



# The Rice Advocate

US Rice Producers Association

Volume 6, Issue 15

Friday, April 17, 2009



## Rice Producers Applaud Obama's Effort to "Reach Out to the Cuban People"

The thousands of rice producer members of the US Rice Producers Association applaud the announcement by the White House "Reaching Out to the Cuban People" to relax the Bush Administration's restrictions on the travel of U.S. citizens to visit relatives in Cuba, and to send their relatives cash remittances and other gifts. The initiative to begin to open opportunities for the Cuban people to avail themselves of services by U.S. telecommunications providers is also welcome.

We encourage the Obama Administration to bring the same thoughtful, comprehensive approach to the sale of U.S. rice, wheat, dairy products, poultry and other commodities to Cuba. Most immediately, new law enacted in March 2009 requires the U.S. Treasury Department to provide for the issuance of "general licenses" to U.S. farmers, exporters, marketers, and their associations to travel to Cuba to market the more than 1,000 commodities that are already eligible for sale to Cuba. At the same time, we urge the Obama Administration to roll back the Bush Administration's restrictive regulations sti-

fling the sale of U.S. commodities to Cuba, and to take positive steps to facilitate the sale of U.S. farm goods to Cuba on normal commercial terms.

It pleases U.S. rice farmers to know the Obama administration is conducting a thorough evaluation of our failed trade policy and past relations with Cuba, with an eye toward what the future can bring for the good of both nations. We encourage the Administration and Congress to continue to work with U.S. farm organizations to make the needed changes and adjustments that will increase trade and improve the relations between our countries. It is time for the current law and the overall embargo to be administered in a way such that U.S. farmers are no longer asked to bear the burden of our 50-year-old failed Cuba policy.

To see USRPA's press release on the subject, please visit [http://usriceproducers.com/files/144\\_090416%20Cuba%20Press%20Release.pdf](http://usriceproducers.com/files/144_090416%20Cuba%20Press%20Release.pdf).

Up to the minute coverage of President Obama's participation at the Summit of the Americas can be observed through the website of the Miami Herald that includes coverage on Cuba. <http://miamiherald.com/summit/>

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## Louisiana Independent Rice Producers Association Joins USRPA

With an overwhelming majority, the Board of Directors for the USRPA elected to accept the application from the newly formed Louisiana Independent Rice Producers Association (LIRPA), who had sent a letter requesting to become an affiliate member. In a letter addressed to Gary Fioranelli, chairman of the USRPA Board of Directors, the new group stated, "it is our philosophy that rice producers are best served in an organization such as yours while recognizing the need to work with the milling interests." The letter went on to say, "we feel that rice farmers are best represented by rice farmers." With a membership of more than 70 producers, the new board of the association includes Phillip Watkins (president), Blue Zaunbrecher (vice president), Chris Krielow (secretary/treasurer), Mike Doise, David Landreneau, Glendon Marceaux, Mark Heinen, Aaron Lunsford

and Jamie Leonards. "We consider the Louisiana rice farmers' interest in our organization as a compliment to the successes of the US Rice Producers Association during our relatively brief history, and we look forward to working with them to sincerely serve all rice farmers," stated Chairman Fioranelli, a rice farmer from Cleveland, Miss. "We have followed the developments and actions of the US Rice Producers for several years while reading their publication "The Rice Advocate" and we feel their objectives are the same as ours," added Chris Krielow. For Louisiana farmers who are interested in learning more about LIRPA or becoming a member you can email [info@lirpa.org](mailto:info@lirpa.org) or write to LIRPA, P.O. box 277, Roanoke, La. 70581.



Twenty-five percent of the world's rice crop is processed in large modern rice mills, which can mill as much as one thousand tons of rice a day.

Baldo's Rice Facts

## Report from Mexico: Success with Mas Por Menos Among Consumers and Brands



**MAS POR MENOS**, one branch of our program under the same name is having a great success and reach with consumers.

The main goal of this campaign is to be in touch with the end consumer, aiming especially for moms who are the deciders of the meals for the family and have rice tasting, cooking training sessions, contests and surveys where participants can win promotional prices with our brand.

During 2009 we have been working close to the Mexican Brands supporting them in supermarkets and more over we have had presence in some Supermarkets Fairs. For instance, with GRAN BODEGA and GEVSA we are attending Puebla's market with both Point of Purchase support and with Trade Fair presence, meeting our main goal: reach our end consumer, learn what their needs are, the perception they have on rice, having cooking training sessions and of course tasting.

Another great example of this is the good presence we are having with IPACPA attending one of their main supermarket chains FARMACIAS ESQUIVAR.

These activities have been important for us, since we are covering a new state: Chiapas, who covers the conditions of the market segment we need to target and where we are having excellent response from the public.

MAS POR MENOS has been attending different events such as point of purchase



supports and Providers Trade Fair for Farmacias Esquivar.

The last event was in Tuxtla Gutiérrez, at the Poliforum Mesoamericano. A providers trade fair that received more than 25,000 visitors during the three days that the fair lasted.



This fair called Feria del Bebé y la Mamá (Fair for baby and mom) is a traditional event for Super Farmacias Esquivar with the main objective of showing all products and services linked to pregnancy, development, feeding and nutrition for the baby and the family, being this a great window for promoting rice.

Our promotional activities along with IPACPA made the booth one of the most visited, allowing visitors to taste rice in different recipes giving opportunity to moms to gather and explain to them all the benefits that rice have in terms on nutrition, budget and health.

With this program we are achieving two main objectives: reaching our consumers market and working along with rice millers in Mexico promoting their brands for US Rice. Rice Millers have been very grateful for the support and for the opportunity of promoting their brands in a way they can show sales results.



## Uruguayan Rice Yields Make Record Highs



According to El Pais newspaper, almost half of the rice region had been harvested and the yields will continue to mark the highest on record since 1931.

If the weather continues as it has without significant rain, even if the temperature drops, there would not

be a significant change. Through the years, the sector has been developing a research model based on national investigation that led the producers to be the most efficient of the world. The general average of rice in Uruguay is of 4300 pounds per acre, according to analytical data provided by the Association of Rice growers. The yields have continued to increase annually. The average of the last 5 years was of 7,000 pounds per acre, and in the last decade they harvested 6,600 pounds per acre.

## Honduran Rice Industry Looks at European Export Market



In a recent report from the country's capitol city, the rice industry in Honduras have outlined plans to increase the production above

the current 70,000 ton national volume, with an eye on exporting to the European market as a result of negotiations of the "Acuerdo de Asociacion" between Central America and the European Union. "We search for the probability to introduce rice in Europe and we have to think about the future as its possible we can increase pro-

duction while noting that Europe needs certain types of rice such as short grain for making paella," according to Michell Haiwitt, an important rice producer and miller in Honduras. Currently Honduras production covers 20% of the country's domestic needs that has risen to 3.6 quintals (360,000 tons) thanks to an agreement between farmers, rice mills and the Honduran government. "Rice production was about 12,500 tons and now we have arrived at 70,000 tons and at the moment rice is the only commodity that has increased production and the only on that is profitable in the country. The cattle and palm are depressed while other grains are not stable", added Mr. Haiwitt. 🌱

## General Market Update

There were very few changes in the market over the past week with the most significant being the increase in cash prices and the decline in futures. Otherwise the market has been mostly quiet and producers continue to plant the 2009 crop.

Net sales for the week totaled 34,500 MT, a decrease of about 22% from the last week's 44,300 MT. Key buyers for the week included: Saudi Arabia with 6,500 MT of long grain milled, Canada with 6,000 MT of long grain milled, Haiti with 5,000 MT of long grain milled, Jordan with 4,200 MT of long grain milled, and the United Kingdom with 3,900 MT of long grain milled as well. Sales decreases were reported for Colombia with 200 MT of paddy. Vessel loadings totaled 65,000 MT for the week, representing a 36% decrease from last week's 101,500 MT. Primary destinations were Cote D'Ivoire (15,300 MT of long grain milled), Honduras (11,800 MT of paddy), Mexico (9,300 MT of mostly paddy), Japan (8,500 MT of medium grain), and Canada (5,200 MT of long grain milled).

There was no change in the USDA reported world market price estimate for the week. Price estimates by class remain at \$12.25 per hundredweight for long grain rough and \$12.31 per hundredweight for medium/short grain.

Cash market prices made some upward movements over the course of the week in sympathy of the stronger futures seen in the past several weeks. Bids in Texas are at \$12.50 per hundredweight (\$6.00 premiums) with some active trading at these levels. Southern Louisiana is trading at around the \$12.70 per hundredweight (\$20.60 per bushel) with active trading in this area as well. In the Delta, rice remains bid at \$12.75 per hundredweight (\$5.74 per bushel) with small quantities moving at these prices.

The prices in Asia slid a bit this week as the re-

gion has been quiet and in its annual water festival. Thai 100%B is currently bid at around \$540 per MT while Vietnamese 5% is bid in the \$460 per MT area, both FOB vessel. New business from Iraq should help move the market when business resumes.

The futures market took a tumble this week after last week's climb by falling back into the upper \$12.00. Monday's trading saw the nearby May '09 contract open at \$13.45 before sliding by \$0.165 to close at \$13.285. Tuesday's trading saw the market try to recover by climbing \$0.14 per hundredweight, but Wednesday through Friday showed daily losses of \$0.165, \$0.155, and \$0.105 respectively. Friday's close saw the market at \$12.835 on a weekly range of \$0.795. The average daily volume for the week was 976.8 contracts.

There has been very little happening in the market over the past week. Export sales have dropped off slightly as was expected, and will likely come back over the next week or two as buyers consume recent purchases. Cash prices are beginning to move on last weeks' future's performance, but additional upward moves in that market will be determined by the performance of the futures market over the next week. Growers are well into new crop plantings and while acreage has not yet been established, it will be a good crop for 2009. While the bids are beginning to look better, producers have indicated that they will need a bit more to move the last portions of the unsold 2008 crop. Asian market conditions have remained essentially unchanged as the region is in an annual holiday and little business has transpired. The Iraqi purchases seem to be what is keeping the market afloat and they are the largest mover currently in the marketplace. It will be interesting to see what the price response will be when the holidays in Asia are over. All eyes have been watching the futures market over the past week after last week's climb and it has [Continued on Page 4]

## General Market Update—Continued From Page 3

not been a very good showing. It is truly an interesting time in this area as it seems to be falling on technicals, but should be rising on fundamentals. Apparently, the market has still not quite resumed as much as would be hoped. We continue our warning of the past several issues that the futures market is still not a safe arena to use for risk management as of yet. It is highly encouraged that pro-

ducers visit with their marketing specialist before engaging in these activities. Fundamentally, there have been no changes in the market from last week and it is still considered to be strong. The end of April to the middle of May has long been considered the breaking point for the market, so the next several weeks should have much in store for the global rice market.

Chicago Rice Futures for the Week Ending April 17, 2009						
Closing Price	May-09	Jul-09	Sep-09	Nov-09	Jan-10	Open Int.
10-Apr	13.395	13.540	12.540	12.560	12.740	7,518
17-Apr	12.860	12.990	12.470	12.380	12.685	7,712
<b>Weekly Change</b>	<b>-3.99%</b>	<b>-4.06%</b>	<b>-0.56%</b>	<b>-1.43%</b>	<b>-0.43%</b>	<b>2.58%</b>
<b>5 Day Average Volume</b>			<b>976.8</b> ↑		Source: Chicago Board of Trade	

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.



2825 Wilcrest Drive, Suite 505  
Houston, Texas 77042

Phone: 713-974-RICE  
Fax: 713-974-7696  
[rice\\_advocate@usriceproducers.com](mailto:rice_advocate@usriceproducers.com)  
[www.usriceproducers.com](http://www.usriceproducers.com)  
[www.riceromp.com](http://www.riceromp.com)

### Upcoming Events

May 13-14, 2009	3rd Annual Rice Congress of the Americas—Miami, FL
May 14, 2009	Exporting to Cuba (Texas-Cuba Trade Alliance)—Houston, TX
June 21-24, 2009	RMA 110th Convention—The Ritz Carlton, Amelia Island, FL
June 30, 2009	Eagle Lake Field Day—Eagle Lake, TX
July 1, 2009	LSU AgCenter Rice Research Station Field Day—Crowley, LA
July 9, 2009	Beaumont Field Day—Beaumont, TX
July 15-17, 2009	Postharvest 2009 Rice Conference—Bangkok, Thailand
July 16, 2009	Mississippi Rice Field Day—Stoneville, MS
Aug 12, 2009	University of Arkansas Rice Field Day—Stuttgart, AR
Dec 9-11, 2009	USA Rice Outlook Conference—New Orleans, LA
Jan 11-13, 2010	13th Annual NCS Cotton & Rice Conference—Tunica, MS

### USDA Reports Next Week

Weather-Crop Summary	Tuesday, April 21, 12:00 pm
U.S. Export Sales	Thursday, April 23, 8:30 am