



The Rice Advocate

US Rice Producers Association

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Important India Delegation Visits Texas Rice Industry

High ranking officials from the Government of India along with representatives of India's private sector visited Texas this week with an interest in U.S. rice (and wheat) drying & storage systems, grading standards and the warehouse receipt system in the United States. The delegation's trip was a coordinated effort of the USDA's Foreign Agricultural Service and the Texas A&M Norman E. Borlaug Institute for International Agriculture and included visits to Washington D.C., Texas A&M in College Station, the Texas rice producing area, Cargill wheat storage and shipping facilities at the Port of Houston before taking off for a visit to the Chicago Board of Trade. The delegation returns to India on November 7th. Do to the news around the world of India's current shortage and the indications to become a major rice importer, the US Rice Producers Association appreciated the opportunity to arrange a day long

schedule for the group ending with a special dinner that evening.

The delegation was led by Madam Alka Sirohi, Secretary for the Department of Food and Public Distribution at the Ministry of Consumer Affairs, Food and Public Distribution for the Government of India. The Department of Food & Public Distribution is concerned with the formulation of policies concerning India's foodgrains sector procurement, storage, movement and distribution. The Department implements the scheme of minimum support price to the producers of wheat, paddy rice and coarse grains and the distribution of food grains from the central pool. A close watch is kept on the stock and price levels of foodgrains and efforts are made to ensure their adequate availability at reasonable prices in different parts of the country. Among the main functions of the Department of

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General Market Update

The rice market this week was abound with news, generally positive for rice farmers. The biggest tidbits were the movement of India into the rice import market, which is a major psychological factor at the very least, and the announce of the Philippines intention to import more rice as well. Coupled with the failing crop in the Delta, the price fundamentals are monumental. Looking overseas, the export sales report showed a decrease this week. The overseas buying should pick back up after the global supply estimates become more clear. In the local cash markets, bids are mostly unchanged at around the \$12.50 per hundredweight range, although if the continued futures rally maintains itself higher prices could materialize in the next week or two. Offshore, Asian prices have firmed up slightly with the benchmark Thai 100%B quoted for the week at \$540 per MT and Vietnamese 5% about \$100 per MT lower. In the futures market this week, we saw the

January 2010 contract open at \$14.65 per hundredweight on Monday before trading up by \$0.40 to close at \$15.05. Tuesday say \$0.065 per hundredweight gains, while on Wednesday the market again moved up by \$0.185 per hundredweight to close at \$15.22 per hundredweight. Thursday's market traded up by a half of a penny, while Friday saw gains of \$0.045 to close at \$15.155 per hundredweight for the week. The total trading range for the week was \$0.505 per hundredweight with the net increase for the week also at \$0.505 per hundredweight. We look to see this market begin to break out of its slump in the near future and for cash prices to begin to respond shortly after overseas demand. With the supply situation as tight as it is, growers can expect much more favorable prices as the year progresses. 🌱

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Food and Public Distribution are the implementation of national policies relating to procurement including rice, formulation of national policies relating to export and import of foodgrains, administration of food subsidies relating to rice, wheat and coarse grains and other responsibilities concerning pricing and storage.

The group enjoyed a visit to the Gertson Farms near Lissie, Texas where they took a serious look and asked many questions about all aspects of modern rice farming in the United States. A visit to Prairie Rice Dryer & Storage included a grading demonstration, discussion of warehouse receipt system, how farmers market their rice and a number of related issues. The delegation then traveled to Rice Tec in Alvin, Texas and were given an overview of the com-



India team gets a close look at the Texas ratoon crop, picture left to right are B.B. Pattanaik, Ronald Gertson, Dr. Mike McWhorter, Sandeep Sabharwal, Anjani Sinha, Aditya Bafna, Ramesh Agarwal and with rice in hand is Madam Secretary Alka Sirohi.

pany's hybrid program and tour of the facilities. That evening the group attended a special dinner hosted by the US Rice Producers Association in their honor.

In addition to Madam Alka Sirohi the delegation also included Naveen Prakash (Joint Secretary for the Department of Food & Public Distribution), B.B. Pattanaik (Managing Director, Central Warehousing Corporation), Anjani Sinha (Managing Director & CEO, National Spot Exchange Limited), Ramesh Agarwal (Chairman, DRS-NSW Agarwal Packers & Movers), Sandeep Sabharwal (Managing Partner, Sohan Lal & Company), Aditya Bafna (Executive Director, Shree Shubham Logistics Ltd.), and S. Baskar Reddy (Head of Agriculture, Federation of Indian Chambers of Commerce & Industry).

Currently it's impossible to take a look at the world rice market without reading news about India. At last week's World Rice Conference in Cebu, Philippines the situation of a rice shortage in India due to drought was the center of every conversation. While India will probably use its large rice reserves to manage the shortage, the Indian government has apparently begun purchasing rice for import sooner than most expected. The GOI will take bids for 30,000 metric tons of 25% milled rice next week. Most sources estimate import purchases will begin in March or later. Estimates for imports during 2010 of 3 million metric tons are coming from many sources. Much of the imported rice is reportedly destined for the country's poverty stricken 65 million families that will probably require the GOI to subsidize the price to them. 🌾

USRPA Working to Increase Rice Consumption in Central America

USDA/FAS representative for rice Meyra Mendoza Reeder and USRPA International Programs Manager Marcela Garcia are in Central America this week observing promotional programs and meeting with industry representatives.

Garcia first observed programs in Nicaragua and met with representatives of ProArroz and ANAR, the rice milling and rice producers associations of Nicaragua, including Roger Zamorro of AgriCorp rice mill, the largest mill in Nicaragua. Garcia was then joined by Reeder in El Salvador and Guatemala.

In El Salvador, Reeder and Garcia observed the USA Rice, Beans & Soy School Program, a cooperative program of US associations for those products. They also met with the Board of Directors of ASALBAR, the Salvadoran rice association.

In Guatemala, they visited promotions of the USRPA's School Nutrition Program, as well as, consumer promotions at a supermarket and at a common market. A meeting was held at Alcsa rice mill where Reeder and Garcia participated in discussions of the Guatemalan rice market and promotions. They heard com

USRPA Working to Increase Rice Consumption in Central America—Continued

comments from representatives of the mill and AR-ROZGUA, the Guatemalan rice association as to the importance of this market to the US rice industry and how these programs are important to increasing rice consumption, and thus US rice imports.

In all three countries, the rice industries have expressed the importance of these programs to the market and they have pledged increased support and cooperation. 🌿



Mrs. Mendoza Reeder (FAS) and Marcela Garcia (USRPA)



Meyra Mendoza Reeder (FAS)

Farm Service Agency Urges Farmers & Ranchers to Vote In County Elections

WASHINGTON, Nov. 5, 2009 - Farm Service Agency (FSA) Administrator Jonathan Coppess said today that the 2009 FSA county committee elections will begin tomorrow, Nov. 6, with USDA mailing ballots to eligible voters. The deadline to return the ballots to local FSA offices is Dec. 7, 2009.

"It is imperative that all eligible farmers and ranchers get involved and vote in this year's county committee elections," said Coppess. "County committee members will provide input and make important decisions on among other things, the local administration of new disaster and conservation programs under the 2008 Farm Bill. I particularly encourage minority and women producers to get involved so that county committees fairly represent the producers of a county or multi-county jurisdiction."

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and the U.S. Department of Agriculture (USDA). Farmers and

ranchers who serve on county committees help deliver FSA farm programs at the local level, applying their knowledge and judgment to make decisions on: commodity price support loans and payments; conservation programs; incentive indemnity and disaster payments for some commodities; emergency programs and payment eligibility. FSA committees operate within official regulations designed to carry out federal laws.

More information on county committees, such as the new 2009 fact sheets and brochures, can be found on the FSA Web site at www.fsa.usda.gov/elections or at your local USDA Service Center. 🌿

Chairman Peterson to Introduce Cuba Trade Legislation

In the coming weeks, House Agriculture Committee Chairman Collin Peterson will be introducing legislation with Rep. Jerry Moran (KS), Agriculture Appropriations Chair Rosa DeLauro (CT), and Rep. Jo Ann Emerson (MO) to expand agricultural trade to Cuba. The US Rice Producers Association continues to work closely with these and other Members of Congress to fulfill the promise of the 2000 Trade Sanctions Reform and Export Enhancement Act to enhance U.S. agricultural exports to Cuba.

U.S. Agricultural producers – particularly rice producers -- are well positioned to benefit from additional sales to Cuba. Cuban consumers prefer U.S. rice. U.S. suppliers can reach the three major Cuban ports in a matter of one day or less. This compares to weeks on the water from countries like Vietnam, from which Cuba now buys much of its rice. However, even though U.S. firms offer reliable trading partners, quality products, and competitive prices, current U.S. policy hampers their ability to supply the Cuban market. In 2004, U.S. rice sales to Cuba topped more than \$64 million. In 2005, the Bush Administration imposed restrictions on U.S. agricultural sales to Cuba. The Cuban's confidence in the ability of U.S. exporters to meet their export commitments was justifiably shaken by this government market intervention. Since 2005, U.S. rice sales have constantly slid downwards—to ZERO exports in 2009.

The Peterson/Moran legislation would streamline agricultural sales, enhance confidence in US sellers, and increase the Cuban's buying power by doing the following:

- Eliminate the need to go through banks in other countries to conduct agricultural trades, along with the accompanying fees those banks charge. (Direct payment provision).
- Require agricultural exports to Cuba to meet the same payment requirements as exports to other countries by requiring payment when the title of the shipment changes hands. (Payment in advance provision).
- Allow US citizens to travel to Cuba, reducing the bureaucratic red tape currently required for agricultural associations, agribusinesses, and others to make agricultural sales in the country and creating increased demand for agricultural exports to feed the increased number of American visitors.

Put simply, passage of this legislation will mean millions of dollars in additional agricultural exports for the United States. 🌱

Please contact your Member of Congress and urge them to contact Mr. Peterson or Mr. Moran to sign on as original cosponsors of this important legislation.



Fred Clark (Cornerstone Government Affairs), Michelle Abdo (Second Secretary, Cuban Interests Section), Ambassador Jorge Bolanos Suarez (Cuban Interests Section) and Dwight Roberts of the USRPA in Washington D.C. earlier this year.



Delegation at the Millers Assoc. in El Salvador - ASALBAR-



Delegation at ALCSA Rice Mill in Guatemala

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 webmaster@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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The latest **Texas Rice Crop Survey** reports (updated through Friday November 6, 2009) are available through the Beaumont Center web site at <http://beaumont.tamu.edu/CropSurvey/>

Upcoming Events

November 19, 2009	Mississippi Rice Council Meeting
December 10-11, 2009	FECARROZ—USRPA meetings, Houston, Tx
January 11-13, 2010	13th Annual NCS Cotton & Rice Conference—Tunica, MS
January 20, 2010	Western Rice Belt Conference, El Campo, Tx
February 3, 2010	59th Annual Texas Rice Producers Council, El Campo, Tx
February 22-25, 2010	Rice Technical Working Group, Biloxi, Mississippi
March 22-26, 2010	Africa Rice Congress, Bamako, Mali
April 21-22, 2010	Rice Americas Conference, Cartagena, Colombia
June 16, 2010	Doing Business with Cuba Workshop, San Antonio, Tx

USDA Reports Next Week

Crop Progress	Monday, Nov 9, 4:00 pm
Weather-Crop Summary	Tuesday, Nov 10, 12:00 pm
U.S. Export Sales	Friday, Nov 13, 8:30 am
World Agricultural Supply and Demand Estimates	Tuesday, Nov 10, 8:30 am

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

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