



The Rice Advocate

US Rice Producers Association

Volume 6, Issue 22

Friday, June 5, 2009



Congress to Begin Consideration of FY 2010 Agriculture Appropriations

The appropriations process for Fiscal Year 2010 is beginning in earnest, and food and farm groups are already fighting to keep the provisions of the 2008 Farm Bill intact. USRPA joined with 41 other organizations this week in sending a letter to the House agriculture appropriations subcommittee, which is scheduled to mark up their version of the bill next Thursday, June 11. In the letter addressed to Chairman Rosa DeLauro (D-CT) and Ranking Member Jack Kingston (R-GA), food and farm groups encouraged the subcommittee not to alter any of the fundamental policies and provisions of the 2008 farm bill. To read the letter, please [click here](#) or visit our website, www.usriceproducers.com.

USRPA and many other organizations worked with Congress to shape the carefully balanced provisions of current farm law, and the letter to the agriculture appropriations subcommittee expressed that "any change in the fundamental policies and balance of resources in the 2008 farm law will undermine its effectiveness."

While the budget committee earlier this year considered the budget resolution, farm groups voiced their strong opposition to President Obama's recommendations to cut farm programs by \$16 billion. To the relief of producers across America, the final FY 2010 Budget Resolution does not modify current farm law to achieve savings. The President's proposed cuts to the farm safety net would have included changes to crop insurance, new revenue tests for program eligibility, a cap on marketing loan program benefits, cuts in conservation programs, termination of cotton storage credits, and a reduction in export promotion programs, including the MAP program used successfully to market U.S. rice in Central America.

USRPA will continue to push for no changes to farm law as the agriculture appropriations bill moves through the markup process.

Inside this issue:

- 2 New Rice Varieties to Enter Market Next Season
- 2 2009 Texas Rice Crop Looking Good
- 2 RiceTec Takes New Approach to 2009 Field Days
- 3 Marcela Garcia Joins USRPA Staff
- 3 Uruguay: Rice Sales Increase in the Iraqi Market
- 3 Peru: Rice Exports Grew 630% in First Trimester of 2009
- 4 General Market Update

Texas Rice Farming Loses Long Time Leader & Friend Russell Raun



Pictured: Mr. Russell Raun

In history books about Texas agriculture, the name Russell Raun cannot be avoided. Born in Nebraska in 1911, his family moved to El Campo, Texas in 1913 to raise hogs and corn. He planted his first rice crop in 1934 with the help of his father George, one tractor and two mules. Raun went on to become a founding member of the Texas Rice Council Board of Directors and during a span of

75 years, Texas rice farmers benefited from the leadership and determination of a great American rice farmer. Yesterday at the age of 98, Mr. Russell Raun quietly passed away in El Campo.

Throughout his career, Raun was known for his innovative and creative approach to technology in an effort to increase production and efficiency. He was the first farmer to use a combination of Ordram and Propanil to control sprangletop in rice fields, a common practice now.

For this discovery, the chemical company rewarded him and his wife Theresa a trip to the Bahamas. He built his own dryer in 1946, designed concrete water boxes to serve as permanent water gates, served on the Texas Rice Improvement Association Board of Directors and was President of the Rice Marketing Association Cooperative for 21

years. In January of 2007 during the 56th Annual Meeting of the Texas Rice Council, Raun received a standing ovation as he was presented with a lifetime achievement award for his service, dedication and leadership on behalf of the Texas rice industry. He was an inspiration to everyone around him and here at the USRPA we always enjoyed his visits to the office. Our sincere best wishes are extended to the Raun family.

The funeral will take place at 2:00p.m., Saturday, June 6, 2009 at the First Methodist Church in El Campo. Any memorial donations should be made to the First Methodist Church or to Hospice Care Incorporated.



Rice is widely believed to have arrived in the Americas in 1694 during the slave trade through South Carolina, probably originating from Madagascar.

Baldo's Rice Facts

New Rice Varieties to Enter Market Next Season

Horizon Ag has seed production fields planted in Danbury, TX for two exciting new CLEARFIELD® rice varieties that should enter the market next season. Developed by LSU, CL111 will be the earliest maturing CLEARFIELD rice variety on the market to date. The fields at Garrett Farms were planted using ultra low seeding rates, and early vigor and stand establishment has been very good.

Horizon Ag also has a new CLEARFIELD medium-grain rice variety, CLX065, planted at Garrett Farms that looks impressive. Also developed by LSU, this yet to-be-named variety has shown good vigor and emergence, says Garrett. It is showing good tillering despite being planted at less than 5 pounds per acre. The high interest in medium grain rice should fit perfectly with the future launch of this new CLEARFIELD variety.



Pictured: The newest long-grain variety CL111, with Jacko Garrett of Garrett Farms and Dwight Roberts of USRPA.



2009 Texas Rice Crop Looking Good

By Dr. Mo Way

About 160,000 acres of rice have been planted in Texas in 2009. Temperatures have finally warmed after a relatively cool and windy planting season. Most rice is approaching panicle differentiation and maturing normally after a slow start. Many farmers are applying mid-season nitrogen. If rice is turning yellow and running out of nitrogen before panicle differentiation, do not hesitate to apply nitrogen early.

Some levee rice has been damaged or thinned by chinch bug and dry winds, but for the most part, the 2009 Texas rice crop is looking good. So far, little disease pressure has been observed, but weed control has been somewhat problematic due to prior cool conditions. Rice water weevil activity has been greater than normal, but products are available to control these pests. I have inspected some fields planted with seed treated with Dermacor X-100; roots are healthy and undamaged indicating this seed treatment is performing well in the field. Other labeled rice water weevil insecticides also are performing well.

The latest Texas Rice Crop Survey reports (updated through Friday June 5, 2009) are available through the Beaumont Center web site at <http://beaumont.tamu.edu/CropSurvey/>. The crop survey provides detailed data on rice acreage across the Texas rice belt, including information on varieties and crop development.

RiceTec Takes New Approach to 2009 Field Days

Historically, RiceTec has given growers and the rice industry new information about the company and their products in the same manner as almost every other entity dealing in rice; more or less a "one size fits all" approach. That structure will change for RiceTec in 2009.

"In the past, our plan was to organize field days at dates and times that would fit most everyone in the indus-

We are in the process of trying to obtain a Section 18 Emergency Exemption for Tenchu 20SG for Texas rice farmers. EPA is reviewing the submission now, so we should have a decision in the near future. This rice stink bug insecticide has exhibited excellent residual activity. I hope EPA makes a positive decision soon because rice will be heading shortly.

I encourage Texas rice farmers to check your fields for diseases and insect pests such as rice stink bug and stalk borers. We are picking up lots of Mexican rice borers in our pheromone traps, so if you are in a historically high stalk borer area like Jackson County, make sure you control these pests by applying a pyrethroid at 1-2 inch panicle followed by a second application at late boot/early heading. The second application can be tank-mixed with your fungicide spray if you opt to spray for diseases. However, remember that Dermacor X-100 seed treatment will provide control of these late season insect pests.

A special thanks to Randy Waligura, Dan Kyle and David Wilde for providing some information for this brief rice update.

try, so all could attend" says Chad Duckworth, Marketing and Sales Support Manager for RiceTec. As RiceTec Field Days have increased in popularity and our attendance has grown we have come to realize that this approach does not allow us to meet specific needs of specific customer sets.

Continued on Page 3

RiceTec—Continued from Page 2

“This year, however, we wanted to take a slightly different approach. With our new plan, we hope to be able to have several smaller groups with more time to talk and interact with those who attend.”

The new approach will offer multiple small scale field days within the various geographies that RiceTec services. The intent is to have smaller more informal groups that will allow customers and others in attendance to interact with Company Representatives in an information exchange mode; thereby tailoring the discussion to the specific interests of each group.

RiceTec will be sending out personal invitations to cus-

Marcela Garcia Joins USRPA Staff

The US Rice Producers Association is excited to welcome Marcela Garcia as the new western hemisphere coordinator. A recent graduate of the C. T. Bauer College of Business at the University of Houston, she holds a bachelor of business administration in marketing with a minor in Spanish. During her time at the University of Houston, Garcia earned an intrapreneurship certificate and maintained placement on the C. T. Bauer College of Business dean’s list. She also is bilingual, with native-level fluency in Spanish.

Garcia initially joined USRPA staff as an intern in September 2008. During her time here she has proven to be an asset to the Association. “Marcela is a great addi-

tion to our staff due to our focus on expanding activities throughout Latin America,” said Dwight Roberts, president and CEO of USRPA.

Previously, she has interned with the CB Richard Ellis’ Brokerage Internship Program and worked as a personal assistant to the CEO at Ganadería Los Leones in Cd. Victoria, Tamaulipas, México.

“I look forward to the exciting challenges I will experience working with USRPA and hope to have a successful future working with the Association,” said Garcia.



Pictured: Marcela Garcia

Uruguay: Rice Sales Increase in the Iraqi Market



The Uruguayan rice mills gained another bid in the Iraqi market for 60,000 tons, elevating the volume of grains placed in this market to 250,000 tons.

Curiously, for the first time in 30 years, Iran exited the world rice market, where Uruguay traditionally sells rice, primarily during the first months of the year.

Jaime Cardoso, executive secretary of Gremial de

Molinos Arroceros said, “without logical reason the Iranian market disappeared not only for Uruguay but in general, but the Iraqi market emerged, where the rice is selling at good rate.”

In addition, the Uruguayan rice industry and the government is worried about the repercussions this could have with the grains sector and future signing of the Free Trade Agreement between Peru and the U.S.

El Pais
Crecen ventas de arroz uruguayo al mercado de Irak
www.elpais.com.uy

Peru: Rice Exports Grew 630% in First Trimester of 2009

The exportation of grains, primarily Peruvian rice, grew in the first trimester of the year to 630 percent for a total of \$20.8 million. During the same period last year the total amount was less than \$3 million according to the Exporters Association (ADEX).

In the first trimester of the year Peru exported 19 different grains, of which the majority was semi-whitened or whitened rice and milled rice. Some exports also in-

cluded broken rice. According to the ADEX Data Trade Intelligence System, in the first three months of the year the grains were exported to 22 different markets, lead by Colombia, which imported \$17.3 million. Colombia primarily imports Peruvian rice.

The new countries that are importing Peruvian rice are Ecuador, New Zealand, Turkey and Mexico.

Exportación de cereales creció 630% en el primer trimestre del año

General Market Update

The world has not seen much change over the past week in rice. Exports have taken another anticipated dive and will probably continue to cycle over the next several weeks while cash prices are dependent on the futures and export volumes for any significant changes. The futures market seems to be doing better, but more confirmation is still needed to declare a full turnaround. Overall, things are starting to look up.

USDA's weekly sales report pegged total rice sales at 18,400 MT for the week, a 60 percent decrease from last week's 46,400 MT and a marketing year low. Sales were reported for Honduras with 5,400 MT of long grain rough, Haiti with 4,000 MT of long grain milled, Mexico with 3,200 MT of mostly paddy, Jordan with 1,200 MT of long grain milled, Canada with 1,100 MT of long grain milled and Guatemala with 1,100 MT of paddy. Commitment decreases were reported for the United Arab Emirates with 400 MT of long grain milled and Qatar with 200 MT of long grain milled. A 1,200 MT sale of long grain milled was reported to Israel for delivery in 2009/10. Vessel loadings were reported at 29,600 MT for the week, a 63 percent decrease from last week's 79,600 MT. Primary destinations were Mexico (9,600 MT of mostly paddy), Haiti (4,000 MT of long grain milled), Canada (3,100 MT of long grain milled), Jordan (2,300 MT of long grain milled) and Israel (1,700 MT of long grain milled).

There were no changes in the USDA's world market price estimate for the week. Current prices by class remain at \$11.30 per hundredweight for long grain rough and \$11.35 per hundredweight for medium/short grain.

As usual, there has been relatively no change in the local cash markets for the week. Bids in Texas are at \$11.50 per hundredweight (\$5.00 premiums) with no trading reported. Louisiana bids are reported at around \$11.50 per hundredweight as well (\$18.64 per barrel) with some light volume trading. In the Delta, cash prices are at the \$12.00 per hundredweight (\$5.40 per bushel) level. Weather related problems in the Delta are still causing producers to replant and shift into soybeans, which will ultimately cause rice supply estimates to change drastically later in the year.

Asian markets have been mostly steady over the week. Thai 100%B is bid at \$550 per MT while Vietnamese 5% is bid at \$425 per MT, both fob vessel. In Thailand, the results have not yet been released on the intervention tender from two weeks ago providing a bit of uncertainty to the market there. In addition, the Iraqi results have not been released which may help to offset some of the downward pressure from a pricing standpoint, but that remains to be seen.

Futures had another good run this week with the board climbing on changing demand, currency and financial indicators. Monday's open saw the nearby July '09 contract trading at \$12.345 per hundredweight before climbing \$0.225 to close at \$12.570 per hundredweight. Tuesday's market fell from its \$12.78 open by \$0.305 to \$12.475 at the end of the day. Wednesday opened up slightly lower on overnight trading at \$12.425 per hundredweight and throughout the day climbed by \$0.05 to close at \$12.475. Thursday had an additional \$0.31 gain on the \$12.45 open, while Friday saw the market move \$0.105 down to close at \$12.615 for the week. The average daily volume was 996.0 contracts on a weekly range of \$0.515 per hundredweight.

The week has been another quiet one in the rice world with many events primed to occur but none seemingly ready to move quite yet. Export sales were off and with the currency fluctuation, will probably be hit and miss for the foreseeable future. The exception to this would be a validated shift in the price trends to the upside, which will probably spark a buying frenzy. Until this happens the export reports should hold few surprises. Cash markets are quiet as well, due to a general lack of offshore demand and there being no real need for processors to buy aggressively. The futures market has yet to generate enough real strength for the cash to move up substantially. From a production standpoint, there should be quite a few revisions to the supply and demand estimates in the next month or two as weather concerns in the upper Delta are causing producers to make difficult last minute planting decisions. For some growers, they have not been able to get their rice in so the decision is between a late rice crop (which was experienced last year with negative effects) or a move to soybean productions (whose price is in a much better position than rice). For the others, it is a choice of whether to replant flooded fields with rice or beans OR attempt to stick it out with the crop already in the field. Regardless, the poor weather will be hard on yield and total production estimates. Asia remains a difficult read because it has had very little movement recently. Iraq is a significant factor in this region as are the results of the intervention stock tender of several weeks ago. These will help mitigate some of the unknowns hanging over the marketplace, but the pent up demand remains. With the global economy in turmoil, the global residual demand should be much stronger for rice than in recent years. The futures market has had a good several weeks, but it remains to be seen if the upward trend can be continued. Technically, we should be entering an uptrend but several more days of trading will be needed before this can be confirmed. Overall things are beginning to look more

Continued on Page 5

Volume 6, Issue 22

General Market Update—Continued From Page 4

positive for rice. Demand remains strong while prices have firmed and given some lower boundaries to work

with. We remain bullish towards the longer-term market while more neutral in the near term. 🌱

Chicago Rice Futures for the Week Ending June 5, 2009						
Closing Price	Jul-09	Sep-09	Nov-09	Jan-10	Mar-10	Open Int.
29-May	12.345	12.575	12.625	12.790	12.970	8,990
5-Jun	12.615	12.700	12.735	12.795	12.850	9,063
Weekly Change	2.19%	0.99%	0.87%	0.04%	-0.93%	0.81%
5 Day Average Volume			996.0 ↓		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 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.

Upcoming Events

June 21-24, 2009	RMA 110th Convention—The Ritz Carlton, Amelia Island, FL
June 22, 2009	Texas Agricultural Forum—Omni Hotel at Southpark, Austin, TX
June 30, 2009	Eagle Lake Field Day—Eagle Lake, TX
July 1, 2009	LSU AgCenter Rice Research Station Field Day—Crowley, LA
July 2, 2009	Horizon Ag Field Day—Farm of Bobby Soileau, Eunice, LA
July 9, 2009	MFBF Region One Young Farmer Leadership Meeting—Cleveland, MS
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
July 17, 2009	MFBF Summer Rice Grower Meeting—Cleveland, MS
August 12, 2009	University of Arkansas Rice Field Day—Stuttgart, AR
August 19, 2009	Cache River Valley Seed Rice and Soybean Field Day—Cash, AR
September 16-19, 2009	12th European Rice Millers' Convention—Venice, Italy
October 27-29, 2009	World Rice Conference—Cebu, Philippines
January 11-13, 2010	13th Annual NCS Cotton & Rice Conference—Tunica, MS



2825 Wilcrest Drive, Suite 505
Houston, Texas 77042

Phone: 713-974-RICE
Fax: 713-974-7696
rice_advocate@usriceproducers.com
www.usriceproducers.com
www.riceromp.com

USDA Reports Next Week

Crop Progress	Monday, June 8, 4:00 pm
Weather-Crop Summary	Tuesday, May 9, 12:00 pm
World Agricultural Supply and Demand Estimates	Wednesday, June 10, 8:30 am
Crop Production	Wednesday, June 10, 8:30 am
Rice Outlook	Thursday, June 11, 4:00 pm
U.S. Export Sales	Thursday, June 11, 8:30 am

USRPA does not discriminate in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, or marital/family status. Persons with disabilities who require alternative means for communication of information (such as Braille, large print, sign language interpreter) should contact USRPA at 713-974-7423.