



The Rice Advocate

US Rice Producers Association

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US Rice Producers Association Elects New Officers

This week in Tunica, Miss., the US Rice Producers Association Board of Directors gathered for their annual summer board meeting, which was highlighted by the election of new officers for two-year terms. Effective August 1, 2009, Gary Murphy (Bernie, Mo.) will serve as the new chairman of the board while Ray Stoesser (Dayton, Texas) will be vice-chairman and Donald Gant (Merigold, Miss.) will assume the position of secretary/treasurer. The two days in Tunica allowed the board to discuss a wide range of issues currently impacting rice farmers with a look to the future and the challenges they will be facing.



Pictured (L-R): USRP's new officers as of Aug. 1 are Donald Gant, secretary/treasurer, Gary Murphy, chairman, and Ray Stoesser, vice chairman.

Gary Fioranelli, the current USRP chairman from Cleveland, Miss., welcomed the board members and guests with a particular recognition for the Louisiana Independent Rice Producers Association, new members participating for the first time in the meeting. Then, each individual state organization (Arkansas, California, Louisiana, Mississippi, Missouri and Texas) gave state reports that

updated the board on the status of their rice crops and issues related to current market conditions. The board then reviewed the association's financial reports for 2008-2009, discussed current banking procedures, talked about audits conducted during the recent fiscal year and unanimously approved a new budget proposal for 2009-2010. Following the financial update, Van McNeely, director of development and technical services from RiceTec's Business Center Services in Arkansas, gave an excellent overview of the company's seed development programs and answered questions.

After a coffee break, Fred Clark of Cornerstone Government Affairs in Washington, D.C., gave an overview of the legislative challenges on Capitol Hill including climate change legislation, Cuba trade policy, the Colombia Free Trade Agreement, WTO and trade issues, federal government budget related concerns and the efforts of adding a September 1 stock report by the USDA-NASS. Considerable time was spent discussing the U.S.-Colombia Free Trade Agreement and the attempt of the USRP since February 2007 to seek consensus among the major groups of the U.S. rice industry on the administration of the tariff rate quota for U.S. rice exports to Colombia. Despite a number of meetings (as recent as February 2009), which includes a six states producer meeting in Orlando, Fla., during the Rice Outlook Conference in 2007 that called for a review to seek consensus, little if any progress has been made to date. The board then discussed various [Continued on Page 2]

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For up to the minute news and information about the US Rice Producers Association, please visit our website, usriceproducers.com

Countries in the Far East have many rituals throughout the year, celebrating rice as the major dietary staple of the area. Indonesians revere the Rice Mother, or Dewi Sri, a Hindu deity. Dewi Sri is actually three distinct figures: the goddess who bore rice for the people; Me Posop, who protects the rice crops; and, finally, the harvested rice that appears as a woman. Many people in Indonesia place moistened uncooked rice on their temples in hopes of gaining the qualities of the Rice Mother. Others sprinkle rice around crops to ward off evil spirits.



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alternatives in moving forward. The meeting continued with an update of the USRP PAC, which has been an effective tool for the organization. Geoff Kneen from Bayer CropScience gave a report on the current rice breeding program, ending the meeting for the day.

Thanks to RiceTec's sponsorship, the USRPA Board of Directors and invited guests enjoyed dinner on the Tunica Queen Riverboat. The event was highlighted with a special thank you to Gary Fioranelli for his service to the board and to all rice farmers as chairman of the USRPA for the past two years.

The next day, the board meeting continued with a market update from Thomas Wynn followed by an international marketing activity report. An overview of the association's market development programs on a country-by-country basis allowed the board to ask specific questions about each promotional effort. Mexico, Central America, South America, Yemen and China received particular attention.

The board then took time to have a discussion on board policies, review the current by-laws and make suggestions to the improvement of the association's services with the objective to serve best the interests of all rice farmers. Particular discussion concerning a "conflict of interests" policy was conducted that would allow the board of directors to determine and define issues that might be detrimental to the interests of rice farmers. While no specific policy was adopted, plans were made to draft a statement that will be reviewed by the board later this year. The board also selected a committee with membership from each state to conduct a complete review of its by-laws and seek a legal opinion in order to update the by-laws properly, a common practice for non-profit or-



Pictured: Van McNeely, director of development and technical services at RiceTec, and Gary Fioranelli, chairman of the USRPA, enjoyed dinner sponsored by RiceTec aboard the Tunica Queen on Monday.

ganizations and an important activity in line with the goals and objectives of the USRPA in its representation of rice farmer interests. The board of directors also took a moment to accept the Louisiana Independent Rice Producers Association formally as a record for the minutes with the motion passing unanimously. With the addition of LIRPA, all six rice states have membership and representation in US Rice Producers Association.

After the announcement of the new board of directors for the next two years (2009-2011) and prior to adjourning, the entire group again thanked Gary Fioranelli for his service to the USRPA for the past two years.

China: US Medium Grain Rice Rates High with Consumers

Results are in from the latest promotions and surveys conducted in Shanghai supermarkets by USRPA under the Emerging Markets Program. As previously reported, final data showed 79% of Chinese surveyed said they liked



the taste of U.S. long grain rice and 78% said they would pay more for it. The latest surveys conducted were for the U.S. medium grain varieties Jupiter and Neptune.

- Jupiter: 86% liked the taste and 84% said they would pay more.
- Neptune: 80.95% liked the taste and 80.16% said they would pay more.

"These were the first U.S. medium grain consumer surveys conducted anywhere in China and we are certainly excited about the results," said Greg Yielding, the project manager.

The USRPA project targets high income Chinese consumers who look for quality and value. The USRPA has worked alongside the USDA's Animal and Plant Health Inspection Service and the Foreign Agricultural Service in Washington, D.C., and Beijing, China, to gain market access for U.S. rice.

General Market Update

Another week has passed and there is very little change to report. Sales are in keeping with their cycle and moving up, while the cash prices are mostly suppressed for lack of new business. Asian prices have made almost no moves, as the market seems to be waiting for more business as well. Futures has been brighter this week, and could easily continue to climb for another week or two.

The USDA export sales report pegged net sales for the week at 38,400 MT, a 67% increase from last week's 23,000 MT. Sales increases were reported for Haiti with 7,000 MT of paddy, Guatemala with 6,800 MT of paddy, El Salvador with 6,300 MT of long grain milled, Mexico with 4,800 MT of mostly paddy, Nicaragua with 3,000 MT of paddy, Honduras with 3,000 MT of long grain rough, and Canada with 2,400 MT of long grain milled. There was also a 4,300 MT sale of long grain milled to Ghana for delivery 2009/10. Vessel loadings were reported at 43,900 MT, a 61% decrease from last week's 111,600 MT. The primary destinations were Mexico (12,400 MT of mostly paddy), Haiti (7,000 MT of long grain milled), Honduras (5,500 MT of long grain rough), Canada (4,700 MT of long grain milled), and Saudi Arabia (4,200 MT of long grain milled).

There was no change in the USDA world market price estimate for the week. Current values remain at \$11.66 per hundredweight for long grain and \$11.70 for medium/short grain.

Very little has changed in the rough rice cash markets over the week. Bids in Texas are holding at around the \$11.00 - \$11.50 per hundredweight level (\$4.50 - \$5.00 premiums) with no trading reported. In Louisiana, bids are at around \$11.73 per hundredweight (62/70) (\$19.00 per barrel) on light trading. Prices in the Delta have moved to around \$12.78 per hundredweight (\$5.75 per bushel) with light trading in this area as well. After last week's heavy buying interest in the Delta, there is only a small amount of inventory still left in producer hands.

Asia has been quiet again this week with very little movement pricewise at all. Currently, Thai 100%B is bid at \$580 per MT while Vietnamese 5% is bid at \$400 per MT, both fob vessel. There has been little news of late from this region but this week, the Thai Government has suggested that it will liquidate some of its 6 million metric tons of intervention stocks because of high storage costs. This follows on the heels of an announcement several weeks ago that they would be boosting their stockpile to in excess of 9 million metric tons. The release of these

stocks could provide some bearish tendencies to the marketplace. Also in Asia, the Indian government is readdressing its position on the ban on non-basmati exports. Officials have indicated that the ban may be raised if there is sufficient monsoon rain to produce enough rice during the year.

In the futures market, there has been quite a bit of upward movement this week on the heels of last week's upward push. Monday saw the market open at \$12.755 per hundredweight in the nearby September '09 contract before climbing by \$0.305 to close at \$13.06 per hundredweight. Tuesday saw a gain of \$0.10 before a loss on Wednesday of \$0.215 to close at \$12.89 per hundredweight. Thursday's trading moved the market back over the \$13.00 mark to close at \$13.075, while Friday's action saw the market fall by \$0.125 to close at \$12.97 per hundredweight. The total range for the week was \$0.545 on an average daily volume of 465.4 contracts.

There has been very little movement in the rice market over the week both international or domestically. In keeping with their trends, export sales are moving back upwards and next week will probably see another increase as well. Vessel loadings are holding to a short lag behind the sales figures so they will probably reflect the same. Cash markets have become quieter as there is virtually no old crop left to trade, although buying interest has picked up a bit over the past week or two. Some early rice is beginning to be harvested in Louisiana and Texas, which represents the first rice of the year. As harvest gets into full swing, it will be interesting to see the cash pricing response. If prices remain somewhat solid, then it is likely indicative of an underlying supply problem that we have been estimating for some time now. If not then it would confirm the stable positions of the mills as they continue to look for new business. In Asia, there has been relatively no movement as there is very little rice to move. Politics in the region will play a larger part in the rice market during the year, and the ability of key nations to sell will help dictate price around the globe. Until the weather patterns in the region sort themselves out, it is anybody's guess as to what may happen there. Futures is continuing its upward march from the last few weeks, and looks even more as though we have reached a turning point in the industry. If this rise can be maintained, then it could well translate into higher cash prices as growers move into harvest time. Global fundamentals are unchanged and we see no reason why there should not be a strong market for rice in the next marketing year. 🌾

The US Rice Producers Association, representing rice producers in Arkansas, California, Louisiana, Mississippi, Missouri and Texas, is the only national rice producers organization comprised by producers, elected by producers and representing producers in all six rice producing states.

Chicago Rice Futures for the Week Ending July 17, 2009						
Closing Price	Sep-09	Nov-09	Jan-10	Mar-10	May-10	Open Int.
10-Jul	13.020	13.070	13.205	13.395	13.595	8,044
17-Jul	12.970	13.110	13.250	13.445	13.610	8,169
Weekly Change	-0.38%	0.31%	0.34%	0.37%	0.11%	1.55%
Average Daily Volume			465.4 ↓		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

August 11, 2009	HorizonAg Field Day—Missouri Bootheel
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



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USDA Reports Next Week

Crop Progress	Monday, July 20, 4:00 pm
Weather-Crop Summary	Tuesday, July 21, 12:00 pm
U.S. Export Sales	Thursday, July 23, 8:30 am

All USDA reports are available by visiting http://www.usda.gov/wps/portal/?navid=AGENCY_REPORTS=RT.