



# The Rice Advocate

US Rice Producers Association

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## Late Rice Harvest in Critical Stage in Arkansas, Missouri Average

Rain continues to fall in Arkansas today, moving north-easterly across the east half of the state up from the Gulf of Mexico. The rain takes a path familiar to Mississippi rice producers skirting up the west side of the Mississippi River, which acts as a wall to weather systems. Most of the time Mississippi farmers look forward to and need the rain. Tonight they are grateful for a break courtesy of 'Ole Man River'. On the other side of the river conditions continue to worsen.



After surveying a couple of hundred miles of rice crop and talking to many farmers and dealers across the state, the consensus is the rice crop in Arkansas has two major problems: Lateness of plantings (caused by spring rains) and too much rain at harvest time.

It is estimated 30 percent of the crop was planted in late May into June. This rice remains further delayed on account of cool summer temperatures and above average seasonal rainfall. Cloudy, wet, and cooler than normal temperatures mean delayed development. This is also the right mix for diseases such as blast, which has infected many fields in the state.

North of I-40 (1 million acres of rice) and quite a bit below it, the harvest is three to four weeks late. A rice



Pictured: Late planted rice in Missouri. It is three weeks out if they receive good weather. Some lodging and shattering has happened in Missouri, but it is not as severe as in Arkansas.

plant that is not fully developed today will not make it to full maturity due to this week's cloudy wet weather and next week's forecasted lows in the 50-degree range. The season's lower temperatures have hampered the crop development from a production and quality standpoint, and they are also likely to bring somewhat poorer milling quality than normal.

While there are some good stories, yields have been all over the board so far—good and bad. For those growers with rice ready to be harvested, excessive rainfall in the past few weeks has prevented them from entering the field.

Lodging (or downed) rice is also a problem throughout the rice growing area. Rain has occurred everywhere in the growing area; Jupiter and Clearfield 151 have had more problems than other varieties. Francis has had some problems, too. There are reports of sprouting and mold on downed rice, which may be an issue also later in the year.

To date, harvest is estimated at 18-20 percent complete and remains pending until the rain stops although some have taken the drastic measure of harvesting in light rain. This practice is a tough call, but with lodging occur-

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Pictured: Lodged and shattered rice in Arkansas.

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ring, some think it is better to do something rather than nothing. Either way, rice yield will suffer. Shattering has occurred due to excessive rain and to harvesting of lodged rice. Many producers have added expense of an air application of sodium chloride (salt) to wet fields in order to speed the drying process. They must wait three or four days before harvesting after application; so, today and tomorrow are their best bet for success.

Taking all these factors into consideration, the Arkansas statewide average for rice yields that are estimated at 150 bushel (6,900 pounds per acre) range will drop to 140-141 bushels (6,440 pounds per acre).

One Stuttgart, Ark., producer said, "The rice crop is certainly getting smaller not larger." With this weather, the 2009 crop shrinks daily.

Missouri had two to three weeks more of good weather this season compared to Arkansas. While still planting a little late, better weather has allowed the crop to mature faster than in Arkansas.

Some lodging and shattering has happened, but it is not as severe as in Arkansas. Harvest is estimated at 18 to 20 percent complete. There is still a "wait and see" attitude on the late rice because it comprises 24 to 25 percent of the Missouri crop. The consensus is that state average yields will be around 145 bushels per acre.

On another note, one Mississippi producer says the long grain semi-dwarf variety called Bowman by Mississippi State University yielded as well as CL151 and withstood the rains with great lodging tolerance.



### Missouri

Although some think of the Missouri Bootheel as an extension of Arkansas as far as rice is concerned, weather conditions have been quite different there. Mis-

The latest Texas Rice Crop Survey reports (updated through Friday, September 25, 2009) are available through the Beaumont Center web site at: <http://beaumont.tamu.edu/CropSurvey/>

## USRPA, Ag Community Calls for New WTO Panel on Export Credit Guarantees

This week USRPA joined with 34 groups in a letter to the U.S. Trade Representative (USTR) asking the government to request a new compliance panel to update the World Trade Organization (WTO) ruling on GSM-102, USDA's export credit guarantee program. As reflected in the pie chart, since 2007 the GSM program has financed exports of more than \$7 billion worth of U.S. agricultural products, including over \$277 million of U.S. rice. The call for a new WTO compliance panel has garnered tremendous support from throughout the agricultural community. To read the letter, please visit [http://usriceproducers.com/files/198\\_WTO-GSMletter.pdf](http://usriceproducers.com/files/198_WTO-GSMletter.pdf).

The recent WTO ruling on GSM-102 – the sole remaining export credit guarantee program after the 2008 Farm Bill – needs to be updated because it does not reflect the significant changes made to the GSM-102 program since 2005. The WTO decision, basing its ruling on the GSM-102 Program as it was four years ago, could potentially harm U.S. agriculture. Under the WTO panel's ruling, Brazil is entitled to place tariffs or other import duties on U.S. exports to Brazil on the grounds the export credit guarantee program is a subsidy.

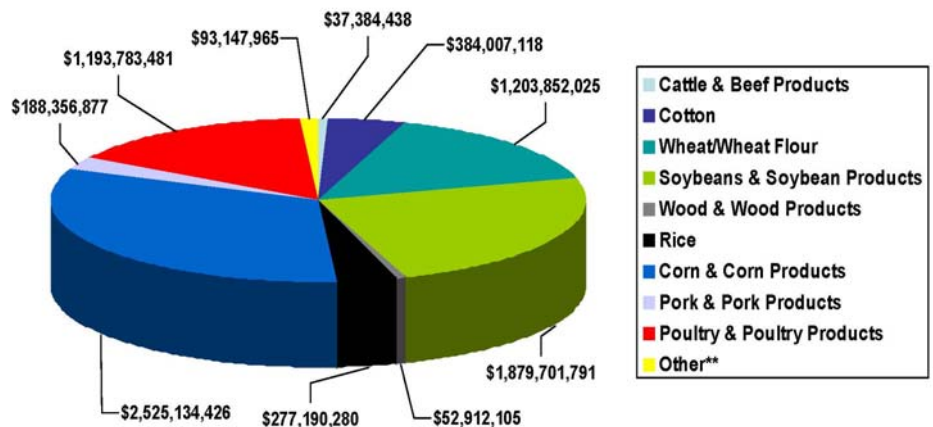
The 2008 Farm Bill revamped the three-tier export credit guaran-

tee program to be what it is today: one program (GSM-102) which operates at no net cost to the government. This ensures it is not a subsidy and complies with WTO obligations.

"The panel's decision to award Brazil retaliatory authority in amounts based on the future use of a program that is now compliant with WTO rules makes no sense," states the letter to USTR. "The [WTO] panel's decision

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GSM-102 Exports by Product Type, 2007-2009\*  
Total \$7.84 billion



\*To date

\*\*Other includes butter, grain sorghum, lambskins/sheepskins, lyocell, linerboard, dry peas, pulses, and tallow.

Compiled from USDA reports



## USRPA, Ag Community Calls for New WTO Panel—Continued from Page 2

seems to punish the U.S. for its compliance efforts.”

USDA and USTR have communicated with the WTO on the modifications to the export credit guarantee program and its compliance with world trade negotiations. Despite our government’s efforts, the WTO compliance panel was not permitted to consider the current GSM-102 program, and instead, the panel made a decision based on a former version of the program.

Not only did the WTO panel base its decision on a different version of our export credit program, but it also failed to consider the benefit accruing to Brazilian banks as a result of their participation in the program. In fact, Brazil has been the largest user of the GSM-102 program

with loans more than \$5.4 billion since 2002 and \$1.1 billion in fiscal year 2008-2009 alone. Brazilian banks now turn to the GSM-102 program as a source of vital trade finance liquidity.

“We believe that a new WTO compliance panel, authorized to fully consider all the information relevant to the case, is the best way to ensure a fair outcome for all sides,” the letter closes.

USRPA, through continued participation in the Export Credit Working Group, has in the past, is now and in the future will be working to protect the export credit guarantee program that facilitates the financing of rice and other agriculture exports.



## USRPA Supports USDA’s Office of Pest Management Policy

USRPA joined 34 other agricultural interest organizations in writing USDA Secretary Tom Vilsack to advocate for funding for USDA’s Office of Pest Management Policy (OPMP) and the appointment of a Special Assistant to the Secretary for Pest Management Policy.

OPMP was established in 1998 and was recently re-authorized in the 2008 Farm Bill. The office has served as a key liaison between agricultural producers, USDA and regulatory agencies such as the Environmental Protection Agency. The office also helps to fund and coordinate important research, risk assessments and promotion of integrated pest management. The past Director of the office retired at the beginning of the year and the groups are encouraging Secretary Vilsack to promptly fill the position.

To read the entire letter, please visit [http://usriceproducers.com/files/199\\_OPMP%20Letter%2009-24-09.pdf](http://usriceproducers.com/files/199_OPMP%20Letter%2009-24-09.pdf).



Pictured: From left to right, Bill Bomershiem, Karen Miles, Meyra Mendoza-Reeder and Marcela Garcia in the lobby of the portals building last week. Mendoza-Reeder works as USRPA’s marketing specialist at FAS.

## Mercosur Receives Rain: Is Too Little Too Late for Rice Crop?

As the Mercosur (Argentina, Brazil, Paraguay and Uruguay) rice planting season moves into full swing, the topic of conversation is mostly about water. The result of a prolonged severe drought has lowered water levels in reservoirs throughout the region, and although there have been good rains in some parts of the rice growing areas, it appears there will be a 15 to 20 percent reduction in acreage in general. Reservoirs in Uruguay are currently at 30 percent of their capacity according to Mario Predegon, vice-president of the Artigas Region for the Rice Producers Association of Uruguay (ACA). The low capacity could result in a 20 percent reduction in the area.

ACA reports planting rice beyond mid-November results in low yields. As of this week, Rice planting in Paraguay is about 45 percent completed due to interruptions by isolated showers followed by some low temperatures. However, this cooler weather is expected to be the last wave of the winter season. Paraguay is expected to

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Pictured: From left to right, Martin Meichtry, Gerardo Petruk and Dwight Roberts at the USRPA office last week. Meichtry and Petruk are visiting the U.S. from Argentina to learn about the U.S. rice industry.

## Mercosur Receives Rain—Continued from Page 3

increase production this year to about 155,000 acres producing more than 300,000 tons of milled rice. According to most estimates, Brazil—with its on water shortage in the principal growing region of Rio Grande do Sul—is looking at 8.595 million tons of production, Argentina is currently looking at 780,000 tons, and Uruguay is attempting to reach 800,000 tons. Something has to change, and it makes for an interesting scenario with Brazilian exports now more than 450,000 tons, Argentine exports reaching 500,000 tons per year, and Uruguay

expected to approach 800,000 tons according to the Economic Research Service of the USDA.

In order to get even more confused, add the factor that “weather experts” are saying as a result of the El Nino weather, heavy rains and possible flooding will cause lower yields. So there you have it, a 15 percent or 20 percent reduction in the Mercosur region due to either lack of water or because of too much rain. The final result will dictate an important aspect of the 2010 market. Stay tuned: [www.elnino.noaa.gov](http://www.elnino.noaa.gov).

## Donald Gant Named 2009 Mississippi Farmer of the Year

Family farming is important for Donald Gant of Merigold, Miss. Over the course of his 39-year career, he started with 300 acres of rented land in the Mississippi Delta and built his operation into an impressive 6,192 acres devoted primarily to row crops.

His operation today includes 2,127 acres of rented land and 4,065 acres of owned land.

He has developed a strong record for overall production and yields, with 1,000 acres of rice yielding 182 bushels per acre, 960 acres of corn yielding 170 bushels per acre, 3,200 acres of soybeans yielding 41 bushels per acre, and 1,122 acres of wheat yielding 74 bushels per acre. He also owns and maintains 320 acres of forested land.

Because of his accomplishments as an outstanding row crop farmer, Gant has been selected as the 2009 Mississippi winner of the Swisher Sweets/Sunbelt Expo Southeastern Farmer of the Year award. Gant now joins nine other state winners from the Southeast as finalists for the award.

“I was raised on an 80-acre farm,” he recalls. “There, we grew cotton, soybeans, corn, hogs and chickens. We didn’t have much money but we had a great family life.” After high school, he worked at an elevator, joined the National Guard and then went to college. He graduated from Delta State University with an accounting degree in 1970.

About the same time, his dad lost a lease to the land he farmed, but was offered another lease on 300 acres of cropland. “My dad asked me to farm with him, so I did, and I’ve been farming and expanding ever since,” says Gant.

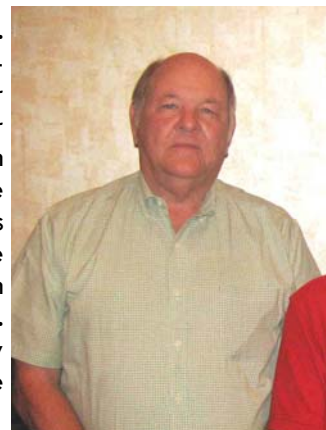
Joe Street, associate director of the Mississippi State University Extension Service, is the state coordinator for

the Farmer of the Year award. Laura Giaccaglia, interim Extension director in Bolivar County, nominated Gant for the award. She admires him for including his family in the farm operation. “The Gants are involved in 4-H, they’re good farmers and he is a man of good character,” she says. “He is active in commodity organizations and is a reliable volunteer.”

A current vice-president of Mississippi Farm Bureau, he has also chaired its Rice Committee. He is a member of Mississippi’s Soybean Association and Certified Seed Association. He also serves on land use and agricultural communications committees. He has advised state officials on water issues and he chairs the Mississippi Rice Promotion Board.

He serves as the secretary/treasurer of the US Rice Producers Association Board of Directors. He is also a member of the American Soybean Association and the National Corn Growers Association. He won an environmental stewardship award from Delta Farmers Advocating Resource Management (FARM), and the Delta Council recognized his contributions to the rice industry.

A distinguished panel of judges visited Gant’s farm, along with the farms of the other nine state finalists, during the week of Aug. 10-14. The overall winner will be announced on Tuesday, Oct. 20 at the Sunbelt Ag Expo farm show in Moultrie, Ga. To read more, please visit <http://www.sunbeltexpo.com/d/foy/msfoy.pdf>.



Pictured: Donald Gant

## Notice: Mexico Enforces Phytosanitary Certificate Requirements

As of October 1, 2009, Mexico’s national plant protection organization (SENASICA) will start strict enforcement of its requirement that an original APHIS phytosanitary certificate be presented before they will clear grain and oilseed consignments for entry into Mexico. To read a copy of the most recent notice, please visit the following link:

[http://usriceproducers.com/files/197\\_2009-9-22%20CERTIFICACION%20FITOSANITARIA%20REQUERIDA%20POR%20MEXICO.pdf](http://usriceproducers.com/files/197_2009-9-22%20CERTIFICACION%20FITOSANITARIA%20REQUERIDA%20POR%20MEXICO.pdf)

## General Market Update

Plainly put, it has been yet another quiet week in rice. Again, nothing significant has changed over the course of the week although pricing has moved downward ever so slightly in most markets.

Export sales showed an increase of 34% to 61,200 MT for the week, while vessel loadings were off by about 22% at 31,500 MT. The cycle continues and these sales can be expected to show up on the loading slips in the next week or two. Cash pricing across the rice belt remains in the \$11.60 (Louisiana 55/70) to \$12.50 (Texas and Delta) per hundredweight range, with very limited trading reported. Most of the trades are resulting from cash flow and storage problems, and most producers are sitting tight for a stronger market. Weather in the upper delta region continues to deteriorate causing major concerns about the size and quality of the bulk of the U.S. 2009 crop. Harvest is progressing at a very slow rate due to these factors, and is behind schedule.

Asian prices are holding sideways as well with benchmark Thai 100%B priced at \$535 per MT. Vietnamese traders continue to search for new business, maintaining their \$100 per MT price deficiency as compared to the Thai's price. As has been the case in the U.S., Asian traders are suffering from a severe lack of business as well.

The futures market continues to fall in spite of the fundamental troubles afflicting the primary rice growing areas in the U.S. This week, the nearby November contract opened at \$13.50 per hundredweight to slide by \$0.04 on Monday, \$0.17 on Tuesday, \$0.03 on Wednesday, \$0.15 on Thursday and \$0.015 on Friday to end the week at \$13.085 per hundredweight. The trading range over the week was \$0.70 on an average daily volume of 925.0 contracts, resulting in a net loss of \$0.415 per hundredweight since Monday.

Generally, bearish performance has been the market trend over the past several weeks in light of the bullish news pounding at the door. This tendency to ignore the fundamentals only goes to demonstrate more market recovery is in order before we are able to resume business. Primary factors in the market right now are the floundering U.S. crop (mentioned above) and the ongoing attempts to stimulate economic recovery, which is affecting the export value of the crop. For now, the short-term prognosis is grim (with falling prices and demand shortages) until overseas business can be attracted, at which point things should begin to look more promising.

Chicago Rice Futures for the Week Ending September 25, 2009						
Closing Price	Nov-09	Jan-10	Mar-10	May-10	Jul-10	Open Int.
18-Sep	13.465	13.705	13.945	14.195	14.425	10,795
25-Sep	13.085	13.340	13.590	13.835	14.075	11,128
<b>Weekly Change</b>	<b>-2.82%</b>	<b>-2.66%</b>	<b>-2.55%</b>	<b>-2.54%</b>	<b>-2.43%</b>	<b>3.08%</b>
<b>Average Daily Volume</b>			<b>925.0</b> ↑		Source: Chicago Board of Trade	



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### Upcoming Events

October 8-10, 2009	World Rice Commerce 2009—Nusa Dua, Bali, Indonesia
October 15, 2009	19th Annual Ag Producers' Luncheon—Bay City, TX
October 21, 2009	Texas Rice Council Board of Directors Meeting—Houston, TX
October 27-29, 2009	World Rice Conference—Cebu, Philippines
November 2-7, 2009	27th Annual Havana International Fair 2009—Havana, Cuba
December 9-11, 2009	2009 USA Rice Outlook Conference—New Orleans, LA
January 7-9, 2010	Missouri Governor's Conference on Agriculture—St. Louis, MO
January 11-13, 2010	13th Annual NCS Cotton & Rice Conference—Tunica, MS

### USDA Reports Next Week

Crop Progress	Monday, Sept 28, 4:00 pm
Weather-Crop Summary	Tuesday, Sept 29, 12:00 pm
U.S. Export Sales	Thursday, Oct 1, 8:30 am

All USDA reports are available by visiting [http://www.usda.gov/wps/portal/?navid=AGENCY\\_REPORTS=RT](http://www.usda.gov/wps/portal/?navid=AGENCY_REPORTS=RT).

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