

# The Rice Advocate

US RICE PRODUCERS ASSOCIATION

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## Franz Named Bay City Chamber of Commerce 2008-2009 Rice Farmer of the Year



Barrett C. Franz, a third generation rice farmer, has been selected as the 2008-2009 Rice Producer of the Year by the Bay City Chamber of Commerce.

Stephen Zapalac, regional lending office with Capitol Farm Credit and chairman of the Bay City Agriculture Committee, presented the award on Thursday, October 15 at the annual Ag Producers Luncheon.

Franz comes from a long line of Texas rice producers, following in the footsteps of his granddad, Neil Franz and father, Marvin Franz. His granddad began farming rice and peanuts in Hockley, Texas. Soon after graduation from Texas A&M, Barrett's dad began farming in Katy and Brookshire Texas. During Barrett's childhood, he remembers going along with his dad, standing on the front seat of his pick-up, as his dad made his rounds. His dad soon moved his farming operation to Victoria, Texas where Barrett helped with harvest over summer breaks,

Pictured left: Stephen Zapalac (right) awards Barrett C. Franz (left) the 2008-2009 Farmer of the Year award.

## Mexico: Communities Grateful for Support

Tlazocamate means "Thank You" in Nahuatl. The US Rice Producers Association's representatives learned this native word while conducting a campaign in Coxcatlan de los Reyes in the Nahuatl mountains near Zongolica, a city in Mexico. Numerous participants told representatives tlazocamate (thank you) for teaching them the nutritional and economical benefits of rice.

During this event in Coxcatlan de los Reyes, 2000 people gathered to receive benefits such as food, education and health support through the Program Oportunidades, which provided an energetic and high nutritional value package of food and a discount of 15% for their purchases at Diconsa Stores.

One thousand five hundred nutritional packages were delivered, and participants saved more than \$31,500 MXP.

Diconsa delivers basic products to those communities highly margined by activating a communitarian store,



Pictured: A child in Coxcatlan de los Reyes waits patiently for his portion of U.S. rice during the program coordinated by USRPA and Diconsa.

which is managed by people from the community. Through many avenues, they also teach people to be self sufficient. The cooperation between [Continued on Page 2]



Rice oil is obtained from extracting oil from the bran of rice. This bran is a by-product of milled white rice. Studies show components in the rice bran oil are effective in reducing cholesterol in the blood.

Baldo's Rice Facts

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while helping his granddad in Hockley and his uncle, Raymond Franz in Katy, Texas.

Upon graduation from Texas A&M University in 1994, Barrett began farming with Chester Jordan, an 80 year old, lifetime farmer in Katy, who still flew his own plane! Often he and Barrett would fly over the fields checking crops. Later, when Chester passed away, Barrett forged a partnership with Minze Agriculture.

The Minze family farmed rice in Katy and Bay City. This was very fortunate for his wife Debbie, because this was her hometown. As time and luck would have it, Barrett and Debbie moved to Bay City, and they began farming

here on Six Bar Ranch. Since then, Barrett and Debbie formed Franz Agriculture, farming rice, milo, hay, and on occasion wheat and soybeans.

They feel they have received the ultimate blessing in moving to Bay City, and living on the farm and raising their three children, Coleman, Saundie and Jaycie. All three children have been raised riding a tractor and helping with the farming operation. Coleman has been driving a combine for two years now, which brings a fourth generation into the rice farming tradition. 🌱

## Communities Grateful for Support—Continued from Page 1

Disconsa and USRPA's program, "Consume Arroz USA Mas por Menos," is born through these shared goals.

USRPA teaches participants how to cook rice and breaks the long-standing belief that rice is only for big



Pictured: Participants learn ways to incorporate rice into nutritional meals for daily consumption.



Pictured: An instructor serves participants rice after a demonstration.

events or parties such as weddings or christenings, which shows communities rice is delicious, nutritious, cheap and good for everyday use. 🌱

The Rice Advocate is now accepting letters to the editor. If you have a topic you would like to address, please email your submission to [jessica@usriceproducers.com](mailto:jessica@usriceproducers.com) with "Letter to the Editor" as the subject. Letters should be 200 words or less and address a specific issue. Submissions will not be published unless signed by the original author. USRPA reserves the right to edit all letters.

The latest issue of Texas Rice is available through the Beaumont Center web site at [http://beaumont.tamu.edu/eLibrary/eLibrary\\_default.htm](http://beaumont.tamu.edu/eLibrary/eLibrary_default.htm). This issue of Texas Rice provides an interesting discussion about rice multilines and mixtures, and their use in other countries as alternatives to monoculture rice. It also provides an article that discusses the different rice-fish culture systems and their effects on rice. Furthermore, this issue of Texas Rice reports about the ribbon cutting ceremony held at the David R. Wintermann Rice Research Station at Eagle Lake.

## USRPA Attends World Rice Commerce 2008



Pictured (l-r): Bob Papanos of The Rice Trader (USA), Pitak Supanantakarn, manager of Intertek Services Limited (Thailand), Fuad Hamid Garib, director of Garibsons Limited Rice Trading (Pakistan) and Vijay Setia, president of All India Rice Exporters Association (India) at the World Rice Commerce 2008 in Chiang Mai, Thailand this week.

## General Market Update

There was almost no change in the rice market this week from a situational perspective. The cash market is still frozen, the futures continue to fall and the markets remain in turmoil. There is still some debate as to whether we have crested the wave or are still going uphill. With the long train of events leading up to the current global problems, it is unlikely they will be solved in such a short timeframe, but a quick resolution is most definitely something to pursue.

The USDA net sales report showed a 36% decrease in total sales from last week with the final number reported as 40,800 MT. Primary buyers for the week were Mexico with 26,200 MT of mostly paddy, Honduras with 5,000 MT of paddy, Canada with 5,000 MT of long grain milled, and Nicaragua with 2,000 MT of paddy. Vessel loadings were reported at 61,900 MT for the week and are up by about 74% from the previous week's volume. Primary volumes and destinations were 18,000 MT of paddy to Venezuela, 17,000 MT of mostly paddy to Mexico, 11,500 MT of long grain milled to Haiti, 3,800 MT of paddy to Honduras, 3,500 MT of long grain milled to Canada, and 2,200 MT of long grain milled to the Dominican Republic.

The weekly World Market Price estimate decreased by \$1.01 per hundredweight this week for long grain and \$1.03 per hundredweight for medium and short grain. The new prices for rough rice are \$16.00 per hundredweight for long grain rough and \$16.13 per hundredweight for both medium and short grain.

Pictured (l-r): Pham Van Du, deputy general director of the Rice Cultivation for Vietnam's Ministry of Agriculture and Dwight Roberts, president & CEO of USRPA discuss rice production issues during the World Rice Commerce 2008 this week in Chiang Mai, Thailand.



The local cash markets have remained very quiet over the past week with almost no trading reported. In Texas, bids are reported to be \$16.50 per hundredweight (\$10.00 premiums) with no takers. Southern Louisiana is in much the same boat with bids around \$14.88 per hundredweight (\$24.00 per barrel) and no trading reported in this area as well. The Delta looks very similar to Louisiana and Texas, with bids hovering at the \$15.00 per hundredweight level (\$6.75 per bushel) and no trades reported. Producers in all areas are looking for prices upwards of \$18.50 per hundredweight to generate selling interest.

The markets in Asia continue to slide this week on global events in the financial world and on a speculated increase in supplies. Thai 100%B is quoted this week at around \$600 per MT while Vietnamese 5% is quoted in the \$450 per MT range, both FOB vessel. The wide spread between the Thai and Vietnamese prices continues to be an oddity in the market but until some sense of normalcy resumes, this is likely to continue to be the case. Inflation is a major contributor to the problems in these areas.

In the futures market, the downward spiral continues with the market falling an overall \$1.035 over the course of the week. Monday saw the market open at \$15.18 per hundredweight in the nearby November contract and fell by only \$0.065 before the end of the day. Tuesday was much the same with the daily loss totaling only \$0.050 per hundredweight, but [Continued on Page 4]

## General Market Update—Continued From Page 3

Wednesday saw the market crumble by \$0.425 before settling out at \$14.625 per hundredweight. Thursday's trading put the market back in the green by \$0.085 to close at \$14.705, but Friday's action drove the market back down to close at \$14.420 per hundredweight. Average daily volume for the week was 1,059.4 contracts on a weekly range of \$1.055 per hundredweight.

About the only thing predictable in this market now is that we are not finished yet. The rising dollar and global financial issues are making it more difficult for U.S. exports, not to mention the ever-decreasing futures market, which has many buyers holding for lower prices. There are still several key offshore buyers whose entry into the market would be extremely helpful in generating some business, key among these is Iraq. In the cash market, not much is likely to change in the near future from a selling perspective as producers already have very high input costs associated with this crop and will need somewhere around \$17.50 per hundredweight plus to break even. Asia is also an enigma with its pricing differences and production reports. It is not certain what the final production tally will be in this region for the year, but whether it is a short or bumper crop or not, it will definitely influence the Western Hemisphere markets. Rumors continue that India will lift its export ban in the near future and if this is the case, it

could have some significant bearing on the market depending on actual volume. Thai exports have been significantly reduced for the month which some claim is a result of reduced demand while others suggest that there may be some supply considerations. Should supply be the problem there will likely be some good market opportunities for rice closer to the end of the year. Other news in the region is the announcement that the Thai government will be lowering the support price for producers to an average of 12,000 baht (\$15.74 per hundredweight). This could potentially provide some additional softness in the global market. There is not much to say about the futures market except the downward spiral continues. This same phenomenon is affecting all of the soft commodities and rice, due to its small size, is sometimes affected more drastically than others are. Many analysts estimate that we have reached the bottom of the market, but until there is some stabilization in other areas (namely the financial industry), then this will be very hard to prove. As in the past, this is a very dangerous place to be now. Samuel Goldwyn once remarked that sometimes you have to take the bitter with the sour. With both the buyers and sellers out of the market, the best advice now is to sit tight and watch for opportunities when they come along. 🌿

Chicago Rice Futures for the Week Ending October 24, 2008						
Closing Price	Nov-08	Jan-09	Mar-09	May-09	Jul-09	Open Int.
10-Oct	16.375	16.710	17.025	17.340	17.615	9,313
17-Oct	15.225	15.550	15.875	16.200	16.500	8,701
<b>Weekly Change</b>	<b>-7.02%</b>	<b>-6.94%</b>	<b>-6.75%</b>	<b>-6.57%</b>	<b>-6.33%</b>	<b>-6.57%</b>
<b>5 Day Average Volume</b>			<b>1,059.4</b> ↑		Source: Chicago Board of Trade	



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### Upcoming Events

Oct 28, 2008	TRC Board of Directors Meeting—Houston, TX
Nov 3-8, 2008	26th Havana International Food & Agriculture Trade Fair—Cuba
Nov 13-15, 2008	InduArroz Rice Congress—Bogota, Colombia
Jan 26-27, 2009	NCS Cotton & Rice Conference—Marksville, LA
May 13-14, 2009	3rd Annual Rice Congress of the Americas—Miami, FL

### USDA Reports Next Week

Crop Progress	Monday, Oct 27, 4:00 pm
Weather-Crop Summary	Tuesday, Oct 28, 12:00 pm
U.S. Export Sales	Thursday, Oct 30, 8:30 am