



The Rice Advocate

US Rice Producers Association

Volume 6, Issue 24

Friday, June 19, 2009



Bad News, Good News, Bad News for Farmers in Washington

Traditional farm and trade programs escaped unscathed (so far) in the annual appropriations process this week. This was good news from Washington for farmers this week.

Unfortunately, farmers and agriculture are both threatened by actions on several other fronts. These actions threaten to drive up input costs, impose new regulatory requirements and to force major, costly changes in farming practices.

The House appropriations committee marked up the FY 2010 agricultural appropriations bill Thursday. The US Rice Producers Association joined with dozens of other farm and export groups to successfully urge full funding of \$200 million for the Market Access Program. MAP is a key resource for USRPA, which matches farmer and industry funds with MAP funds from USDA to promote rice in Mexico, Central and South America, and to work to open other markets around the world. For more information on USRPA's MAP program, please read the article, "Mexico:

Kindergarten Coloring Contest" on page 3.

Additionally, USRPA fought with other groups to oppose amendments to open the 2008 farm bill or otherwise change the operation of the rice and other commodity programs. As we stated in a recent letter to Congress – the farm bill addresses the stability of our production base, makes major reforms in payment eligibility provisions, provides for risk management, stimulates development of renewable fuels, protects our important natural resources, and enhances nutrition and food assistance programs.

Unfortunately, not all of the news was good this week. Several other initiatives are moving through Congress that could adversely affect rice farmers. These initiatives are plowing through the legislative process, despite [Continued on Page 2]

Inside this issue:

- 3 Mexico: Kindergarten Coloring Contest
- 3 Guatemala: 8,090 People Trained in USRPA's Program to Increase Rice Consumption
- 4 13th Annual NCS Cotton & Rice Conference Adds New Dimension
- 4 Travis Satterfield Elected President of the Delta Council
- 5 General Market Update

Quality Samples Program a Success in Kazakhstan



Pictured: The Abzal Mill in Kazakhstan

Mills and consumers in Kyzylorda, Kazakhstan are very excited about U.S. medium grain rice from both milling and taste standpoints according to preliminary reports. Recently, the US Rice Producers Association in cooperation with the US Department of Agriculture's Quality Samples Program (QSP) shipped approximately 50 tons of "Jupiter" variety medium grain rice for consumer trials in Kazakhstan. Sourced from Arkansas, the rice promises to be a big hit in the country.

One of the key areas of interest was the milling yield of the U.S. rice. Eraliev Abzal Zhumashovich, director and owner of Abzal and Co., who received the rice, said, "Average milling output from our Russian variety 'Lider' is 57 percent while U.S. 'Jupiter' has averaged 71 percent. We are interested in buying U.S. rice." The mill also experienced very few brokens and no shattering of the rice, underlining the high quality of the U.S. product.

[Continued on Page 2]



In India it is said that the grains of rice should be like two brothers - close, but not stuck together.

News for Farmers in Washington—Continued from Page 1

opposition from many farm groups. They include:

Climate Change legislation – continues in negotiations between House Ag and Energy & Commerce Committees. The “Negotiator” Chairman Collin Peterson is championing the cause of agriculture by refusing to compromise the needs and livelihood of rural America in the face of urban “enviros.” He does not want to sacrifice Energy independence to get climate change legislation accomplished and holds an underlying distrust of the EPA having sole control of agricultural programs. Problems remain with the legislation: bill widely believed to impose huge increases in input costs on agriculture—estimates of up to \$150/acre increased costs for rice farmers. Widely touted opportunities for farmers to earn payments for “carbon offsets” have not yet materialized. In addition, for rice farmers, it is hard to believe that these payments will amount to much, if anything at all. House Ag Committee Republicans released a list and letters from 114 groups opposed to the Waxman-Markey Climate Change bill. This list includes American Farm Bureau Federation, Missouri Farm Bureau and the Texas Agricultural Cooperative Council.

Senate Environment & Public Works committee approved by a vote of 12-7 changes to the Clean Water Restoration Act to “restore and protect water quality” while expanding the Federal government’s authority over all inter- and intrastate water, virtually leaving no water in the U.S. unregulated. USRPA signed onto a letter sharing their opposition to certain terms in the legislation: “Our core concern lies at the heart of the bill, which removes the term “navigable” from the definition of waters of the U.S...It is a term that attempts to delineate under the Constitution the appropriate scope of federal jurisdiction,

including where [it] ends and where state and local jurisdiction begins.” Senator Max Baucus (D-MT) did offer a substitute amendment to the aid of agriculture, which was accepted by the committee; USRPA will monitor how producers will be protected. Action on the bill in the full Senate could be several months away.

Health Care Reform Threatens to Impose Federal Food Taxes – The estimates of the long-term cost of Health Care Reform legislation being considered by Congress range from \$1 to \$1.5 TRILLION. In an effort to show some spending restraint, Congress is attempting to offset these enormous new Federal costs. This is good news for future generations of Americans. Unfortunately, one of the truly bad ideas for such a budget “offset” is to impose a federal excise tax on food! Specifically, House Leaders working on Health Care Reform have suggested raising \$112 billion over 10 years by a tax of 10 cents per can on sweetened beverages. While this new tax is aimed at soda and chocolate milk, can taxes on other carbohydrates like rice be far behind?

This is certainly a silly season in Washington, when many bad ideas get traction in the midst of the chaos of too much activity with too little openness and public scrutiny. USRPA will continue to work to stop, slow, or at the very least moderate these bad, costly ideas. In the mean time, our suggestion is that we all spend some time on our knees this summer thanking the good Lord for the United States Senate, and praying that fair-minded Senators that are friends to agriculture, like Blanche Lincoln, Thad Cochran, Saxby Chambliss, and Kent Conrad can bring some sanity, or at least moderation, to any action on these issues in “The World’s Greatest Deliberative Body.” 🌱

Quality Samples Program—Continued from Page 1



Pictured: “Jupiter” variety U.S. medium grain rice milled in Kazakhstan through the USDA’s Quality Samples Program.

The rice industry in Kazakhstan is completely vertically integrated with companies growing, milling and marketing their rice. Unfortunately, for the country the total production area is down by over 12,000 hectares (~30,000 acres) from the historical average of 78,000 hectares (~192,000 acres). Average yields have also been declining, with current estimates at around 3.5-4.0 tons per hectare (3,100 – 3,500 pounds per acre). At these rates, Abzal and Company’s mill will run out of rice to process long before this year’s harvest is complete. It is this deficit USRPA hopes to fill with U.S. rice.

USRPA contractor Greg Yielding traveled to Kazakhstan to meet with mills and organize taste tests to follow up with the QSP program and provide evaluation data over the success of the project. Special thanks goes to Zhamal Zharmagambetova, agricultural specialist for USDA FAS in Astana, Kazakhstan for the help she gave USRPA in this marketing effort. 🌱

Mexico: Kindergarten Coloring Contest

To celebrate the US Rice Producers Association’s workshop programs, Claudia Andrade, the kindergarten principal of Frederik Skinner elementary school, organized a children’s coloring contest, calling for all students to color the provided book.

During the training session, children finished their coloring projects. The contest received more than 200 entries. Entries revealed how children felt about the workshops and even helped the institution to improve the quality of teaching and development.

Through the School Lunch Program, the response was positive due to the enthusiasm of the principal, who placed posters about the upcoming training session and reviewed the promotional material handed out by the leading trainee. Winners of the contest placed their drawings in a special exhibition inside the school to encourage children to improve on their coloring skills.

Parents attending the training session were pleased by the event and involvement of their children in developing new skills and learning more about rice. 🌱



Pictured: Children at Frederik Skinner elementary school coloring the rice activity book to enter in the contest.

Guatemala: 8,090 People Trained in USRPA’s Program to Increase Rice Consumption

The US Rice Producers Association sponsors the program Eat More Rice in Guatemala. The program incorporates activities such as promotion, direct marketing, publicity and special events that generate loyalty to the product and increases rice intake. The event has trained 8,090 housewives so far in 2009, equipping them with rice cooking techniques they can later implement in their homes.

The strategy used to increase consumption of rice in these events is to require the attendees to buy a pound of rice for admittance to the demonstration, which insures immediate purchase. The trainer also makes sure what has been learned is put into practiced in their daily lives.

Prior to the beginning of the first cooking course, a survey is taken to measure the amount of rice they consume weekly, and in the second, more advanced course, a second survey is taken to measure and compare how much consumption of rice has increased after the courses.

The cooking courses utilize rice recipes taught in a practical way by a Chef. During the event participants learn how to incorporate rice as a main dish and tips are given on how to make rice in nutritious and inexpensive ways. The main idea is to build consumer loyalty on the basis that rice is a nutritious, economical and practical addition to daily diets. 🌱

Month	Number of Cooking Courses	Number of People Reached	Number Reached through Indirect Impact	% Increase Consumption after Training Session	% Immediate Purchase after Training Session
February	39	1,025	4,100	16.42	5%
March	106	2,497	9,988	24.59	38%
April	82	2,089	8,356	24.16	33%
May	94	2,479	9,916	19.73	19%
Total	321	8,090	32,360		

13th Annual NCS Cotton & Rice Conference Adds New Dimension

A new agriculture professional organization has formed in the South. The Southern Field Crop Alliance (SFCA) was recently formed in response to the need to organize smaller professional meetings into one single gathering. The idea for the SFCA came about recently.

"Several entomologists were kicking around the idea at a regional entomology meeting in 2008. We were looking for an outlet to get information out to the stakeholders. Information applied in nature and all-inclusive from a commodity and discipline standpoint and which is unique to the Southern-belt due to the similarities this region shares," explained Dr. Angus Catchot, extension entomologist for Mississippi State University.

"The SFCA will represent Southern states from Texas to Virginia across all field crops and there will be a place for all stakeholders to participate," stated Catchot.

The Southern Field Crop Alliance will hold their first annual meeting in conjunction with the 13th Annual National Conservation Systems & Rice Conference (NCSCRC), Southern Corn & Soybean Conference and the Southern Precision Agriculture Conference. The conferences will be held in Tunica, Mississippi on January 12-14, 2010.

John LaRose, organizer of the NCSCRC agrees with the idea stating, "Our annual sponsors; Dwight Roberts, president & CEO of the US Rice Producers Association and Dr. Jeanne Reeves from Cotton Incorporated are very supportive and excited about the creation of SFCA and its affiliation with the NCSCRC."

"Anytime we have the opportunity to expand such an important conference to be more inclusive and beneficial to our farmers, crop consultants, academic research specialists and industry related representatives we will support it 100 percent because we believe this important event is easily the single most important conference of its kind for the rice farmer in addition to the other crops," stated Roberts.

For more information on SFCA, contact Dr. Angus Catchot at acatchot@entomology.msstate.edu or Dr. B. Rogers Leonard at rleonard@agcenter.lsu.edu. Details for the combined conferences can be viewed at www.mafg.net and details will be added as they become available. 🌱

Travis Satterfield Elected President of the Delta Council

Congratulations to Travis Satterfield, a rice farmer from Benoit, Miss., for his election as president of the Delta Council during their 74th Annual Meeting in Cleveland, Miss., on June 12.

Organized in 1935, the Delta Council is an area economic development organization representing the eighteen Delta and part-Delta counties of Northwest Mississippi. The Delta Council provides a medium through which the agricultural, business and professional leadership of the area can work together to solve common problems and promote development of the economy of the area. Arkansas Senator Blanche Lincoln gave the keynote address for this year's event. 🌱



Pictured above: Travis Satterfield, far right, with, pictured left to right, John Phillips, 2008-09 president, Senator Roger Wicker, Delta Council Executive Committee Chairman Bill Kennedy and Congressman Travis Childers.

Pictured left: Mike Wagner, a rice farmer from Sumner, Miss. receives the Outstanding Contribution to the Rice Industry Award during the 74th Annual Meeting of the Delta Council last week. The award was presented by Bill Kennedy, chairman of the Delta Council's Executive Committee. Wagner is a member of the Mississippi Rice Council, serves as an alternate on the US Rice Producers Association Board of Directors and has played an active role on USRPA's international committee.

Pictures courtesy of Frank Howell.



Volume 6, Issue 24

General Market Update

After last week's news, this week has been very mundane in the rice industry. Export sales fell off again, while cash prices have held stable and the futures market took a hit. Asian prices remain stagnant as well as the industry waits for something to set it off.

Weekly net sales, as reported by USDA totaled 22,900 MT for the week, an 81% decrease from last week's 117,700 MT. Sales increases were reported for Togo with 7,000 MT of long grain milled, Saudi Arabia with 2,800 MT of long grain milled, Australia with 2,100 MT of long grain milled, the United Kingdom with 2,100 MT of long grain milled, Mexico with 1,700 MT of mostly paddy, and Jordan with 1,500 MT of long grain milled. Vessel loadings were down by about 76% from last week's 90,100 MT at 22,000 MT for the week. Primary destinations were Mexico (5,700 MT of mostly paddy), Canada (3,700 MT of long grain milled), the United Kingdom (2,900 MT of long grain milled), Jordan (2,800 MT of long grain milled) and Saudi Arabia (2,000 MT of long grain milled).

There was no change in the USDA's World Market Price estimate for the week. Current price estimates by class are \$11.01 per hundredweight for long grain rough and \$11.05 per hundredweight for medium/short grain rough.

Cash prices have been mostly stable and unchanged for the week. Bids in Texas are reported at \$11.50 per hundredweight (\$5.00 premiums) with no trading reported. In Louisiana, remain at around \$11.50 per hundredweight as well (\$18.64 per barrel) with some light volume moving at this level. In the Delta, cash prices have slid a few cents down to around the \$12.50 per hundredweight (\$5.63 per bushel) level.

Asian prices have held steady over the past week as well. Thai 100%B is bid at \$575 per MT while Vietnamese 5% is bid at \$410 per MT, both fob vessel. Not much additional news has emerged from this area of the world following last week's announcements, thus the market has not made any significant moves as of yet. India could be a factor in the future, depending on the outcome of its monsoon rains, but right now, it is too early to tell.

The futures market seemed to hit a snag this week after last week's run up took a fall over the last several days. Monday saw the market open at \$12.85 per hundredweight in the nearby July '09 contract before falling by \$0.39 to close at \$12.46. Tuesday's action was much the same with a \$0.34 loss, while on Wednesday the market only fell by \$0.07 to close at \$12.24 per hundredweight. Thursday saw modest gains with a \$0.21 climb to \$12.505, but on Friday, the market decided to backtrack \$0.17 to close at \$12.39 for the week. Overall, there was a \$0.46 drop for the week but there are strong indicators that this was due to technical factors. The total range for the week was \$0.66 per hundredweight on an average daily volume of 836.6 contracts.

It was another very quiet week in the rice industry as there was very little movement in any major sector. The whole industry seems to be sitting on the verge of something, but we need some catalyst to set the gears in motion and make some business happen. In short, there is a lot of business to be done, but price movement will be necessary to get it done. Export sales slowed significantly this week, as the hand-to-mouth buying continues, but should pick back up again in a week or so following the same trends of the past several months. Cash prices are still on hold pending some major event to spark buying interest, whether that be a futures run or some significant offshore business. The crop in most areas that were successfully planted and not flooding are progressing well. In Asia, the market has made no significant moves yet. There is a lot of business, especially in the Middle East that may help to move prices in this region and provide a sounding board for the true underlying tone of the global marketplace. Futures slid this week, seemingly due to technical factors and fund selling. A pull back was not unexpected but we would like to see additional upward market moves in the next week or two to ensure that things are functioning correctly. Overall, we remain long term bullish for rice but suspect that the current stagnant situation may remain for the near future. 🌱

Chicago Rice Futures for the Week Ending June 12, 2009						
Closing Price	Jul-09	Sep-09	Nov-09	Jan-10	Mar-10	Open Int.
12-Jun	12.925	12.850	12.875	13.025	13.155	8,696
19-Jun	12.300	12.390	12.450	12.650	12.795	8,584
Weekly Change	-4.84%	-3.58%	-3.30%	-2.88%	-2.74%	-1.29%
5 Day Average Volume			836.6 ↓		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—Amelia Island, FL
June 22, 2009	Texas Agricultural Forum—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 9, 2009	MFBF Region One Young Farmer Leadership Meeting—Cleveland, MS
July 9, 2009	Beaumont Field Day—Beaumont, TX
July 10, 2009	First Annual Range, Water and Wildlife Workshop—Mentz, TX
July 13-14, 2009	USRPA Annual Summer Board Meeting—Tunica, MS
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
August 27, 2009	Missouri Rice Research Farm Field Day—Glennonville, MO
September 2, 2009	48th Annual Delta Center Field Day—Portageville, MO
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 22, 4:00 pm
Weather-Crop Summary	Tuesday, June 23, 12:00 pm
U.S. Export Sales	Thursday, June 25, 8:30 am