



The Rice Advocate

US Rice Producers Association

Volume 6, Issue 47

Friday, December 12, 2009

Representatives Berry and Childers Seek Disaster Assistance for Southern Farmers

On December 2, today, Representatives Marion Berry (AR-01) and Travis Childers (MS-01) introduced **H.R. 4177**, legislation to provide timely disaster assistance to producers facing severe crop loss from this fall's heavy rains and floods. Senator Blanche Lincoln (D-AR), Chairman of the United States Senate Committee on Agriculture and Senator Thad Cochran (R-MS) introduced companion legislation last week.

The US Rice Producers Association supports this vital legislation, and is communicating that support and the need for the assistance to key policymakers on Capitol Hill. USRPA CEO Dwight Roberts said that "We strongly support the efforts of Representatives Berry and Childers and thank them for their leadership. We believe that the provisions in the legislation is the most effective means to deliver disaster assistance for most crops using the Direct Payment mechanism, but limited to eligible growers in counties with a Secretarial disaster declaration. This system offers

the advantage of covering yield and quality losses in a timely manner while placing minimal administrative burden on USDA."

"In North Mississippi, both farmers and local economies have suffered from this season's unprecedented rainfall," said Childers. "Significant assistance currently available through the USDA is still not enough to make up for the incredible crop losses local producers have experienced. While we await the full implementation of Farm Bill assistance provisions, this important legislation will help local economies stay afloat by providing farmers with the resources they need to get back on their feet."

"Time and again Arkansas experiences the devastating effects of Mother Nature and this year she was especially hard on farmers across northeast Arkansas," said Berry. **"During this difficult economic environment, it is imperative to help our farm families get the**

(Continued on page 3)

USRPA Joins Coalition in Fighting for Farm Estate Tax Reform & Relief

The US Rice Producers Association is working with a coalition of farm, commodity and other groups in urging Congress to reform the estate tax to provide relief to farm families.

This week the coalition sent a letter to Congress signed by more than 90 organizations to express their support for estate tax reform. In part, that letter stated:

"For years, we have shared with Members of Congress the personal stories of farmers, ranchers and forest owners whose livelihood has been greatly impaired by the estate tax. Of all estates, farms, ranches, and forests are up to 20 times more likely to owe the estate tax. Farm equity has more than dou-

bled in recent years, primarily due to increased value of farm real estate – value that does nothing for agricultural production. By 2011, 1 in 10 farm estates would owe the tax.

Over the last decade, we have supported solutions by advocating for increased exemption amounts and a decreased tax rate. However, current proposals to extend the 2009 provisions of the law are simply not adequate for our nation's farmers, ranchers and forest owners. Though we continue to strongly support the highest exemption levels possible while maintaining the stepped-up basis, we believe it is essential that Congress additionally deal with the unique problems that farmers and forest owners face with generational family transition.

(Continued on page 3)

Inside this issue:

Representatives Berry and Childers Seek Disaster Assistance for Southern Farmers
USRPA Joins Coalition in Fighting for Farm Estate Tax Reform & Relief
Nicaragua National Rice Conference Draws Large Crowd

Nicaragua National Rice Conference Draws Large Crowd

This week in Managua, Nicaragua hundreds of rice farmers and millers gathered at the Hotel Intercontinental Metrocentro to attend the country's national rice conference ("Competitividad Arrocería Nicaragüense = Seguridad Alimentaria"). With a per capita consumption rate of 100 pounds per person and growing among a population of 5.2 million people, the event focused on meeting the challenges for improved production and marketing while addressing the concerns of serious poverty in the country.

Nicaragua rice farmers total some 17,300 in number but 98% of the crop is non-irrigated or upland rice that depends on timely rainfall. Issues presented included managing the Acaro "Spinki" panicle mite, world rice market update with emphasis on the Western Hemisphere, rice genetic improvements for tropical zones by FLAR (Latin American Irrigated Rice Fund), support programs P.A.P.A. for Nicaraguan rice farmers, advances in FLAR's agronomy program and technology transfer in Latin America, the economic outlook for Nicaragua in 2010 and the prospects for harvesting water and rainfall in an effort to shift to more irrigated flood production. The big event that was covered by the Nicaraguan press was organized and sponsored by both ANAR (producers association) and PROARROZ (millers association).



Ariel Bucardo, the Nicaragua Minister of Agriculture (standing) addresses the crowd during the inauguration phase of Nicaragua's national rice conference titled "Nicaraguan Rice Competitiveness = Food Security". Also seated at the table, left to right are Manuel Alvarez, President of the Nicaraguan Farmers Union, Fernando Mansell, President of the Nicaragua Assn of Rice Producers (ANAR), Dwight Roberts (USRPA) and Roger Zamora, President of PROARROZ, the Nicaraguan rice millers association.

General Market Update

In the two weeks since our last report, much has happened in the rice world. The big players in the rice world at the moment are India and the Philippines which have made significant purchases over the past few weeks. With the potential of several more on the horizon, the rice market is already looking at a very positive beginning to the marketing season. Export sales were up significantly over the week, and while vessel loadings were off this should be back on schedule fairly soon. Most of the buyers are watching the international trades currently taking place to get a feel for the market. If sales can surge in kind, then the U.S. prices should move up as well. Currently, cash prices are trading at around the \$12.00 - \$13.00 per hundredweight level in the South, with some bids reported in the \$14.00 range in the Delta area. If the overseas demand materializes as we expect then these prices should reach much higher in the coming months. In Asia, benchmark Thai 100%B has increased by about \$40 per MT to reach \$590 per MT fob vessel. In light of the recent purchases,



A large crowd of Nicaraguan rice farmers, millers and related industry listen to Dwight Roberts discuss the 2009 U.S. rice crop and the market expectations for 2010 in the Western Hemisphere.

Representatives Berry and Childers Seek Disaster Assistance for Southern Farmers - Continued

resources and federal support they need to recover from damages and losses to crops. While this funding is not the entire solution, it will provide additional resources to help some farmers make it through this growing season."

In Mississippi, 79 of 82 counties have been granted primary disaster designations by the USDA based on a minimum 30 percent loss for at least one crop in each county. Agriculture economists at Mississippi State University (MSU) estimate that state crop losses are nearing \$485 million, exceeding 30 percent of the state's overall crop value. Based on crop reports, MSU noted that nearly 64 percent of the state's sweet potatoes, 50 percent of cotton, 44 percent of soybeans, and 41 percent of grain sorghum will also be lost this year. To date, the U.S. Department of Agriculture (USDA) has designated more than half of Arkansas's counties as primary natural disaster areas. The University of Arkansas's Division of Agriculture released a report estimating Arkansas crop losses for the 2009 harvest have risen to more than \$300 million. The report also shows

a decline of nearly \$162 million in economic value-added, which encompasses soy, corn and rice processing, cotton ginning and reduced household spending by Arkansans whose incomes are tied to agriculture.

The legislation also includes \$650 million to assist specialty crop producers, \$150 million in assistance for livestock producers and \$42 million to aid first handlers of cottonseed. 🌱



USRPA Joins Coalition - Continued

(Continued from page 1)

To address this issue and help protect family farms and forests and the lands over which they have stewardship, we are supporting the Family Farm Preservation and Conservation Estate Tax Act, H.R. 3524, sponsored by Congressman Mike Thompson, and encourage passage of the bill as soon as possible.

H.R. 3524 would exclude farm assets from estate taxes for as long as the property remains as a family agricultural operation. The bill also would protect the environment by exempting properties that are protected by a qualified conservation easement. This would strengthen agriculture in the U.S. by providing certainty in estate planning for farmers, ranchers and forest owners who pass their operations to the next generation. These hardworking farmers, ranchers and forest owners would be saved from fragmenting their operations to pay the estate tax, especially during tough economic times."

Congress is expected to address the estate tax issue in some form before it adjourns at the end of 2009. The full text of the letter can be viewed at:

<http://www.usriceproducers.com/news/1-latest-news/222-estate-tax-letter> 🌱

The USRPA School Nutrition programs in Guatemala and Honduras has increased the sales of rice in the homes in these countries.



Dwight Roberts took the opportunity to meet and congratulate the USA Rice, Beans and Soy Team promotion team for Nicaragua while participating in the national rice conference. Pictured are: Luis Mazariegos, Program Coordinator for Central America, Eduardo Coronel, Country Coordinator in Nicaragua along with Dwight and program trainers, Silvia, Anielka and Evelyn.

General Market Update - Continued

the Vietnamese are currently out of the marketplace with no bids reported at this time. Futures is beginning to see some upsurge as well. On Monday, the nearby January 2010 contract opened at \$15.36 per hundredweight before falling by \$0.055 to close at \$15.305. Tuesdays action saw the market trade up by \$0.15, while Wednesday moved the market back down by \$0.03 to close at \$15.41 per hundredweight. Thursday's trading brought the market up by \$0.315 and Friday's action saw another \$0.015 increase to close for the week at \$15.715 per hundredweight. The total trading range for the week was \$0.355 per hundredweight with a net gain of \$0.355 as well. At this point, we look to see significantly stronger cash prices in the coming weeks and feel that the strongest prices will not likely materialize until after the New Year. Having said this, we would also give a word of caution in that there may be several market corrections between now and the strongest prices and growers are advised to stick with their marketing targets to maximize profits. 🌿

Progress in Mexico on Kernel Smut Expected

According to an informed source, Mexican officials are expected to announce the deregulation of kernel smut of rice (*Tilletia horrida*, also known as *Tilletia barclayana*) as early as January 2010. This welcome move may include the elimination of the methyl bromide fumigation requirement. The USRPA will continue to monitor the situation and report any particular developments of importance. 🌿

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

The latest **Texas Rice Crop Survey** reports (updated through Friday December 04, 2009) are available through the Beaumont Center web site at <http://beaumont.tamu.edu/CropSurvey/>



2825 Wilcrest Drive, Suite 505
Houston, Texas 77042

Phone: 713-974-RICE
Fax: 713-974-7696
rice_advocate@usriceproducers.com
www.usriceproducers.com
www.riceromp.com



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

Upcoming Events

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, Dec 7, 4:00 pm
Weather-Crop Summary	Tuesday, Dec 8, 12:00 pm
U.S. Export Sales	Friday, Dec 11, 8:30 am
World Agricultural Supply and Demand Estimates	Tuesday, Dec 8, 8:30 am

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

USRPA does not discriminate in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, or marital/family status. Persons with disabilities who require alternative means for communication of information (such as Braille, large print, sign language interpreter) should contact USRPA at 713-974-7423.