



The Rice Advocate

US Rice Producers Association

Volume 6, Issue 16

Friday, April 24, 2009

Sideways Market Remains

The trend so far this year has been a very quiet marketplace with minor weekly moves as business has yet to develop and shake the market. This week, some additional information has come out, both bullish and bearish, in the form of an Iraqi tender and a reopening of the export ban in Vietnam. Otherwise, the market has been mostly quiet and slow.

The export sales report for the week pegged net sales at 18,900 MT, a 45% decrease from last week's 34,500 MT and a low for the current marketing year. Sales increases were reported for Mexico with 5,400 MT of mostly paddy, Ghana with 1,900 MT of long grain milled, Canada with 1,300 MT of long grain milled, and Kuwait with 600 MT of long grain milled. There was also a sale to unknown destinations of 12,100 MT of long grain rough. Sales decreases were reported for Saudi Arabia with 3,500 MT of long grain milled and Jordan with 800 MT of long grain milled. Vessel loadings were reported at 72,600 MT, an increase of 12% from last week's 65,000 MT. Primary destinations were Mexico

(20,200 MT of mostly paddy), Colombia (19,600 MT of paddy), Japan (13,700 MT of medium grain), Ghana (6,100 MT of long grain milled), and Saudi Arabia (3,300 MT of long grain milled).

USDA held its weekly world market price estimate constant this week. Current estimates by class are \$12.25 per hundredweight for long grain rough and \$12.31 per hundredweight for medium/short grain.

As has been the case for many weeks now, there was very little change in the cash market prices since the last report. Bids in Texas remain at around \$12.50 per hundredweight (\$6.00 premiums with light trading reported). Southern Louisiana is trading at around the \$12.73 per hundredweight level (\$21.00 per barrel) on light volume as well. In the Delta, prices are holding at around \$12.75 per hundredweight (\$5.74 per bushel) with some small sales reported in this area as well.

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Congress Returns to Work After Easter Recess

Congress returned to Washington this week after a two-week Easter "District Work Period." President Obama's discussions with our Southern neighbors about Cuba and other hemispheric issues filled the news in the early part of this week. Later, vigorous dialogue about the release of earlier memos regarding the authorization and use of interrogation techniques filled newspapers above the fold.

During all of this, Congress has continued work on the Fiscal Year 2010 Congressional Budget Resolution. This week the Senate completed its consideration of their Resolution, and appointed conferees on Thursday (April 23). One of the thorny issues facing the conferees is whether to include reconciliation instructions, which would require certain committees to consider legislation to enact certain savings or policies. In the past, such instructions have been used to require the House and Senate Agriculture Committees to achieve major budget savings through cuts in farm and related programs. It is still hopeful that

the efforts of the US Rice Producers Association and a large coalition of other farm, commodity and other groups supporting agriculture will prevail in keeping any such reconciliation instructions regarding agriculture out of the budget resolution.

In all of this budget work, Congress has the budget resolution cart before the President's budget horse. The President's budget request is usually sent to Congress the first week in February. Then, Congress writes their budget resolution after considering the President's request. However, this year the President's detailed budget plan has not been delivered to Capitol Hill, and it is not expected until early to mid-May. This is the latest in our memory that any President has delivered a budget to Congress.

Next week several commodity and farm groups will huddle in Washington as the Commodity Roundtable meets to discuss these and [Continued on Page 2]



The first documented account of rice was by a Chinese emperor around 2,800 BC.

Baldo's Rice Facts

General Market Update—Continued from Page 1

Asian prices have held mostly steady over the past week, as there has been little in the market to cause them to move. We do not anticipate this to be the case for long as several events have transpired over the week to help move them in the future, including the lifting of the Vietnamese export ban. Currently, Thai 100%B is bid at \$545 per MT and the Vietnamese 5% is bid at \$460 per MT both FOB vessel.

The futures market seems to have stabilized from last week's volatility as it continues to experience growing pains and attempts to break out onto its own. On Monday, the nearby May '09 contract opened at \$12.80 before falling \$0.04 to close at \$12.76 per hundredweight. Tuesday saw the market rally by \$0.165 to close at \$12.885 while Wednesday saw a \$0.01 loss from the open of \$12.835 to \$12.825. Thursday's trading moved the market back up \$0.11 to \$12.93 while Friday's action saw the market slide by \$0.04 to close at \$12.865 for the week. The total range for the week was \$0.665 on an average daily volume of 667.6 contracts.

As we mentioned earlier, there has been a bit of news in the marketplace this week. The first comes in the form of an unconfirmed sale of U.S. rice to Iraq. While the market believes that this has indeed happened, there has been no official announcement of the sale. The belief is that around 100,000 MT of rice have been sold which will help alleviate some of the clog in the U.S. marketplace. In other Asian news, the Thai government has issued a statement that they intend to liquidate around 3.76 million tons of government stocks in anticipation of a potential lifting of the export ban in India. Of this volume, approximately 3 MMT would be destined for the export market. With the flood of rice entering the market it is very likely we will see a decrease in Asian prices next week with the largest decrease in Thai export prices. This large amount of rice on the market at the lower prices could easily spark some buying from the purchasers still waiting to procure for the year (namely Iran). Other buyers may be

attracted to the sale as well. Also in Asia is the announcement by the Vietnamese government that they are lifting the ban on export sales in that country. This announcement comes closely on the heels of the Thai announcement, which seems to demonstrate a fear of being undercut in the region. With both countries at strong export sales for the first half of the year, it will be interesting to see how quickly they meet/overtake their export projections for the year. Last year's lessons on export goals may need to be relearned depending on how much rice supply there truly is in the region. While the Iraqi news is bullish for the U.S. industry, the Asian news is undoubtedly bearish. Correspondingly, it should be expected that prices will likely fall over the next week or two, which could easily generate a boost in export sales. Overall, this is a healthy phenomenon as it will help clear the books of the excess rice and help the trade resume on its normal course. Moving on to other issues, the export sales report for the week was down again, which is not unexpected. The cyclical patterns have been holding steady this year and next week's will most likely be stronger. This is especially true if prices fall in sympathy of the news from Asia. The cash market will probably hold fairly steady as the majority of the rice in producer hands has already been sold and the remainder is being held for higher price targets. The growers still holding rice are generally in a good position to wait for the prices to come back. Futures performance has improved dramatically over the past several weeks and it will be informative to see how the market responds next week. After the Asian news was released this Friday, the market only gave up \$0.04 for the day so there may be some better performance in store. Technically, the market seems to be ready to turn around, although there is still a chance that it could fall off in the next week. We still consider the market to be fundamentally strong (even in light of the Asian news) and expect a much stronger marketplace by the middle of the third quarter of the year. 🌱

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other pending issues. USRPA President and CEO Dwight Roberts will travel to Washington to attend the meeting.

May is shaping up to be hectic month, what with tracking the Congressional budget resolution, digesting the President's budget, and Congress considering legislation on everything from global warming and "Cap and Trade," to health care reform and financial and economic reform. The climate change legislation is designed to reduce global warming by reducing greenhouse gas emissions to 83 percent below 2005 levels by the year 2050.

The provisions of pending climate change legislation

could be critical to U.S. rice farmers and all of agriculture, because it is estimated to substantially increase the cost of energy inputs for agricultural production. One study estimates the major pending bill could increase the cost to produce rice by somewhere between \$70.00 and \$150.00 per acre! This will give you an idea why the several farm groups have come out in opposition to the bill.

Through all of this, USRPA will continue to encourage the Obama Administration to implement changes in trade with and travel to Cuba that Congress enacted in March. We will also continue working [Continued on Page 3]

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with Congress to make it easier for Americans to travel to Cuba and for exporters to ship rice and other US farm goods to Cuba.

In other news, President Obama this week made several nominations for positions at USDA, although only four nominees have been confirmed by the Senate to date. Even so, USDA stands as one of the Cabinet agencies filling its openings the fastest, with 25 percent of the department's nominees having been confirmed by the Senate (4 out of 16 positions). In the past 10 days, the Obama Administration has nominated the following for seats at USDA:

- Rajiv Shah as undersecretary of research, educa-

tion and economics and chief scientist;

- Kevin Concannon as undersecretary for food, nutrition and consumer services; and
- Edward Avalos as undersecretary for marketing and regulatory programs.

The Administration also recently appointed Doug Caruso as administrator of the Farm Service Agency and Jay Jensen as deputy under secretary for Natural Resources and Environment. These two positions do not require Senate confirmation.

To read more on the background of these five nominees, please visit http://usriceproducers.com/files/149_0424162235_001.pdf.

Missouri Rice Council Promotes Rice at Missouri Capitol

Missouri Rice Council board members were in Jefferson City recently for "Rice day at the Capitol." Members served more than 500 people a lunch of teriyaki chicken with Missouri long grain rice and a cold rice salad made with Missouri medium grain rice. Legislators and staff also had homemade rice crispy treats for dessert. The director of the Missouri Department of Agriculture, Dr. Jon Hagler was in attendance as well as several agriculture department staff.



Pictured: Sonny Martin, a rice Missouri rice producer, and Dr. John Hagler, director of the Missouri Department of Agriculture.

Momentum Growing for Rice Americas 2009 Conference in Miami, May 12-14



Although we are still more than two weeks away, there is great anticipation for the Rice Americas 2009 conference scheduled

to take place in Miami, Florida May 12-14, 2009 at the downtown Hyatt Regency. As evidenced by the registration of participants from 36 different countries including from such corners of the world as Thailand, Vietnam, Pakistan, Philippines, Cameroon, Ghana, Italy, Belgium, Egypt, Sri Lanka, India and South Africa, there is no doubt the world rice industry will have their eyes on the issues of the Western Hemisphere next month in Miami.

Rice business leadership from throughout the Americas will use this annual conference as a means to discuss the current market, transportation, price outlook, production trends/costs, research developments, water & weather, government policies, financial issues affecting the world rice trade and other challenges. Networking and market

intelligence opportunities for the Western Hemisphere does not have a better forum than the Rice Americas 2009.

Long a dream of the US Rice Producers Association, this is the third year of the conference, which has seen increased participation each year. This year, one of the prominent speakers at the event is Susan Sutherland.

Susan Sutherland is an associate director of commodity products and services for the CME Group. She is responsible for working with agriculturally related firms including grain merchandisers, processors, food manufacturers, grain trading companies, commodity importers and agricultural associations to promote the use of CME Group commodity futures and options products.

Susan has over 20 years of experience in commodity risk management, hedging, market analysis and ingredient procurement. Prior to joining CME Group, she worked for the Chicago Board of Trade where she was responsible for agricultural commodity business development. Susan also worked at Man [Continued on Page 4]

Rice Americas 2009 Conference in Miami, May 12-14—Continued from Page 3

Financial as a commodity broker and Director of Business Development for a related consulting group. In this role she interfaced with various agricultural hedgers and traders in the use of futures and options in both an educational as well as applied context.

Susan's underlying commodity and risk management experience began in the food manufacturing sector where she worked for several years in commodity analysis and

procurement Quaker Oats and Keebler, now part of PepsiCo and Kellogg's, respectively.

Susan received her bachelor's degree in agricultural economics, her master's in agricultural economics and her MBA from the University of Illinois.

For more information and how to register, please visit: www.trtamericas.com.

Argentina Expands Exports to Venezuela



Local exporters closed sales for more than 150 million dollars with Hugo Chavez's government last week. Sources from Argentina's Foreign Ministry reported the export deal consisted of

meat, chicken, rice, yellow corn and black beans.

A group of local exporters in coordination with Argentina's Foreign Ministry traveled to Venezuela to offer

a variety of food products to the government. Ambassador Alicia Castro, who also participated in the meeting with the Minister of Food officials, welcomed the officials from Argentina.

The governor of Entre Rios, Sergio Urribarri, will visit Venezuela in May to finalize the sale of 60 thousand tons of rice.

Campo en Accion: Argentina amplia sus exportaciones de alimento a Venezuela www.campoencaccion.com/actualidad/nota.

Entre Rios to have Permanent Representative in Venezuela



The governor of Entre Rios, Sergio Urribarri, met with Ambassador Alicia Castro in Venezuela and decided they will have a permanent representative of Entre Rios in Venezuela.

"In the meeting we discussed two very important topics. One was the finalization of the trade mission and the exchange of technological intelligence in food for the month of May, and the other topic was the offer granted by Ambassador Castro to have a representative from Entre Rios at the Argentinean embassy in Venezuela," informed Urribarri.

Castro said, "This is a very important moment for the exchange between Argentina and Venezuela." She went on to say that at this time Venezuela is creating a new industrial interweave, on one side we will have a new ability to generate quality employment and on the other to serve and meet all the basic needs of the population.

In the month of May, Castro said, we will finalize the trade mission lead by the governor to sell 60,000 tons of rice and the offer of industrial technology in the field of food and other related topics like industrial refrigeration.

Campo en Acción: Entre Rios tendrá una representación permanente en Venezuela www.campoencaccion.com.

Exporting to Cuba Workshop in Houston, May 14



Exporting to Cuba, a workshop designed by the Texas-Cuba Trade Alliance, will be held on May 14, 2009 in Houston, Texas. The workshop is designed to provide

the information, education, and contacts crucial to facilitating food, forestry and agricultural sales to Cuba. For more information on the workshop, please [download the brochure](#) or visit TCTA's website www.tcta.us.

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 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.

USRPA Holds Program Planning Meeting



USRPA staff, advisors, partners and consultants gathered in Houston this week to discuss the United Export Strategy funding application for the 2010 program year. The meeting served as an opportunity to discuss the world rice markets and prioritize market research and promotional activities in a number of countries. The Western Hemisphere will continue to be the major focus of the USRPA's objectives. Jim Guinn of the USA Rice Federation accepted the invitation of the USRPA to give an overview of their programs in order that both groups present a strong application to the Foreign Agricultural Service of the USDA. Pictured left are Dan Gertson, a USRPA board member and rice farmer from Lissie, Texas, Bill Bomersheim from FAS-Washington, Simon Bakht, president of AMFI in Beirut, Lebanon and Thomas Wynn, director of market development.

Chicago Rice Futures for the Week Ending April 24, 2009						
Closing Price	May-09	Jul-09	Sep-09	Nov-09	Jan-10	Open Int.
17-Apr	12.835	13.025	12.425	12.445	12.645	7,703
24-Apr	12.865	12.980	12.360	12.370	12.610	7,817
Weekly Change	0.23%	-0.35%	-0.52%	-0.60%	-0.28%	1.48%
5 Day Average Volume			667.6 ↓		Source: Chicago Board of Trade	



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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 28, 12:00 pm
U.S. Export Sales	Thursday, April 30, 8:30 am