



# The Rice Advocate

US Rice Producers Association

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## Effects of El Nino Continues to Pressure the Market

Things are continuing to look up for the rice market this week with more positive news coming in from abroad. The advent of India and the Philippines looking for additional rice, coupled with unconfirmed demand vacuums in the Western Hemisphere will undoubtedly have a positive impact on the market (albeit delayed) and should translate into price increases later in the year. Export sales and vessel loadings for the week were reported up significantly as the overseas business is beginning to get kicked off. In the cash market, prices moved up slightly to around the \$12.50 - \$12.75 per hundredweight in most areas, likely a reflection of the climbing futures market and poor supply scenario. The USDA issued its monthly supply and demand report this week with revisions on the rice balance sheet as follows: the average yield was decreased by 77 pounds per acre to 7,038 pounds per acre which reduced the production estimate by 1.7 million hundredweights to 152.5 million hundredweights total. The other areas remained unchanged, resulting in a decrease of the

ending stocks by 2.4 million hundredweights to 44.2 million hundredweights total. While this estimate captured the appropriate DIRECTION in yield, it failed to grasp the full impact of the detrimental weather, and also held harvested acreage unchanged even in those areas that have been declared a federal disaster. For this report we would give USDA a "C" for effort but would have to fail them (as usual) for accuracy. Looking overseas, benchmark Thai 100%B is quoted at \$560 per MT (up from last week) with the spread between its Vietnamese counterpart holding at about \$100 per MT. The futures market this week saw a general decline over the week following the poor S&D report. Nearby January 2010 contract opened at \$15.11 on Monday before climbing \$0.12 per hundredweight by the end of the day. Tuesday saw similar action as the market traded up \$0.13 per hundredweight on the impending report, but on Wednesday following the reports issuance, the market traded down by \$0.21 per hundredweight to

## Dale Bumpers' National Rice Research Center Holds Water Seminar

*(Continued on page 3)*

Dr. Tom Riley, Director of the University of Arkansas Division of Agriculture - Public Policy Center, made a presentation: "Water: the Questions in Arkansas" on Tuesday, November 10, 2009. Arkansas has always been known for being a "WET" state with abundant water resources but change has occurred in the state and the rules for using water have also changed.

"We have always taken for granted water in the State of Arkansas" said Dr. Riley.

In Arkansas the water rights are tied to the land but under recent law changes you must register use and petition for a division of rights in times of shortage. Priority is given to history of use. The priorities for Arkansas water are Domestic Use (protecting life

and All Others. Water cannot be sold separately and one's use cannot diminish another's ability to access and use.

Example: A farmer owns 1000 acres of farmland. Another person's home sets on a couple of acres next to it. Homeowner has a well for domestic use. Farmer drills a new well next to homeowner and disrupts his supply.

Farmer is liable for failure and will have to pay for loss of water.

In order to protect your rights you must establish history of use by metering all wells other than for domestic consumption (law effective Sept. 30, 2006)

*(Continued on page 3)*

### Inside this issue:

**XXVI Administrative Committee of the Latin American Fund for Irrigated Rice Meets in Venezuela**  
**Dale Bumpers National Rice Research Center Holds Water Seminar by Greg Yielding**  
**Effects of El Nino Continues to Pressure the Market**

## XXVI Administrative Committee of the Latin American Fund for Irrigated Rice Meets in Venezuela

Representatives from throughout Latin America's rice research community gathered in Acarigua, Venezuela this week to discuss a wide variety of issues related to the organization's efforts to improve rice production throughout the Western Hemisphere. Of particular importance to FLAR is next year's 15th anniversary conference (FLAR Congreso 2010) schedule to take place in Cali, Colombia in September. The event coincides with the 50th anniversary of the International Rice Research Institute in the Philippines also next year. At the invitation of FLAR, Dwight Roberts, president & CEO for the USRPA attended the meeting in Acarigua this week to give a U.S. crop status & market report and join in the discussions with regards to rice research. The FLAR meetings were held in conjunction with the annual Agro Expo Fair that focuses on agricultural production in the state of Portuguesa, one of Venezuela's most important grain and sugarcane regions. During the expo Dwight along with Valmir Meneses (Brazil), Eduardo Rojas (Costa Rica), Pedro Diaz (Mexico) and Gonzalo Zorrilla (FLAR) conducted a seminar titled "Experiences and Economics, Markets of the Rice Crop" to a standing room only crowd of local rice producers and millers at the fair grounds near Acarigua. Dwight took advantage of the trip to meet with Randall Hagar, the Agricultural Attache at the U.S. Embassy in Caracas along with Clara Nunez, an ag marketing specialist also with FAS.

In the group picture bottom-left are the members of FLAR's Administrative Committee that included representatives from Argentina, Brazil, Colombia, Costa Rica, Mexico, Nicaragua, Panama, Uruguay and Venezuela along with Dwight Roberts of the USRPA as the group's guest. A special thanks goes to Asoportuguesa and Fundarroz, the local rice organizations for the assistance in putting together a great schedule that included visits to local rice farms.



Pedro Diaz (left), President of the Rice Producers of Mexico and President of FLAR's Administrative Committee along with Gonzalo Zorrilla, the Executive Director for FLAR on a tour of rice fields in the Venezuelan state of Portuguesa near the city of Acarigua.



## Venezuela - Continued



Eduardo Rojas of Costa Rica takes a close look in a rice field near Acarigua, Venezuela



Members of FLAR's Administrative Committee visit with local Venezuelan farmers.

## Dale Bumpers - Continued

*(Continued from page 1)*

and you could be fined if you have not done so by the end 2009 if you pump from "Sustaining" Public Aquifers, the Sparta, Memphis, Cockfield, Cane River, Carrizo, Wilcox, Nacatoch, Roubidoux, and Gunter Aquifers. If you fail to report use you could abandon your rights. Reports need to be made to the Arkansas Natural Resources Commission.

Agriculture Water demand is 4.46 million acres in Arkansas which is 53% of total crop area. Rice is 1.4 million acres and all of it irrigated. This is a very important topic for all rice growers and while these rules are for Arkansas we will be publishing information on other states in the coming weeks. We thank the National Rice Research Center for bringing this topic to everyone's attention. 🌿

## Effects of El Nino - Continued

*(Continued from page 1)*

close at \$15.13. Thursday saw \$0.43 per hundred-weight losses to close at \$14.74, while on Friday the market gained some stability with a \$0.16 climb back to \$14.86 per hundredweight. The total trading range for the week was \$0.80 per hundred-weight with a net loss of \$0.25 per hundredweight for the week. Longer term, we remain bullish as the report works its way out of the market and offshore buyers come to the U.S. to buy rice. We anticipate strong demand from Latin America to help move things along later in the year, as well as additional revisions in the reports to help support this position. 🌿

Examines supply, use, prices, and trade for rice, including supply and demand prospects in major importing and exporting countries. Contains information on U.S. rough, milled, and long-, medium-, and short-grain rice.

Released Thursday, November 12, 2009

See <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1285>

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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](mailto: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

The latest **Texas Rice Crop Survey** reports (updated through Friday November 13, 2009) are available through the Beaumont Center web site at <http://beaumont.tamu.edu/CropSurvey/>



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The crop survey provides detailed data on rice acreage across the Texas rice belt, including information on varieties and crop development.

### 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 16, 4:00 pm
Weather-Crop Summary	Tuesday, Nov 17, 12:00 pm
U.S. Export Sales	Friday, Nov 20, 8:30 am
World Agricultural Supply and Demand Estimates	Tuesday, Nov 17, 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).

