



The Rice Advocate

US Rice Producers Association

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“Our Cuba Policy is Ineffective, Punishes U.S. Farmers, Costs U.S. Jobs”

Mike Wagner, a rice farmer from Sumner, Mississippi and a member of the Board of Directors for the US Rice Producers Association, gave the House Agriculture Committee on Capitol Hill an earful yesterday while giving testimony on behalf of the U.S. rice industry in support of House Resolution 4645, the Travel Restriction Reform and Export Enhancement Act.

The legislation, introduced on February 23rd by Committee Chairman, Collin Peterson of Minnesota, is co-sponsored by 30 other Members of Congress and would reduce bureaucratic red tape associated with traveling to Cuba to facilitate new agriculture sales while eliminating the requirement of using third country banks to conduct business.

The bill would allow U.S. citizens to travel to Cuba and redefine the interpretation of a cash payment to when the title of shipment changes hands, not in advance. Mr. Wagner, who serves as the current President of the Mississippi Rice Council, explained to the committee that in 2004 Cuba bought \$64 million worth of U.S. rice, providing for one thousand, four hundred U.S. jobs and established itself as the 4th largest market for milled rice. Then in 2005 the U.S. government (OFAC) revised the rules governing payment terms to Cuba and the resulting sales have plummeted to zero.



Mike Wagner, a rice farmer from Mississippi and a member of the USRPA Board of Directors testifies before the House Agriculture Committee on behalf of the U.S. rice industry.



Congressman Jerry Moran (R-Kansas) met with Mike Wagner and staff of the USRPA after the hearing to discuss a number of details regarding the U.S. trade policy with Cuba.

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For more information about the hearing and for a copy of the entire joint testimony presented by the US Rice Producers Association and the USA Rice Federation, visit:

www.usriceproducers.com/files/247_2010.03.11_Cuba_Testimony.pdf

USRPA will continue its leadership role in working with a broad array of commodity, farm and export groups to encourage the improvement of trade relations with Cuba. The USRPA has been an active participant in this effort since the Trade Sanctions Reform & Export Enhancement Act of 2000 authorized the export of U.S. agricultural commodities to Cuba.

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USRPA Applauds Inclusion of Agriculture Disaster Relief in Senate Jobs Bill

The Senate voted on Wednesday to provide disaster assistance for farmers affected by heavy rains, floods and other weather-related disasters in 2009 as part of the Tax Extenders Act of 2009. The agriculture disaster aid provision was based on legislation introduced by Senators Blanche Lincoln (D-AR) and Thad Cochran (R-MS) last November. Senator Lincoln, who chairs the Senate Agriculture Committee, pushed heavily for the inclusion of the disaster assistance in the Senate Tax Extenders Bill.

“Our farmers provide the safest, most affordable, most abundant food supply in the world. We cannot afford to see them forced out of business because of weather conditions out of their control. This will provide the relief producers need to stay in business,” Senator

Lincoln said.

The legislation would provide an estimated \$1.1 billion in supplemental payments to producers who suffered crop losses in counties declared “primary” disaster areas by USDA. Also included in the Tax Extenders measure is \$300 million to assist specialty crop producers, \$75 million in emergency loans to poultry producers, \$50 million in assistance for livestock producers, \$25 million in aquaculture assistance and \$42 million to aid first handlers of cottonseed.

For a list of counties in your state which were declared primary natural disaster areas in 2009 by the US Department of Agriculture, follow this link to the FSA’s website: www.fas.usda.gov

USRPA Disapproves of EPA Move to Regulate Greenhouse Gases

This week, USRPA signed a letter with 155 farm and ranch organizations supporting the introduction of two resolutions of disapproval regarding the Environmental Protection Agency (EPA) endangerment finding for greenhouse gases.

[Click Here to View the Letter](#)

The resolutions, H. J. Res. 76 and H. J. Res. 77, introduced by Rep. Ike Skelton (D-MO) and Rep. Joe Barton (R-TX), respectively, disapprove the rule submitted by the EPA relating to the endangerment finding and the cause or contribute findings for greenhouse gases.

Last December EPA found that “greenhouse gases in the atmosphere may reasonably be anticipated both to endanger public health and to endanger public welfare” and therefore could be regulated under the Clean Air Act. The resolutions mandate that the EPA rule shall have no force or effect.

“When Congress passed the Clean Air Act, it never gave EPA the explicit authority to regulate green-

house gas emissions for the purpose of stopping global climate change. But that is exactly what EPA has proposed to do,” Rep. Skelton stated in a press release.

Rep. Joe Barton also commented, “The endangerment finding that EPA put out last year is fatally flawed. We want to send a very clear signal that what the EPA has done is wrong and it should be overturned by the elected members of the House and the Senate.”

Under the Congressional Review Act of 1996, Congress has 60 legislative days to review a major rule under expedited legislative procedures and consider a resolution to disapprove of the rulemaking.

[Click here to view a copy of the resolution introduced by Rep. Barton](#)

[Click here to view a copy of the resolution introduced by Rep. Skelton](#)

TRT Rice Americas 2010 in Cartagena Addresses World Rice Crop Weather Patterns

Thanks to the year of El Niño, rice crop conditions have been difficult to predict around the world. Participants at the TRT Rice Americas conference in Cartagena, Colombia (April 20-22) will get a very good understanding of why this is has happened and more importantly what to expect in the year ahead. The issue will be addressed by Dr. S. Elwynn Taylor, professor of agronomy and the extension climatologist since 1970 at Iowa State University. Dr. Taylor’s work and experience in the areas of applied agricultural meteorology, crop growth modeling (Central Arid Zone Research Institute, Jodhpur, India) and biophysical crop ecology have made him one of many highlights at the annual Rice Americas conference this year. A member of the American Meteorological Society, Dr. Taylor’s list of accomplishments and activities during his lengthy distin-

guished career are far too long to mention in this article. The best thing to do is come to Cartagena along and meet with rice industry representatives and related businesses from more than 25 different countries throughout the Western Hemisphere and other parts of the world.

As the best rice business networking event of its kind in the Americas, there is no doubt that this year’s program is of interest to everyone. For more information and to register, go to:

www.trtamericas.com



Texas Rice Farmer Harold William “Hal” Koop Jr., 1945-2010



I was not ready for the news I got last Friday morning about my friend Hal Koop, a Texas rice farmer from Edna. You never are for this kind of news.

Hal was an inspiration to so many and his sincere approach made him very special. Hal was a bottom line type of guy and his service to the Texas rice industry will never be forgotten.

While serving on the Texas Rice Council Board, Texas Rice Research Foundation Board, the Texas Rice Producers Legislative Group and as a long time member of Rice Belt Warehouse's Board of Directors, Hal always had the interests of the rice farmer on his mind. A strong supporter

of the Texas A&M Agrilife Rice Research Centers in Beaumont and Eagle Lake, Hal was one of those leaders who had everyone's attention when he voiced an opinion.

The US Rice Producers Association wants to extend its heartfelt sympathies to all of his family and especially to those grandchildren that gave Hal such a sparkle in his eyes. His encouragement to the goals, efforts and objectives of the US-RPA were and are appreciated more than he ever knew probably.

Thanks Hal, you will be sorely missed.

– Dwight Roberts



General Market Update

This was another three-report week for USDA, beginning with the monthly Supply/Demand report on Tuesday. Since exports and sales figures are so far ahead of the USDA projections at this time in the marketing year, many in the trade expected an adjustment which would have shown a smaller carry over at the end of the year. The folks in Washington, however, are evidently counting on export tonnage to drop off and proceeded to raise the long grain ending stocks projection by 1 million cwts. This was not what the market was expecting, but no one expressed any big surprise since USDA has appeared out of step with the trade for such a long time now. There is at least a mathematical suggestion that if the current pace of sales and exports continues, we will have practically no long grain carry over this year. This takes us to the second report which was Wednesday's bulletin of no change in WMP. Thursday woke to USDA's Weekly Export/Sales Summary which showed big tonnage of 133,500 metric tons sold for the week. Turkey was the big single buyer at just over 36,000 tons of medium grain paddy with a little milled thrown in, but the bulk of the tonnage was long grain paddy to Venezuela and Mexico and milled to Iraq, Haiti, and Canada. The 30,000 tons of paddy sold

to Venezuela was a small surprise and is seen as confirmation that more imported rice will be needed by that country. Export loadings for the week totaled 65,400 tons with about a third being long grain paddy shipped to Mexico, a third medium/short grain brown to the Republic of Korea and Taiwan, and the balance mostly long grain milled to Haiti, Canada, Mexico, and other smaller destinations. All additional export business is very welcome, but more sales of long grain milled would be particularly helpful.

Rice still in first hands in Texas is estimated to be possibly as low as 1.5 million cwts this week. The market has been quiet with little buying or selling interest being noted. Field work has been underway, and some planting will be seen this weekend if the weather remains good. There were reports of some small trading in South Louisiana at \$21.50 per bbl for conventional varieties, but quiet seems to be the byword there as well. Delta bids are reported at 50 cents under the May futures contract, but there is no selling interest at that level. Although there is no shortage of rice at this time, the feeling across the South is that rice in farmers' hands yet to be sold is less

(Continued on page 4)



There are over 29,000 grains of rice in one pound of long grain rice.

General Market Update (continued)

(Continued from page 3)

than past years at this point. It will be interesting to see how the year closes at the end of July – four-and-a-half months away.

Prices in Asia were slightly softer again this week, as buyers are still absent that market. It is just a matter of time before demand appears, but in the face of the harvest in Thailand and Vietnam, sellers are feeling a bit of pressure just now. Both governments of those countries continue their paddy purchase programs which are nothing more than de facto subsidies to their farmers. In fairness to international traders' concern about getting hung on one side of the market or the other, it is getting more difficult and more risky to either go long at a "cheap" price or sell short at a "good" price. Even though the following indications from various markets are low, there is a feeling that prices are near the bottom, that demand will return in the near future, and that any demand will bring on an increase in prices very quickly. Philippine buying is still to be seen, and the big demand from Africa will surface sooner or later. Indications on Thai 100% Grade B this week ranged from \$505 to \$530 per metric ton fob vessel and on Thai parboiled between \$505 and \$540. Viet 5% still has a minimum export price well above \$400 per ton, but commercial sellers have indicated prices in the \$390 to \$395 range. Pakistani 5% is indicated at just above \$400 per ton fob vessel, and there is talk of Burma coming to market with some exportable tonnage to offer.

Rice futures continued their steep slide this week, with the May contract trading from a high on Monday of 13.19 to a low Friday of 12.32. Friday's settlement came

in at 13.43 which was down 66 cents for the week. The Supply/Demand figures on Tuesday were not positive, but they did not seem to have a particular effect on the market. Much has been discussed in the trade regarding the fundamentals and technicals of the rice futures, and more and more, the conclusion is being reached that the fund influence is just too much for a small market like rice. Daily average volume was decent at 1,360 contracts. Open interest for the week is barely changed at 14,284 as of Thursday compared to 14,431 last Thursday. Ownership of the rice futures has simply changed from weak hands to stronger hands as the price has fallen, and ultimately we are of the opinion that this is a positive. This market remains very oversold, and if not already reached, this week's final prices should be very near a bottom. 🌱



THE RICE TRADER
TRT RICE AMERICAS 2010
Cartagena, Colombia

US Rice Producers
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

Rice Outlook (ERS) <CLICK TO VIEW>	Thursday, March 11 2:30 pm
Weather Crop-Summary (NASS)	Tuesday, Mar. 16, 12:00 pm
U.S. Export Sales (FAS)	Thursday, March 18, 12:00 pm

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

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