



The Rice Advocate

US Rice Producers Association

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Senators Introduce Disaster Assistance Legislation

On November 20, 2009, Senator Thad Cochran (R-MS) was joined by Senate Agriculture Committee Chair Blanche Lincoln (D-AR) and Senator Roger Wicker (R-MS) in introducing legislation to provide assistance to agricultural producers affected by natural disasters in 2009. Representative Marion Berry (D-AR) has indicated his intention to introduce companion legislation in the U.S. House of Representatives.

The legislation provides funds for producers of program crops, such as rice, through an additional fixed payment for 2009 to producers in a county declared a disaster as of November 17, 2009. It is important to note that producers in counties contiguous to a disaster county are not eligible under the bill.

Cochran said, "Existing Department of Agriculture disaster aid programs cannot provide the near-term help needed by growers. The Direct Payment mechanism, which has been used to provide assis-

tance numerous times, is the only way for the Department of Agriculture to provide timely assistance."

The legislation also provides assistance for specialty crop and livestock producers. The Congressional Budget Office estimates the bill will cost \$2.19 billion. The legislation uses unspent funds from the Troubled Asset Relief Program (TARP) to pay for the assistance.

"Arkansas farmers, like so many producers across the country, have experienced unusually heavy rainfall this year, damaging crops and making it nearly impossible to harvest what little is left standing," Chairman Lincoln said. "Weather conditions have left many of our state's hard-working farmers unsure if their operations will survive another year. In these difficult economic times, this measure will help ensure our farmers can continue to meet our food and fiber needs while providing much-needed economic strength to our rural communities."

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Southern Medium Grain on the Mind of Korea

Mr. Dong-Woo Kum, Deputy Director for Agro-Fisheries Trade Corporation from South Korea and Mr. Gyuhan Rhee, a doctoral candidate at the University of Illinois visited the U.S. rice industry along the Mississippi River delta this week with the objective to explore the possibility for the purchase of medium grain rice from the Southern U.S. Thanks to the work of the Missouri Department of Agriculture and their international marketing program directed by Mark Hitt and the assistance of Greg Yielding of the US Rice Producers Association, the two visitors traveled from Korea for the first time for a tour of rice growing areas and milling facilities in Mississippi, Ar-

kansas and Missouri. Mr. Kum (pronounced Gum) and Mr. Rhee made the trip to gather information and explore the opportunities for trade. Of particular interest are the medium grain varieties Neptune and Jupiter. Mr. Kum is also interested in long grain milled rice for industrial use.

The two arrived Sunday in Memphis and where taken to Clarksdale, Ms where they were received for dinner by members of the USRPA and Mississippi Rice Council board of directors. Mr. Travis Satterfield, president of the Delta Council and a member of the board of Producers Rice Mill

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Chairman of the House Foreign Affairs Committee Calls for Ending Cuba Travel Ban

At a hearing on Capitol Hill yesterday, Rep. Howard Berman (D-California), chairman of the House Foreign Affairs Committee said the U.S. government has no right to restrict American tourists from traveling to Cuba while going on to say “it is the only country in the world where our people are not allowed to go.” The purpose of the hearing was to debate whether it is time to lift the travel ban, an aspect of the embargo that many feel needs to be changed. Representative Berman continued saying, “Let’s face it. By any objective measure, the nearly 50 year old travel ban simply hasn’t worked.” Along with Senator Richard Lugar, R-Indiana and the ranking Republican on the Senate Foreign Affairs Committee, the two have co-authored legislation supporting unrestricted freedom to travel to Cuba. The USRPA will continue its leadership role in working with a broad array of commodity, farm and export groups to encourage the improvement of travel and trade relations with Cuba. The USRPA has been an active participant in this effort since the Trade Sanctions

Reform and Export Enhancement Act of 2000 authorized the export of U.S. agricultural commodities to Cuba. 🌱



Market Update: Increased Demand Expected + Shorter Than Expected Supply = ?\$?\$?

The rice world is beginning to shake loose this week as news trickles in of renewed offshore demand, but sales have yet to hit the books. The big news out there at this point are the Philippine and Indian buying interests which even if they do not hit the U.S. will have a large impact on the global rice trade. Exports and vessel loadings were off substantially this week, and we look for these to resurge later in the year. Price shock and temporarily refilled stockpiles are the probable reason at this point. Overseas, Asian prices are up a bit, with benchmark Thai 100% B grade being quoted at \$565 per MT. The spread between this grade and the Vietnamese 5% has narrowed to less than \$90 per MT. Domestic cash markets continue to hold in the \$12.00 - \$12.75 range with some bids in the upper delta reaching \$13.50 per hundredweight on a stronger futures performance. In the futures market, the nearby January '10 contract opened at \$14.88 per hundredweight before climbing \$0.38 per hundredweight to close at \$15.26. Tuesday's action saw the market lose \$0.04 per hundredweight before gaining back \$0.10 per hundredweight on Wednesday to close at \$15.20. Thursday say the market climb by \$0.06,

before sliding again on Friday by \$0.07 to close at \$15.17 per hundredweight for the week. The weekly trading range was \$0.51 per hundredweight, with a net gain of \$0.29 per hundredweight. We look to see a stronger price scenario as the year progresses for those growers who can hold out. Stronger demand offshore and shorter than expected supply situation will be primary factors, but others are still in play. The futures market will likely experience a slight correction in the coming weeks, but should recover and reach for new highs as well. Its shaping up to be a good year for rice farming. 🌱

Fight to Keep Farm Credit System out of Larger Financial System Reform Efforts

Rep. Barney Frank's staff on the House Financial Services Committee recently produced legislation that sweeps the Farm Credit System into a Congressional effort to reform the nation's financial institutions. The bill would give broad powers to the Federal Reserve and create a risk regulator, the Financial Services Oversight Council, to identify certain financial players and activities that could pose a systemic risk to the economy. The Financial Stability Improvement Act is currently being considered by several Committees including Agriculture as certain provisions of the measure, specifically a loan retention provision affecting the Farm Credit System, fall within their jurisdiction.

The Farm Credit Administration ensures a dependable source of credit for production agriculture by creating regulations for its lending system and by strict regulatory oversight. The agency has served the needs of farmers and ranchers since its beginnings under the Franklin Roosevelt Administration of the 1930s. One of the most protected financial institutions in the country, the highly regulated Farm Credit institutions would be treated no differently than unregulated commercial banking systems under Chairman Frank's pending legislation.

On Tuesday the House Agriculture Committee held a hearing to discuss the financial services legislative draft. The Chairman and CEO of the Farm Credit Administration, Leland Strom, testified that the bill's provisions would come into direct conflict with the Farm Credit Act by including farm credit institutions in the financial system overhaul.

"I am skeptical of the idea of a systemic risk regulator in general and very much opposed to having the Fed play a leading role as this draft proposes," said House Agriculture Committee Chairman Collin Peterson (D-MN). "No one regulator should be given so much independent power over our economy, certainly not one whose governance has been influenced more by the wishes of major banks than the American people. If the forthcoming legislation's impacts on those areas in our Committee's jurisdiction are not addressed, we may be back here again to review this bill."

Ranking Member Frank Lucas (R-OK) added, "As this bill reads now, the people who have the regulatory

responsibility over the futures market on a daily basis can be overruled by some super regulator, which has no expertise in these nuanced markets. This is one of the many shortcomings with this bill that needs more work."

USRPA signed a letter early this week to Chairman Peterson along with 22 other agriculture groups expressing loud and clear to take the necessary steps to keep Farm Credit out of the financial reform bill. The letter reiterates the need for Farm Credit to stay under the Farm Credit Administration and ultimately the Agriculture Committee's jurisdiction, which is the only regulatory body sensitive to Farm Credit's mission of service to agriculture. "The possible loss of any of your committee's jurisdiction to other committees – not nearly so familiar with agriculture – would be devastating to our producers," the letter closes.

<http://www.usriceproducers.com/news/1-latest-news/218-fcs-letter-to-peterson>

USRPA will continue to work and monitor the Farm Credit issue on Capitol Hill until it is resolved. 🌱

Senators Introduce Disaster Assistance Legislation - Continued

Additional information on the legislation and counties with disaster declarations can be found at <http://cochran.senate.gov/press/pr112009a.html>.

To review the bill:

<http://www.usriceproducers.com/news/1-latest-news/221-emergency-disaster-assistance>

The letter to Senator Thad Cochran can be found at:

<http://www.usriceproducers.com/news/1-latest-news/220-disaster-assistance-letter>

Southern Medium Grain on the Mind of Korea - Continued

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(www.producersrice.com) welcomed the visitors and expressed the region's interest in shipping rice to the South Korean market. Monday the two gentlemen traveled to visit and tour Cormier Rice Mill (www.cormierice.com) in Dewitt, Arkansas where they met with Mr. J.T. Ferguson. After lunch in Hickory Ridge with local Arkansas growers they toured the Windmill Rice Company (www.windmillrice.com) in Jonesboro and met with Mr. Will Floyd of the mill before being taken to the Riceland Jonesboro mill (www.riceland.com) for a tour and meeting with Kevin McGilton.

Missouri was the next stop with a meeting and tour of the Martin Rice Company (www.martinrice.com) in Bernie conducted by Mr. Mike Martin followed by a lunch with USRPA Chairman Gary Murphy and other members of the Missouri Rice Council. Mark Hitt and Greg Yielding then accompanied the visitors from South Korean to the Riceland Foods mill in New Madrid, Missouri for a tour. The two then toured the ADM grain terminal at the New Madrid port before retiring to their hotel in Cape Girardeau. The next day Mr.



Rhee and Kum toured the SEMO river port facility and met with port director Mr. Dan Overby.

The two visitors then departed for Lafayette, Louisiana where we wish to thank Randy Jamieson with the USA Rice Federation for assisting the gentlemen on the next leg of their trip. In Louisiana a meeting was planned with Dr. Steve Lipscomb of the LSU Rice Research center before going to Louisiana Rice Mill, LLC (www.laricemill.com) and on to New Orleans for their trip home.




The USRPA would like to give a special thanks to the Missouri Department of Agriculture (www.mda.mo.gov) and their international marketing program for their effort in making this visit a reality and arranging for this visit to the rice industry from South Korea. Missouri's Department of Agriculture maintains some eight international offices around the world including one in the World Trade Center in Seoul, South Korea.

US Rice Producers Association's office will be closed November 26 & 27 in observation of the Thanksgiving holiday. The Rice Advocate will be published December 4, 2009. We wish everyone a happy, healthy and safe Thanksgiving!

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.

The latest **Texas Rice Crop Survey** reports (updated through Friday November 20, 2009) are available through the Beaumont Center web site at <http://beaumont.tamu.edu/CropSurvey/>

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



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Upcoming Events

December 10-11, 2009	FECARROZ—USRPA Meetings, Houston, Tx
January 7-9, 2010	Missouri Governor's Conference on Agriculture
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 7-11, 2010	USRPA Board of Directors in Washington, DC
February 18, 2010	Mississippi Rice Council Annual Meeting
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



USDA Reports Next Week

Crop Progress	Monday, Nov 23, 4:00 pm
Weather-Crop Summary	Tuesday, Nov 24, 12:00 pm
U.S. Export Sales	Friday, Nov 27, 8:30 am
World Agricultural Supply and Demand Estimates	Tuesday, Nov 24, 8:30 am

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

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