>
<td>Medium white</td>
<td>32.00</td>
<td>----</td>
<td>31.50</td>
<td>38.00 – 42.00</td>
</tr>
<tr>
<td>Medium brown</td>
<td>NA</td>
<td>----</td>
<td>NA</td>
<td>39.00 – 42.00</td>
</tr>
<tr>
<td>Short white</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>NA</td>
</tr>
<tr>
<td>Parboiled</td>
<td>29.00 – 32.00</td>
<td>36.00</td>
<td>----</td>
<td>18.00 – 19.00</td>
</tr>
</tbody>
</table>
Domestic shipment: Offers, fob mills, milled rice, spot prices, dollars per
cwt, bagged. (All milled rice grade No 2 not to exceed 4 percent broken,
except California grade No 1. All second heads grade No 4 or better, second
head and brewers are bulk.)
Rice by-products (spot prices, dollars per short ton, fob mills).

<table>
<thead>
<tr>
<th>Product</th>
<th>Price Range 1</th>
<th>Price Range 2</th>
<th>Price Range 3</th>
<th>Price Range 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice fat bran</td>
<td>100.00-105.00</td>
<td>100.00-130.00</td>
<td>100.00</td>
<td>125.00-160.00</td>
</tr>
<tr>
<td>Rice millfeed</td>
<td>40.00</td>
<td>40.00</td>
<td>40.00</td>
<td>-----</td>
</tr>
<tr>
<td>Rice hulls</td>
<td>5.00-15.00</td>
<td>5.00</td>
<td>5.00</td>
<td>0.00-5.00</td>
</tr>
</tbody>
</table>

*NA = not available

Source: USDA Market News Service, Little Rock, AR
James M. Ward, (501)823-1711 JamesM.Ward@usda.gov
www.ams.usda.gov/mnreports/LR_GR410.txt
www.ams.usda.gov/lsmarketnews

PRODUCERS RICE MILL, INC.
Rice Market Report: April 2020

Supply (old crop): We began this year with a much smaller crop than last
year, due to reduced acreage and then compounded by last spring’s
excessive rain and flooding. Remaining inventories are down almost 17% from
this time last year, but still sufficient to finish out the year.

Supply (new crop): USDA released its first glimpse of new crop planting this
week with this year’s forecasted acres to be planted as follows:
Long grain: Up 18%, with Arkansas accounting for 57% of the increased acres.
Medium grain: Down 3% with most of the loss coming from Louisiana.
Arkansas and California remain about the same as last year.

Although the intent to plant looks encouraging, rainfall in the mid-south,
again, could play a factor. It is still early, but this year’s rainfall through March
averaged 40% above normal.
Domestic demand:
Domestic demand is chaotic at best. Rice is in the top five consumer items in demand since the COVID-19 crisis hit. We’ve all seen the empty shelves or shopping carts filled with toilet paper and rice. Although this year’s crop is significantly down from last year, there is no shortage; only a shortage of processing, packaging & logistics capabilities to satisfy a domestic demand that tripled overnight. It is the goal of most mills to run near capacity for efficacy of scale and when overnight demand escalated, the industry did not have the immediate available capacity to satisfy.

Imports: As COVID-19 is a worldwide crisis, traditional import channels of basmati and jasmine have been disrupted. As these products sell out and are slow to replenish, more demand is put on US grown rice.

Summary: Noting the graph above, with futures continuing to rise, milled rice prices may soon follow. Let’s all be thankful that the US is self-sufficient in its food supply. This lesson needs to be applied to other industries that have been given up to overseas—even if it means we pay slightly higher prices.