



The Rice Advocate

US Rice Producers Association

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Weather Developments + Rice Harvest—Current Stocks = ?\$?#?#?

We learned a lot during 2008 in what was called the “World Food Crisis” or the “World Rice Crisis” but more than anything we learned that rice is more political than we ever realized. Can you imagine President Obama being ousted from office because of high consumer prices in the U.S. for rice? Headlines: Consumers in Los Angeles, Dallas, Chicago and Pittsburg are rioting over the price of rice! Wishful thinking. Never has the need for transparent statistical information from any country’s government been more important yet here we are faced with trying to convince the marketplace and make it aware of a number of issues for trading decisions. How can it be that the USDA has not adjusted its numbers on India in over two months despite the fact that the rest of the world knows the country has suffered damaging weather and admits production is down millions of tons of rice? Maybe that is too far away so a little closer to home is the Mercosur area of South America where lack of rainfall is putting a limit on the acres currently being planted. So then we can look closer to home and see that only 60 percent of Arkansas’ rice (1.48 million acres) has been harvested to date and according to the Arkansas Extension Service, the yield is expected to drop off as the harvest continues thanks to “lodging” that has become a significant problem and requires three times the diesel and labor to cut. And yes there is more rain in the forecast in the days ahead. Call it what you want but the effects of *El Nino* are apparently real and there will be more significant weather developments in the growing areas of rice around the world. Which brings us to this week’s market update: 🌿

General Market Update

The market remains mostly quiet this week, although there seem to be some stronger undertones out there. Export sales and vessel loadings were both up significantly this week, showing some stronger purchases from overseas buyers. If this becomes a trend over the next several weeks (i.e. breaking the mundane buying cycle we've been seeing over the past few months), then we may have this translate into much stronger cash prices. Looking at the cash market, prices still remain in the \$11.50 - \$12.50 per hundredweight range in most areas, although in Louisiana, prices seem to be consolidating to the \$11.75 - \$12.30 per hundredweight range (55/70). The Delta has been trading a bit higher (\$12.75 - \$13.25 per hundredweight) on a stronger futures market and continued crop concerns. This region has been plagued by poor weather throughout the growing season, and the continued rains put the final harvest in question. In the Asian markets, prices have again begun to consolidate but the spread in that region between benchmark Thai 100%B and Vietnamese 5% remains over \$100 per MT. Thai 100%B is quoted for the week at \$520 per MT. The futures market this week has been on quite a ride. Monday saw the market open up at \$13.395 before climbing \$0.40 to close at \$13.795. Tuesday saw the market move up by \$0.11 to \$13.90 and Wednesday saw similar gains, with the market moving up by \$0.15 to close at \$14.04 per hundredweight. Having broken the psychological barrier of \$14.00, the bulls lost control of the market as seen on Thursday's trading with a \$0.23 slide to \$13.795. Friday was again much of the same with a \$0.145 decline to \$13.655 per hundredweight. The volatility seems to be coming back to the market, as the weekly trading range was \$0.895, but the net increase over the week was only \$0.26 per hundredweight. Looking forward, it is very possible that we may be at the beginning of the end of the stagnant market we have been experiencing thus far in 2009. It is a bit too early to call this a full turnaround, but things definitely seem to be looking up. We stand behind our earlier expectations of a stronger rice market later in the year and also through the first portion of 2010.

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USRPA Travels to Colombia

Last week USRPA staff member Marcela Garcia and Brad Rudkin from The Rice Trader were in Colombia meeting with the Colombian rice industries. They met with Luis Fernando Forero the Executive Director of InduArroz (milling organization), to discuss USRPA's Colombian promotional program and they informed us that they are willing to participate 100 percent with the project. Program strategy was the focus of the discussion. They also had the opportunity to meet with Nestor Gutierrez Aleman, Director of Fedearroz (producers organization) to discuss the current rice market conditions and to gather support for next year's Rice Americas 2010 conference that is scheduled to take place in Cartagena. USRPA staff also met with Todd Drennan, Agricultural Counselor in Colombia to discuss the Colombian Community Kitchen & School Nutrition Program. Discussion centered on the CSDI (Colombian Spatial Data Infrastructure) and the governments strategies to improve their communities. Pictured to the right, Left to right is Sandra Sierra, Brad Rudkin, Luis Forero and Marcela Garcia at the offices of InduArroz.



In Colombia from left to right is Sandra Sierra, Brad Rudkin from The Rice Trader, Luis Forero, and Marcela Garcia from USRPA at the offices of InduArroz.

New Executive Director of Central American Rice Federation

New Executive Director of [Central American Rice Federation](#)

Alejandra Echevarria Valenzuela has been selected as the new Executive Director of [the Federacion Centro Americano del Arroz \(FECARROZ\)](#). Echevarria has a law degree from the University Francisco Marroquin and masters in international business from the University of Pompeu Fabra. She has been the executive director of the Federation of Chambers of Commerce of Istmo Central America (FECAMCO). Echevarria has also been a project coordinator for the Guatemalan Exporters Association, AGEXPORT. USRPA would like to take this opportunity to congratulate Alejandra on her new position and we look forward to working with her in the future.



13th Annual National Conservation Systems Cotton & Rice Conference

Farmers, researchers and related industry should mark their calendars for January 12-14, 2010 in order to make plans to attend the 13th Annual National Conservation Systems Cotton & Rice Conference that will take place at Harrah's Convention Center in Tunica, Mississippi. Once again, the US Rice Producers Association is proud to join forces with Mid-America Farm Publications and Cotton Incorporated to sponsor what has become the largest conference of its kind for rice farmers. New this year, the Southern Field Crop Alliance will be holding their first conference in conjunction and participants will have the advantage of both events for the same registration fee. Designed to help farmers lower production costs and increase profits, this year's program is expected to be better than ever thanks to the involvement of the leading research and production experts. Stay tuned for more information and make plans to attend. For more detailed information and news releases on the event go to www.mafg.net

Intergovernmental Group on Rice to meet in Santiago, Chile

The meeting of the Intergovernmental Group (IGG) on Rice, which will be held jointly with the IGG on Grains and the IGG on Oilseeds, will take place in Santiago (Chile) from 4 to 5 November 2009.

(http://www.fao.org/es/ESC/en/15/120/132/events_584.html)

Only persons designated by governments as part of their country's delegation are allowed to attend the formal IGG discussions, which are to cover, for each of the commodity groups, the short term market situation and prospects, the medium term projections, a review of policy developments and the status of commodity specific projects financed by the Common Fund for Commodities.

However, the private sector is welcome to participate in a panel discussion aimed at clarifying the roles that various factors, from futures markets to biofuels, have played in the 2008 price surge. A panel will also deal with Climate Change and the strategies that agricultural producers and governments can instigate to cope with it. Individuals are also invited to attend, on 6 November 2009, a symposium organized by the Government of Chile on Value Chains for Oilseeds, Oils and Fats, Grains and Rice.

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.



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Upcoming Events

October 27-29, 2009	World Rice Conference—Cebu, Philippines
November 19, 2009	Mississippi Rice Council Meeting
January 11-13, 2010	13th Annual NCS Cotton & Rice Conference—Tunica, MS
January 20, 2010	Western Rice Belt Conference, El Campo, Texas
February 22-25, 2010	Rice Technical Working Group, Biloxi, Mississippi



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