



The Rice Advocate

US Rice Producers Association

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Rice Producers Applaud Chairman Lincoln’s Move to Thwart EPA Rulemaking

In a bold move to defend the agriculture community, Senator Blanche Lincoln (D-AR), Chairman of the Senate Agriculture Committee, was one of three Senate Democrats to co-sponsor a Resolution of Disapproval to block the Environmental Protection Agency (EPA) from regulating greenhouse gases under the authority of the Clean Air Act (CAA).

With Congressional action on Climate Change Legislation unlikely in the foreseeable future, the EPA is pressing ahead on issuing a rule to regulate greenhouse gas emissions. The agency finalized last week a scientific finding that greenhouse gases qualify as endangering pollutants in a move to push forward with the regulations. Chairman Lincoln strongly believes that the CAA was not intended to regulate emissions of greenhouse gases such as carbon dioxide.

“I am very concerned about the burden that EPA regulation of carbon emissions could put on our economy and have questions about the actual benefit EPA regulations would have on the environment. Heavy-handed EPA regulation, as well as the current cap and trade bills in Congress, will cost us jobs and put us at an even greater competitive disadvantage to China, India and others,” Lincoln said in a press release.

The Joint Disapproval Resolution was introduced in the Senate on Thursday by Sen. Lisa Murkowski (AK), the ranking Republican on the Senate Energy and Natural Resources Committee.

Cosponsors of the resolution, which included 3 Democrats and 36 Republicans, acknowledged that the EPA-approach to regulating greenhouse gases is dangerous for US businesses on all fronts, particularly in the midst of an economic downturn.

“We must focus on cutting the deficit, creating

jobs and getting the economy back on track. Arkansans, and the American public, want Congress to take a breath, slow down, and thoughtfully come up with energy policy that makes common sense and will help grow our economy,” Sen. Lincoln added.

USRPA joined with 138 agriculture organizations in a letter [LINK HERE] to Senator Murkowski supporting the Disapproval Resolution.

“Such regulatory actions will carry severe consequences for the U.S. economy, including America’s farmers and ranchers, through increased input costs and international market disparities,” the letter states.

The letter goes on to undermine EPA’s actions to regulate greenhouse gas emissions:

“The compliance costs for these CAA programs would be overwhelming as millions of entities, including farms and ranches, would be subject to burdensome CAA regulations...EPA’s finding puts the agricultural economy at grave risk based on allegations of a weak, indirect link to public health and welfare.”

Dwight Roberts, President and CEO of USRPA, strongly supports the Disapproval Resolution:

“We are proud of Senator Lincoln and her bold move to cosponsor this resolution to block EPA’s regulating authority. She has demonstrated her strong support not only for rice producers in Arkansas and across the nation but also for all agricultural producers who would face complex federal rules and crippling costs. Agriculture is fortunate to have a leader such as Sen. Lincoln as Chairman of the Senate Agriculture Committee to interject common sense into this process and fight for us.”

...

[Attention Texas Rice Farmers and Friends!!](#)

[A reminder that the 59th Annual Texas Rice Council Meeting in El Campo, TX will be taking place on Wednesday, February 3, 2010.](#)

[The meeting will take place at the El Campo Civic Center. Registration will begin at 8:00 a.m. with the meeting starting at 9:00 a.m.](#)

[This year’s program will address the issues in Washington DC that affect rice farmers, state water situation, the direction of the rice market, a summary of research initiatives, a special recognition award and as usual some special door prizes!](#)

[Mark your calendars!!!!](#)


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USDA Continues AGI Education

USDA officials met with representatives of commodity organizations and general farm organizations at the end of last week in order to provide additional implementation information and rationale on the new adjusted gross income (AGI) rules required by the 2008 Farm Bill. USDA and the Internal Revenue Service have a Memorandum of Understanding that establishes an electronic information exchange process for verifying compliance with the adjusted gross income provisions for programs administered by USDA's FSA and Natural Resources Conservation Service. The procedure is intended to ensure that payments are not issued to producers whose AGI exceeds the limits established in the 2008 Farm Bill. (The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.)

USDA has established a procedure that would avoid requiring producers to bring their individual tax returns into local county offices. The electronic process that USDA developed with IRS reviews data from tax re-

turns, performs a series of calculations, and compares these values to the AGI limitations from the 2008 Farm Bill. FSA and NRCS will receive a record that indicates whether or not the program participant appears to meet the income limits. No actual tax data will be included in the report that IRS sends to USDA. It is important to note, that the AGI calculations contained in the 2008 Farm Bill are not identical to IRS AGI calculations. Therefore, it is possible that some producers will have a "false positive". As part of the review and evaluation process, participants whose AGI may exceed the limits will be offered an opportunity to provide third party verification or other information to validate their income.

In addition, written consent will be required from each producer or payment recipient for this process. Participants must provide consent for the use and disclosure of their tax information to USDA agencies by completing and submitting a CCC-927 (individual) or CCC-928 (entity) to the IRS. Participants who choose to not submit required forms to the IRS for 2009 and 2010 will be determined noncompliant. 

General Market Update

After leaving WMP unchanged for the week, USDA has hinted at a drop next week due to lower quotes out of Asia, but quoting a price and selling at that level are two different things. The word we have is that very little, if any, could be bought at the currently indicated prices in Thailand or Viet Nam, and we hope that USDA will show a little more savvy about what is really happening before dropping values on US rice. US export sales reported by USDA this week totaled a middling 55,100 metric tons of which paddy to Mexico and Central America was just over half, milled ex California to Japan was a bit more than a third, and the balance was milled long grain both regular and parboiled. Exports for the week were fairly solid at 69,900 tons with destinations of Mexico, Japan, and Turkey taking the vast majority. The Kansas City Commodity Office also bought a total of 28,045 tons of milled long grain for Haiti this week. About half of this was afloat or already in Haiti, with the balance for loading in February. This should help alleviate some of the nearby food problems for the earthquake victims down there, but it is quite possible that more will be needed in the next few weeks in the face of that devastating occurrence. Along with the steady export paddy demand seen all year from our regular buyers, there is persistent talk of Venezuela showing more interest in US rice nearby. There also seem to be unavoidable problems developing in Brazil due to the incessant rains there which may ultimately result in very large imports over the next few months – some say nearby, while others say down the road a bit – it could be both.

Paddy prices appear to reflect a bit of firm de-

mand with Texas bids at \$6.50 to \$7.00 over for package quality against selling ideas at \$7.00 premiums or above. Bids on hybrids continue to lag with \$6.35 to \$6.50 premiums while sellers are interested at \$6.75 or higher. Only small amounts have traded at these levels this week. South Louisiana has been reported up and down during the week, but today's bids are reported at \$22.00 per bbl with selling interest indicated at \$23.00 to \$23.50 per bbl and mills probably not long enough to cover the quick sales to KCCO for Haiti. Reports of buyer frustration have been heard this week in the Delta area with buyers accustomed to basis trades maybe a dollar under the futures being the rule in the past. Now we are hearing of buying interest roughly at even the futures for very nearby shipment and perhaps 85 cents under the May contract for Mar/Apr delivery – and no interest on the part of sellers to any of these numbers. We still question the amount of rice remaining overall in the South for this time of year, and we hear others are trying to draw a bead on that as well. As noted earlier, Asian quotes are down from their highs of several weeks ago, but buying even mediocre tonnage at the levels being heard is a different story. Thai 100% Grade B is being quoted between \$565 and \$595 per ton fob vessel with parboiled at \$600 or slightly higher. Viet 5% long grain is still quoted around \$465 or slightly higher, but here again, getting any real quantity would likely be a problem.

With Monday being an exchange and bank holiday, rice futures as well as other grain futures saw big swings and sharp dives this week paying little or no atten-

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Louisiana Independent Rice Producers Hold First Annual Meeting

A large crowd of Louisiana rice farmers gathered this week at the Welsh Community Center to participate in the first annual meeting of the Louisiana Independent Rice Producers Association (LIRPA) meeting. Mr. Milo Hamilton, president of First Grain Incorporated was the keynote speaker who gave an updated view of the current rice market while taking a look at the future of rice production and the availability of water to a very attentive audience.

Of particular interest was an update from Marion Fox, Executive Director of the Jeff Davis Parish Economic Development office in Jennings on the Rail Loading Facility Project. This rail facility would significantly increase the loading capability of rice to be shipped and a direct rail path to Mexico, the number one market for U.S. long grain rice. This facility would greatly increase marketing options for Louisiana rice farmers to a market that is expected to continue to grow.

Dwight Roberts, president & CEO from the US Rice Producers Association gave an update on the organi-

zation's activities and discussed a number of issues related to the Western Hemisphere market.

Also attending the meeting were local officials including Mark Hebert from the office of U.S. Senator Mary Landrieu, Courtney Heard of U.S. Senator David Vitter's office and Joe Hill from the office of U.S. representative Charles Boustany. Louisiana Senator Dan Morrish and Louisiana Representative John Guinn along with several members of the local government also attended.

Phillip Watkins, President of LIRPA was pleased with the big turnout while mentioning, "these public officials understand that we have the opportunity to make a tremendous difference in the nurturing and growth of our rice industry and the rice producers of Louisiana by giving farmers as many al-

ternatives as possible." Some 15-20 new farmers signed up as new members with LIRPA at the meeting, that brings the overall membership to 125-130 farmers. The meeting was sponsored by numerous local and statewide corporate businesses. 🌿



Left to Right: Chris Krielow, Secretary-Treasurer of LIRPA, Marion Fox, Executive Director of Jeff Davis Parish Economic Development and Phillip Watkins, President of LIRPA

School Nutrition Program in Central America Increased Rice Use

In 2009, the cooperative program of the USRPA, USARF, US Dry Bean Council and the World Initiative for Soy in Human Health, again showed the program is effective in generating increased consumption of rice, beans and soy. The program is conducted in schools in El Salvador, Costa Rica and Nicaragua to train school cooks (mothers from the villages) how to prepare nutritious, low cost meals using rice, beans and soy.

In Costa Rica, surveys showed the number of people serving more than 5 pounds of rice per week increased 286 percent. Those serving 5 pounds per week increased 76%. In El Salvador, those serving more than 5 pounds of rice per week increased 100% and those serving 5 pounds per week also increased 100%. In Nicaragua, those serving more than 5 pounds of rice per week increased 11%. Increased use of soy and beans also showed strong increases in consumption in these countries.

Since the School Nutrition Program began in 2004, more than 141,243 school cooks have been trained in 6,577 schools throughout Central America. And, more than 1.6 MILLION children have been served a nutritious, low-cost meal of rice, beans and soy. Central America continues to be one of the most important markets for U.S. rice. In 2008, Central America imported 611,245.6 met-

ric tons of rice from the U.S. Virtually all of the rice is imported on a rough basis. Costa Rica imported 113,421.8 metric tons, El Salvador imported 93,283.6 metric tons and Nicaragua imported 115,428.8 metric tons. Virtually all of the rice imported by the Central American countries is from the U.S. 🌿



USRPA Participates in Panama's National Rice Industry Conference



Luis Rios E. (center), president of Fertica, S.A. extends his appreciation to Dwight Roberts for his participation at the I Congreso Nacional in Santiago de Veraguas, Panama last week. Also pictured is Martin Zuniga, Executive Director for Crop Life of Latin America, a major sponsor of the conference. Dwight gave an update on the U.S. rice market along with the major issues affecting the world market with a special emphasis on the Western Hemisphere. He also met with Arlene Villalaz, agricultural marketing specialist with the Foreign Agricultural Service at the U.S. Embassy in Panama City.

Left to right are Luis Rios from Fertica, S.A., Eduardo Rojas, President of CONARROZ in Costa Rica, Dwight Roberts and Martin Zuniga from Crop Life of Latin America during the National Congress organized by ANDIA, the National Association of Ag Product Distributors and Machinery, Crop Life – Latin America and Fertica, S.A. (Fertilizers of Central America in Panama, S.A.). The Panamanian rice industry, the most important aspect of Panama's agriculture attended the two day conference. The occasion gave Dwight the opportunity to meet with both rice producer and mill leadership during the conference. Upon return to Panama City both Eduardo Rojas and Dwight visited Mr. Hans Hammerschlag, General Manager of Grupo Calesa, the largest rice mill in Panama, a visit arranged and accompanied by Dr. Fidas Rodriguez, executive vice president of Fertica, S.A.



Mexico School Lunch Program Starting a New Nutritional Cycle for 2010

School Lunch Program started training session on January 15th. Queretaro is starting with a themed period: illness prevention, giving a special strength to breakfast and feeding in general. Our program was invited and considered a model program that tags along with this new theme. This presentation stressed the importance to feed well children with rice in order to keep them healthy and keeping them alert and awake to learn all the things taught to them. This presentation gathered more than 70 housewives and school principals invited them to join and collaborate with the rice training sessions and learn how to cook rice in the proper way to have nutritious, delicious and budget friendly dishes for the family.



In Morelos, the weather has alerted the community and authorities are using our program to deliver the message to keep children well fed with rice. The presentation here included more than 60 housewives interested in combining rice with Vitamin C sources to prevent children from flu.



State of Mexico started with the promotional training as well, in rural populated areas. Our Training Sessions are a complement to a governmental program called "PROGRESA". Here, we are invited to have training sessions in schools and teaching the importance of prepare healthy nutritious food to children and families, where rice is the star. 320 children were fed after our presentation.

General Market Update - Continued

(Continued from page 2)

tion to global fundamentals. The fallout from USDA's Supply/Demand report last week continues to reverberate, but the domestic and global economic situations are also making themselves felt in stunning fashion. Corn seems to be the biggest drag on the markets, as rice, beans, wheat, and cotton all fell sharply on Wednesday. The considerably stronger dollar and sharply dropping crude oil prices dealt the markets hard blows to the chin. The talk of tightening credit in China to help bring potential inflation under control only added to the markets' perceived woes. As far as rice is concerned, we believe the fundamentals are being largely ignored at this time, and time will tell if the long awaited demand actually kicks in. Rice futures started the short week down a mild 5.5 cents on Tuesday but then took a pounding on Wednesday to settle down another 43 cents in some fairly brutal trading during the session. Thursday saw a solid rebound up 39 cents, with Friday finishing the session up 29 in the March position at 14.17, just 7.5 cents off the high of the week. The March range for the four day week ran from Wednesday's low of 13.405 to Friday's high of 14.245. Average daily volume was substantial at just over 1,700 contracts per day. Open interest dropped a few hundred contracts during the week to 15,544 as of Thursday in what appeared to be some exhaustion selling action on Wednesday. There is no doubt that we are seeing some wild price action, but we still see global fundamentals as strong. 🌱



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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

Bud Philbrook of USDA Resigns

Bud Philbrook's recent announcement that he will resign as Agriculture Deputy Undersecretary for Farm and Foreign Agricultural Services leaves six key posts vacant at USDA. Philbrook is leaving to care for his son.

Philbrook's resignation closely follows Foreign Agricultural Service Administrator Michael Michener's re-assignment to the U.S. Mission to the United Nations in Rome. Secretary Vilsack promises to move quickly to appoint replacements to oversee trade and foreign agriculture issues.

The other four posts that remain to be filled, which require the President's nomination as well as the Senate's confirmation, include the Under Secretary for Food Safety and Research, the Under Secretary for Education and Economics, the Chief Financial Officer, and the General Counsel. 🌱

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For more information, or to download a registration form, visit:
<http://www.usriceproducers.com/trtriceamericas2010cartagena>
Or contact Brad Rudkin: (530) 345-4140
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Upcoming Events

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

Weather-Crop Summary (NASS)	Tuesday, Jan. 26, 12:00 pm
U.S. Export Sales (FAS)	Thursday, Jan. 28, 8:30 am
Agricultural Prices (NASS)	Friday, Jan. 29, 3:00 pm
All USDA reports are available by visiting http://www.usda.gov/wps/portal/?navid=AGENCY_REPORTS=RT .	

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