



The Rice Advocate

US Rice Producers Association

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USDA Announces Final Rule on Payment Eligibility and Payment Limitations

On Thursday, January 7, 2010 USDA published in the Federal Register the final rule for payment eligibility and payment limitation requirements for participants in CCC-funded programs. The rule applies to 2010 and subsequent crop, program, or fiscal year payments for participants in CCC-funded programs. This rule amends (effective January 7, 2010) previous payment eligibility and payment limitation requirements published as an earlier interim rule on December 29, 2008.

USDA received over 5,060 comments during the public comment period on the previous interim rule. In response to comments received, USDA made several changes to the interim rule. The most significant changes are the exception for contributions of members of legal entities if at least 50 percent of the interest is held by members that are providing active personal labor or active personal management, and the total direct payments received both directly and indirectly by all members does not exceed the amount of 1 limitation; and the use of June 1 for the determination of a minor child for application of the minor child rules.

Also distributed by USDA to the State and County Offices are the Notices providing information and instructions implementing various provisions in the final rule. Notice PL-202 relates to AGI Compliance Activities for 2009 and 2010 Payment Eligibility and Notice PL-203 relates to requirements for Payment Eligibility. These Notices, provided below, are useful in understanding the complicated payment eligibility and payment limitation provision of current CCC-funded commodity programs.

Analysis of the effects of the final rule is ongoing as more information is obtained and rice producers read through these regulations and Notices. 🌿

[View the Payment Eligibility Rule](#)

[View Notice PL-202](#)

[View Notice PL-203](#)

(article and attachments can be found on USRPA's News page at <http://www.usriceproducers.com/news>)

#1 National Production Conference for Farmers Next Week in Tunica, Mississippi !!!!

Attention rice farmers!!! There is still time to make your way to Tunica, Mississippi next week (**January 12-14**) for the **13th Annual National Conservation Systems Cotton & Rice Conference** at Harrah's – Tunica Convention Center, Tunica Resorts, Mississippi. A production of Mid-America Farm Publications and sponsored by the US Rice Producers Association and Cotton Incorporated, the event is a one of a kind experience for farmers.

Thanks to the involvement from all the major university research specialists, USDA technical co-sponsors and a long list of corporate supporters, there will be more choices and topics than ever before. For the first time, the Southern Field Crop Alliance will hold its first annual meeting in conjunction and one registration covers all the events. There will be 28 different rice presentations alone, 17 from researchers and 15 from individual farmers. Cotton, corn, soybeans and precision ag sessions total

another 57 specific topics. You review the program and pick which sessions will provide you the information you need to improve your profits. This conference is so popular the trade show exhibit area has been sold out for weeks. Go to www.nctd.net for more information regarding breakout sessions, hotel information, as well as how to register. 🌿



Questions? Call 573-547-2244 or 713-974-7423.

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Tenor Restrictions on Export Credits Trouble U.S. Producers

USRPA joined 11 other agriculture groups in sending a letter today to USDA's Under Secretary for Farm and Foreign Agricultural Services, Jim Miller, relaying concerns about the tenor restrictions imposed on the FY2010 GSM-102 Export Credit Guarantee Program as well as USDA's country risk rating practices. USRPA and other producer groups are concerned that the tenor restrictions imposed on this year's program will ultimately hamper US exports of agricultural products.

The Export Credit Guarantee Program (GSM-102) is a key source of support for the US rice industry as it provides credit guarantees to encourage financing of US rice exports, while providing competitive credit terms to buyers mainly in developing countries where credit is necessary to maintain or increase sales of US rice.

The amount of time for repayment, or tenor, of credit guarantees along with fee rates are driving factors of the GSM program's viability. With tighter tenor restrictions and a fee structure based on country risk ratings, US

agriculture groups face the possibility of losing prospective GSM program users and snubbing markets with active users of the program. "A tenor of up to three years should be available for all programs. If USDA/FAS is considering limiting the tenor for a particular program to less than three years, it should consult with industry, in advance, to gauge the impact on program utilization and exports," the letter states.

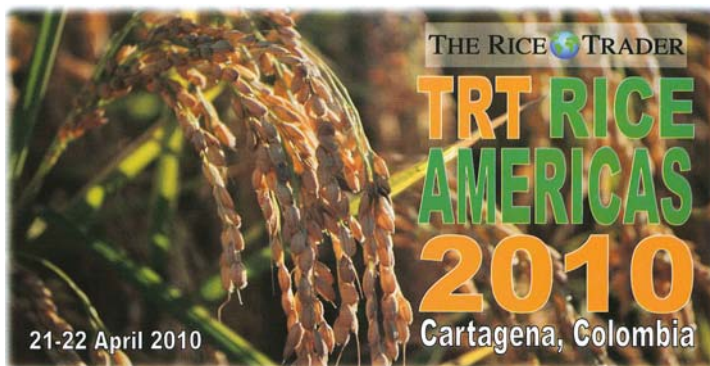
The GSM program allocations for FY2010, which began last October 1, were announced on November 13, 2009 to be \$1.2 billion. Since 1997, the program has supported \$35.37 billion in US farm exports, including \$84 million in US rice. 🌿

[Read the letter submitted to Under Secretary Miller](#)

(article and attachments can be found on USRPA's News page at <http://www.usriceproducers.com/news>)

TRT Rice Americas 2010 with a Caribbean Flavor April 20 - 22

Time to make your plans for the single most important rice trade event in the Western Hemisphere and travel to the beautiful Caribbean city of Cartagena de Indias, located on the northern coast of Colombia. Organized by the US Rice Producers Association and The Rice Trader Publication with support from Rice Today and the International Commodity Institute, this year's event is expected to be the biggest commercial rice conference ever and the only one of its kind. This will be the fourth consecutive year of what is becoming the rice convention for all of the Americas. Participants are expected from Canada to the tip of South America representing rice mills, traders, shipping, equipment, ports, government officials, importers, exporters, producer organizations, research, non-governmental organizations and other areas of the private rice trade.



The Rice Americas 2010 will take place at the beachfront Hotel Hilton Cartagena located at the widest point of the El Laguito Peninsula and just 10 minutes from the ancient walled city and historic sites. Known as the "Door of the Americas", the city of Cartagena is a center of economic activity in the Caribbean region and a popular tourist destination. With participants from over 30 countries expected, the program agenda will focus on such themes as climate change, crop cycles and its impact on food security, new challenges for rice exports from the Mercosur and general commercial concerns in the Americas from a supply standpoint, the future of genetically modified rice in the Americas, seed variety developments for the future, new milling technology and applications, parboiled rice export markets, India and Philippine influence on prices, European demand and potential for rice exports from the Americas and the African demand outlook for Latin American rice are just a few of the topics that will be addressed from a line-up of expert speakers. "We are extremely pleased with the early interest in this event for 2010 from

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Cartagena, Columbia
Picture from [Colombia Travel Guide \(http://www.adncolombia.com\)](http://www.adncolombia.com)

Mexican School Lunch Program Campaign Ends Successfully

This week finished the fall school period in Mexico.

During this cycle, September – December 2009, we trained more than 5,000 people in 3 states: Quere-taro, Morelos and State of Mexico. 95% of our attendees were housewives with decision power on what is best for their family's nutrition. An important fact is that a great percentage of our audience are working mothers, house-wives represent more than 50% of family income in seg-ments C and D.

This has let us to have indirect impact in greater number of people, with the word of mouth spreading to their colleagues at work, neighbors and relatives. Calculating a conservative indirect impact, we say it accounts for almost 60,000 people.

On the qualitative side, presenting RICE as the star of a campaign that searches to improve nutrition in Mexican families continues to be a great success. House-wives are aware of the importance of a healthy break-fast and the impact on their children's learning levels.

Schools ask us to come back and housewives thank us beyond the rice and the recipe booklet, they are grateful for giving them tools and for our concern for their family's nutrition, and children, our main target, become

involved in our nutritious mission tasting the rice prepared and learning about rice through the coloring booklet starring SUPER ARROZ who teaches them all the benefits about eating rice in a cool way. 🌱



For the last training session we had special presentations in every school .

Rice Americas 2010 - Continued

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so many different countries. We expect this conference to grow in the years ahead thanks to the involvement of so many key players from around the Americas. Our development of a highly recognized steering committee from throughout the region will enhance the program in the years



Cartagena, Columbia
Picture from [Colombia Travel Guide](http://www.adncolombia.com)
(<http://www.adncolombia.com>)

ahead. This is what we envisioned years ago as a key priority of the US Rice Producers Association in its focus on Latin America and we are proud to witness this reality," stated Dwight Roberts, President and CEO of the USRPA in Houston, Texas.

Stay tuned to the upcoming issues of **The Rice Advocate** for more information about **Rice Americas 2010 Cartagena.** 🌱

[View the Registration Form](#)

(Registration Form can be found on USRPA's home page at <http://www.usriceproducers.com> under the main menu.)

General Market Update

The last two weeks of 2009 saw good sales reported by USDA. For the two reporting periods up to December 31st, total sales of 155,300 metric tons were posted, and this was on the heels of a 100,000 ton total in the week before – that's a big slug of rice sold in the last three weeks of the year. The reports for the final two weeks of the calendar year were made up of heavy tonnage to Japan, Canada, Taiwan, and Israel at just over 99,000 tons of medium/short grain milled and brown with the balance in long grain paddy to Mexico, Panama, Costa Rica, Nicaragua, El Salvador, and Honduras, and milled to the Dominican Republic. Reported exports for the last two weeks were substantial as well at a total of 152,300

tons of which Japan was a big destination for medium/short milled at 40,000 tons lifted during the two reporting periods along with Taiwan at 4,100 tons of medium/short brown. Long grain paddy liftings to Mexico and Central America were just shy of 80,000 tons, and 6,700 tons of long grain milled to Haiti finished off the list of sizable tonnage numbers. Considering the holiday mindset, both sales and shipments during the past two weeks were quite good. The first week of 2010 finally brought the long awaited confirmation of 90,000 tons of long grain milled to Iraq. Although this buyer always takes a long time to confirm, finalizing this particular sale to Iraq seemed to

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General Market Update - Continued

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just drag, and in the end prices confirmed were not as high as had been hoped, nor was the tonnage as much as the mills wanted to see. At the same time, it is a welcome sale which provides some needed milling for our industry. There is talk of another Iraq tender soon, but nothing firm has surfaced yet. US prices should be competitive in the current global environment when buyers do return.

The holiday period was quiet, but prices moved up in Texas this week to a \$7.00 premium and a 25 to 50 cent discount for hybrids. South Louisiana had seen trading in the \$23 per bbl area, but the final pricing of the Iraqi sale resulted in some price easing with bids now seen between \$22.50 and \$21.50 per bbl, depending on the variety. Delta price ideas at the \$14.75 level with some small trades being made just a bit lower. The drop in futures prices has made the basis less attractive which has helped to dull selling interest there. Asian prices remain firm with Thai 100% Grade B being quoted between \$607 and \$595 per metric ton fob vessel. Viet 5% quotes remain at just below \$500 per ton, but there are huge sales on the books to the Philippines which have yet to be shipped. The Philippines, which has already purchased a vast quantity of rice, mostly from Viet Nam, says one week they will buy little to nothing additional and then indicates they may need another half-million to one million tons. Regardless of the press from the Indian government, the belief is widespread throughout the rice

trade that something between two and three million tons of imported rice will be bought there sometime in the next three months. We see the human and political imperative there to make this unavoidable. How this will affect US rice remains to be seen, but it is difficult to see prices falling much, if any, given the world situation.

Futures volume was much heavier than expected between Christmas and the New Year due mainly to late rolling out of the January contract into the March. The spread bias was negative during the holiday and resulted in lower prices during that time. This late spreading was probably a combination of getting caught during the holidays, waiting on firm Iraq news, and the funds making their end of year trades. After the stampede out of the Jan into the Mar contract, though, the market recovered somewhat and has gotten quite dull on low volume. Short sellers do not seem to be willing to engage the market in any quantity, but what looks like some profit taking has caused prices to drift sideways to lower. The range for the first week of the year was only 51 cents in the March contract running from a high on Monday at 15.28 to a low on Wednesday of 14.77 with a Friday settlement at 14.95. Volume averaged fewer than 700 trades a day for the week, with a low of 316 on Thursday. Open interest has eased off as well but not drastically – it still remains over 15,500. Now we see what Tuesday's monthly Supply/Demand report from USDA has to say and what effect it has on futures. 🌱



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Additional Resources

For economic analysis on agricultural efficiency, efficacy, and equity issues:

www.ers.usda.gov

AgFax - Editor: Owen Taylor:
www.agfax.com

USRPA News & RA Archives:
www.usriceproducers.com/news

Upcoming Events

January 11-13, 2010	13th Annual NCS Cotton & Rice Conference—Tunica, MS
January 19, 2010	Louisiana Independent Rice Producers Annual Meeting, Welsh, LA
January 19-20, 2010	37th Annual Delta Ag Expo, Cleveland, Mississippi
January 20, 2010	Western Rice Belt Conference, El Campo, TX
February 3, 2010	59th Annual Texas Rice Producers Council, El Campo, TX
February 7-10, 2010	USRPA Board of Directors Meeting, Washington, DC
February 10, 2010	Arkansas State University Agribusiness Conf., Jonesboro, AR
February 16, 2010	Fort Bend County Rice Meeting, Jack Wendt's Farm
February 18, 2010	Mississippi Rice Council Annual Meeting
February 22 - 25, 2010	Rice Technical Working Group, Biloxi, Mississippi
February 25, 2010	Missouri Rice Council Annual Meeting, Dexter, MO
March 3, 2010	Missouri Rice Producers Conference, Dexter, MO
March 22-26, 2010	Africa Rice Congress, Bamako, Mali
April 21-22, 2010	Rice Americas Conference, Cartagena, Columbia

USDA Reports Next Week

Rice Stocks (NASS)	Tuesday, Jan. 12, 8:30 am
Weather-Crop Summary (NASS)	Tuesday, Jan. 12, 12:00 pm
Rice Outlook (ERS)	Wednesday, Jan. 13, 4:00 pm
U.S. Export Sales (FAS)	Thursday, Jan. 14, 8:30 am

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

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