



The Rice Advocate

US Rice Producers Association

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Contact Congress Now to Say Yes to Cuba Trade and Travel, H.R. 4645

As highlighted in last week's issue of The Rice Advocate, House Agriculture Committee Chairman Collin Peterson (D-MN) introduced the Travel Restriction Reform and Export Enhancement Act which removes obstacles to legal sales of U.S. agricultural commodities to Cuba and ends travel restrictions to Cuba for all Americans.

The bill, H.R. 4645, currently has 38 co-sponsors, including 13 from rice producing states. The bill makes sales of farm products to Cuba less difficult by allowing Cubans to pay American banks directly for the purchase of U.S. farm products, and to make those payments when

Cuba.

We need your support to secure additional co-sponsors for this legislation which will undoubtedly increase sales of U.S. rice to Cuba. The majority of the Congressional delegations from Arkansas, Texas, Mississippi, Missouri, Louisiana, and California have not indicated their support for this legislation. Please see the link below for a list of representatives from your state who have not co-sponsored H.R. 4645. Contact information and phone call talking points are included.

[Click Here for Contact List and Talking Points](#)

All rice producers are asked to contact agriculture staff in the House and Senate offices from their state to help secure additional co-sponsors for H.R. 4645, The Travel Restriction Reform and Export Enhancement Act.



the title of the shipment changes hands as opposed to before they leave the U.S. port. In addition, H.R. 4645 ends travel restrictions for Americans going to

\$80 Million in NRCS Funding Available for Mississippi River Basin Watersheds

This week, USDA issued its request for proposals for the Mississippi River Basin Healthy Watersheds Initiative to avoid, control and trap nutrient runoff and leaching, enhance wildlife, and maintain agricultural productivity in 41 Mississippi River watersheds, including those in Missouri, Arkansas, Mississippi and Louisiana. For more information, including the Federal Register notice visit:

http://www.nrcs.usda.gov/PROGRAMS/mrbi/mrbi_overview.html

The National Association of RC&D Councils is also maintaining a directory of organizations intending to apply for MRBI funding in one of the identified watersheds. This list can be accessed at:

<http://www.rcdnet.org/MRBI.php>



Tiago Barata from Porto Alegre, Brazil, visits with Marcela Garcia, International Programs Manager for USRPA. Mr. Barata, a rice market analyst with the IRGA rice research institute in Brazil, is spending the month of March in Houston to brush up on his English language skills while spending time in the USRPA office. His knowledge of the Brazilian rice market, both domestic and foreign, as well as government policies is of great interest to the USRPA.

"We are thrilled to have the opportunity to work with Tiago during his stay in Houston due to his extensive knowledge of the Brazilian and South American markets," said Dwight Roberts, CEO with the USRPA. Mr. Barata, who spoke at the South Africa Rice Outlook conference last year, will once again be a featured speaker at the Rice Americas 2010 conference in Cartagena, Colombia, April 21-22.



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Large Attendance Expected for TRT Rice Americas 2010 in Cartagena, Colombia

With over twenty countries already registered, it appears that this year's TRT Rice Americas conference in Cartagena, Colombia will have the largest participation since the event began in 2007.

Important attendees from throughout the Western Hemisphere along with a strong list of program speakers makes the conference the best networking event for anyone interested in the region's rice industry with all aspects of the industry represented. This includes, research, seed production, paddy trade, milling, shipping, equipment, government policies, weather effects and so on. There is no better opportunity to meet and greet on the subject of rice in the Americas than in Cartagena, Colombia, April 21-22, 2010.

If you have not made plans to attend then what are you waiting for? The program this year is featuring an impressive line-up of speakers including the participation from Angelo Carlos Maronezzi (pictured left), general director of Agro Norte Pesquisa e Sementes, Gerais e Fazendas based in Sinop, Mato Grosso, Brazil. Agro Norte is a leader in the research and development of upland rice



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varieties as well as a producer of commercial rice, soybeans, corn, sorghum and millet. Mr. Maronezzi is an agronomist with an MBA in administration and marketing of agribusiness from the University of Sao Paulo. He has played a key role in the development of rice production throughout the Mato Grosso area of Brazil and the entire Central and Northern regions



Picture courtesy of La Guía de Cartagena
www.Cartagenainfo.com

of the country. Mr. Maronezzi is a former presidente of Extinta APA, the Mato Grosso Rice Producers Association.

To learn more about the work and activities of Agro Norte go to www.agronorte.com.br.

To find out more information and to register online, visit: www.trtamericas.com

Download the brochure and printable registration form at: www.usriceproducers.com/trtriceamericas2010cartagena

Rice Research News from Dr. Mo Way, Texas A&M, Beaumont, TX

Good news for Texas rice farmers--- Section 3 full federal labels were approved for the insecticidal seed treatments CruiserMaxx and Dermacor X-100!

This means you can use these seed treatments in 2010 and the foreseeable future. CruiserMaxx controls rice water weevil, chinch bug, aphids and thrips while Dermacor X-100 controls rice water weevil, fall armyworm, South American rice miner and stalk borers (Mexican rice borer and sugarcane borer).

An excellent insecticide for rice stink bug is Tenchu 20SG which is under review at EPA for use in 2010. TDA submitted a Section 18 Emergency Exemption for this product late last year, so we should receive EPA's decision in the near future. Tenchu 20SG was used extensively in Texas last year. Reports from the field indicated a 7-11 day residual which resulted in reducing the number of rice stink bug insecticidal applications by 1/3-1/2 for farmers who used Tenchu 20SG in 2009.

I just returned from the Rice Technical Working Group (RTWG) biennial meeting held in Biloxi, MS. The folks at Mississippi State University were largely responsible for organizing and hosting this meeting which I think was the best ever RTWG! Lots of good information was shared among all rice scientists in the US and in some foreign rice-producing countries. Also, many rice farmers and crop consultants participated in this premier rice meeting.

The next RTWG will be held in 2012 in Arkansas. You may want to attend in 2012. Please contact me (409-658-2186 or moway@aesrg.tamu.edu) and I can send you information and details about the next RTWG. The proceedings of the 2010 RTWG will be published. If you want a copy of these proceedings, please contact me.

Obviously, rice planting will be delayed in Texas this spring. As I prepare this article, it is raining very hard at the Beaumont Center and the soil is already saturated. Dr. Garry McCauley has some very interesting data on date of planting and yield. Planting during the optimum time (mid-March to mid-April) really pays off! Basically, for every week past the optimum planting window, yields are reduced 5%! I know you cannot prepare your fields for planting now, but get ready to work overtime once the soil dries. Planting during the optimum planting window is critical to producing a successful crop, both main and ratoon. Speaking of the ratoon crop, Texas data from last year show a significant carry-over of stalk borer control on the ratoon crop when main crop seed is treated with Dermacor X-100.

Good luck this year---may your yields, quality and rice prices be high!

www.agebb.missouri.edu

2010 Rice Harvest Underway in Argentina & Brazil



The rice harvest in the Mercosur area of South America is underway and although there are no specific yields to report as of yet, it is accepted that this year's production will be down significantly. Exactly how significant is the question on the minds of the rice traders throughout the Western Hemisphere. Combines in the Resistencia area of Argentina got in the fields about 18 days ago on early seeded rice and the only comment available to the Rice Advocate at press time is that the yields are not very good due to heavy rains in November that reduced the stand and tilling in many fields. Average yields will be lower than last year according to rice research specialists in Argentina. Of particular interest is the situation in the southern Brazilian state of Rio Grande do Sul, an area that has produced an average of 7.5 million tons of paddy the last five years. This one state produces 62% of the country's rice. Heavy rains in November and December caused considerable damage throughout the area, not only to farmland but to roads, bridges, farm homes and buildings along with several lives lost. As of today only about 5% of the rice has been harvested so it's too early to have any hard numbers but a loss of one million tons of paddy rice is considered a very conservative estimate at this time. The Rice Advocate will continue to update readers throughout the harvest timeframe.



House Agriculture Committee Adopts Budget Views and Estimates Rejecting President's Proposal to Cut Farm Payments

On Wednesday, the House Agriculture Committee adopted its budget views and estimates letter, which outlines the committee's budget recommendations for the federal agencies and programs under its jurisdiction for fiscal year 2011. House rules on budgetary enforcement require each standing committee to submit its views and estimates on program budgets within its jurisdiction to the House Budget Committee no later than six weeks after the President submits his budget recommendations.

Just as in 2009, the House Agriculture Committee once again rejected the President's proposals to cut agricultural programs. The Committee specifically rejected President Obama's proposals to reduce the cap on direct payments by 25 percent, to reduce the Adjusted Gross Income payment eligibility limits for farm and non-farm income by \$250,000 over three years, and to cut subsidies to the privately run crop insurance system.

"We're united," House Agriculture Committee Chairman Collin Peterson said of Democratic and Republican members of his panel. "We have overwhelming support in the House not to open up the farm bill."

The Agriculture Committee voted unanimously to maintain farm payments and crop insurance at current levels. The letter to Budget Committee Chairman John Spratt emphasizes that the 2008 Farm Bill was supported by over 1000 organizations from across the policy spectrum and that the programs under the Committee's jurisdiction – including nutrition, farm, conservation, energy and rural development programs – are

General Market Update

After standing pat for two or three weeks, USDA finally dropped World Market Price this week by a substantial \$1.27 on long grain and \$1.30 on medium/short grain. It was noted that this has no direct effect on rice prices since the net levels are nowhere close to loan, but it is a reflection of, right or wrong, how USDA sees global prices, particularly in Asia where quoted prices continue to be soft this week. USDA's weekly export sales report was anemic as well, with a total of 55,600 metric tons being posted, of which just over half were accounted for by sales of medium paddy to Turkey and Mexico. Turkey also took a quantity of medium grain milled rice, and most of the balance was long grain rough and milled to Mexico, parboiled milled to Saudi Arabia, and milled long to Haiti and the Dominican Republic. Exports reported for the week were also lighter than we have come to expect at 55,700 tons. The bulk of that number came from rough shipments to Mexico, Venezuela, and Honduras, along with smaller shipments of long grain milled to the Caribbean area, Mexico and Canada. The anticipated KCCO purchase for Haiti did not materialize this week, and there are questions asking whether something will be done to assist Chile after its massive earthquake.

providing an essential safety net during a time of continuing economic difficulty.

"Given these political and economic realities, the Committee believes that program benefits of the Food, Conservation, and Energy Act (FCEA) of 2008 should be maintained so that families – both farm and non-farm – facing adverse economic conditions – many through no fault of their own – can continue to receive help as Congress intended. We believe that it would be unwise to reopen the FCEA to reduce program benefits – especially through proposals similar to those that, during the FCEA debate, were considered and rejected," the letter states.

A copy of the letter can be found on the Agriculture Committee website: <http://agriculture.house.gov/inside/pubs/FinalBudgetViewsEstimatesFY2011.pdf>.

Bruce Beck (left), retired agronomy specialist with the University Outreach & Extension program in Missouri, visits with David Guethle, the agronomy specialist for rice with the University of Missouri Extension service, during the 2010 Missouri

Rice Producers Conference held in Dexter, MO earlier this week. A large crowd of Bootheel farmers gathered to hear area specialists give presentations regarding weed control, insecticide seed treatments, nitrogen soil test for rice, growing rice under a center pivot, variety research, new fertilizer technologies and a report from the Bootheel Nutrient Management Committee. Greg Yielding updated farmers on state legislative issues concerning rice while Dwight Roberts from the USRPA gave a briefing on the rice market outlook and the organization's current activities. Lunch was served thanks to the support of numerous sponsors who set up exhibits at the conference. (www.agebb.missouri.edu)



Asia seemed to be on a break as well as far as rice sales from that region last week are concerned. Prices quotes remained soft in the absence of ready buyers and the harvest which is underway. Even though there are serious water problems in parts of Asia now, it seems that the current harvests in Thailand and Vietnam are bountiful. Buyers are holding off for now, but these lower quotes could tempt some of the bigger importers to step up to the plate. Additional purchases by the Philippines are still in the wings, and even though India seems to be going out of its way to quell any idea of having to import rice, the final chapter of that story is far from complete. The Thai government has for the second time cancelled plans to auction part of its rice held in stocks. Given that the harvest is underway, the question is whose idea was

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General Market Update- Continued

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that in the first place?

Even though rice remaining in first hands is low throughout the South and is estimated to be no more than 1.8 million cwts in Texas, the market did quiet down a little this week. Bids in Texas for conventional package quality were steady at \$6.50 over loan. There was no active bid for hybrids, but a small quantity did trade at \$6.50 over. South Louisiana reported little or no pricing with last quotes being seen at \$21.00 per bbl and reports of some package bids at \$22.00 per bbl. Small trading in the \$13.30/40 area may have taken place in the Delta, and Arkansas bidding was reported at \$1.00 under the May contract delivered river but saw no takers. The market does seem to be taking a breather, but sellers do not seem to be in the mood to lower price ideas. Total export sales and shipments have been very good thus far, and it's still only the first week of March.

Thai 100% Grade B quotes this week were noted between \$535 and \$545 per metric ton fob vessel, with Thai parboiled seen between \$545 and \$560. Viet 5% is noted between \$390 and \$400 per ton fob vessel, even though the minimum export price set by the government is supposed to be \$440 per ton. Pakistani 5% is called at \$440 per ton. Harvests in Asia thus far are said to be good, and it will just be a matter of time before buyers come back to the market.

This week's rice futures were punishing to the longs, defiant of the technicals, and bewildering to the analysts. Cash is not responding in kind to the price action in the futures which has moved down at a pace somewhere between a drift and a rush, or perhaps it's more likely that

the futures are not responding to the cash which is refusing to move decisively lower. The only explanation we have for this is the still large and greatly misunderstood presence of the big funds in the market. Open interest did drop some this week to 14,431 as of Thursday, but not enough to clean out any large speculative positions. Daily volume averaged nearly 1,350 contracts per day which is a healthy number. As the week came to a close, however, May futures settled at 13.09, just 2 cents off the low for the week. The drop for the week was steep, from a high of 13.97 on Monday to Friday's low of 13.07. Technically the market is very oversold, but where the upward reaction to that condition kicks in seems to be anybody's guess. Neither the continued weakness nor the unusual market action fit any pattern that most analysts have been able to trust in the past. 🌱



THE RICE TRADER
TRT RICE AMERICAS 2010
 Cartagena, Colombia
 21-22 April 2010

For more information, or to download a registration form, visit:
<http://www.usriceproducers.com/trtriceamericas2010cartagena>
 Or contact Logan Wilson: (530) 345-4140
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Additional Resources

For economic analysis on agricultural efficiency, efficacy, and equity issues: www.ers.usda.gov

Texas Rice from A&M AgriLife Research Ctr. at Beaumont: http://beaumont.tamu.edu/eLibrary/eLibrary_default.htm

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

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

Upcoming Events

March 22-26, 2010	Africa Rice Congress, Bamako, Mali
March 30, 2010	Export Letter of Credit Documentation Training; Houston, TX
April 21-22, 2010	Rice Americas Conference; Cartagena, Colombia
May 11-13, 2010	Food Marketing Institute (FMI) Show; Las Vegas, NV

For more information visit the USRPA's online calendar at: www.usriceproducers.com/calendar

USDA Reports Next Week

Weather Crop-Summary (NASS)	Tuesday, Mar. 9, 12:00 pm
World Agricultural Supply & Demand Estimates (ERS)	Wednesday, Mar. 10, 8:30 am
Crop Production (NASS)	Wednesday, Mar. 10, 8:30 am
Grains: World Markets and Trade (FAS)	Wednesday, Mar. 10, 10:00 am
World Agricultural Production (FAS)	Wednesday, Mar. 10, 10:00 am
Season-Average Price Forecasts (ERS)	Wednesday, Mar. 10, 4:00 pm
U.S. Export Sales (FAS)	Thursday, Mar. 11, 8:30 am
Price Reactions after USDA Crop Reports (NASS)	Friday, Mar. 12, 3:00 pm
U.S. Agricultural Trade Data Update (ERS)	Friday, Mar. 12, 4:00 pm

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

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