



The Rice Advocate

US Rice Producers Association

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Legislation to Enhance Rice Exports to Cuba Pending

In follow up to the March 11, 2010 House Agriculture Committee hearing to review U.S. agricultural export sales to Cuba, Mike Wagner, of Twobrooks Farm in Mississippi, submitted additional comments this week for the Committee's record. The original testimony and follow-up letter were both submitted on behalf of the US Rice Producers Association and the USA Rice Federation.

"Cuba is a major player in our hemisphere's rice trade," the letter states.

"The U.S. used to be the principal supplier of rice to Cuba, and our sales have now plummeted to zero because of self-inflicted wounds to our export sales."

USRPA testified in support of H.R. 4645 Travel Restriction Reform and Export Enhancement Act, which was introduced by House Agriculture Chairman Collin Peterson (D-MN) in late February and now has 42 Congressional cosponsors.

In addition to making improvements in the payment requirements and systems for rice sales to Cuba, H.R. 4645 will also boost ag sales by opening travel to Cuba by U.S. citizens.

"We believe that granting American citizens the right to more freely travel to Cuba will yield positive economic benefits. Enhancing the engagement between our people can have other salutary benefits, as we believe was the case in the former Soviet Union, its several satellite states, and other formerly closed countries," the letter noted.

The Cuba Bill has been referred to the Committee on Foreign Affairs as well as the Committees on Agriculture and Financial Services for consideration. USRPA continues to actively support the swift consideration and enactment of this important bill.



[Click Here To Read the Full Letter Submitted to the Agriculture Committee](#)

General Market Update

Persistent softness in the Asian markets gave USDA reason to drop the World Market Price again this week: down 24 cents per cwt on long grain and off 25 cents per cwt on medium/short grain. At the current levels, WMP has no real meaning to the US market, but it still bears watching. The weekly export sales report came in at 62,300 metric tons, about a quarter of which was California milled sold to Japan (over 14,000 tons) and various other smaller buyers. Long grain sales continued to be quite good with 28,000 tons of rough sold mainly to Costa Rica with Mexico, Jamaica, and other Central American buyers coming to the table as well. Mexico also took 3,000 tons of medium paddy. A bit of long grain brown (3,000 tons) and nearly 11,000 tons of long grain milled (big buyer was Saudi Arabia for 6,500 tons of parboiled) rounded out the report. As someone noted earlier this week, we keep waiting for a light weekly report to hit, but thus far sales continue to be very good. And right along with the sales report was an excellent weekly export posting:

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Wet weather and cold temperatures in Texas have continued to delay the current planting of the 2010 rice crop. Farmers are anxious to get their seed in the ground in order to produce a ratoon crop that is so important to the gulf coast rice farmers. Pictured above is Tiago Barata, a rice market analyst from Rio Grande do Sul, Brazil on a farm west of Houston, Texas this week. Mr. Barata is the newest member of the USRPA market advisory team.

View the latest Texas Rice Crop Survey reports at <http://beaumont.tamu.edu/CropSurvey/>

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US Rice Producers Association Travels to El Salvador



Nelson Arrivillaga, Executive Director for ASALBAR, Marcela Garcia, International Programs Director for USRPA and Pedro Antonio Menjivar, President of ASAL-

BAR, discuss El Salvador's domestic rice consumption trends this week during meetings held in San Salvador. The board of directors for ASALBAR, the rice milling association of El Salvador, met with USRPA this week while renewing joint efforts to promote rice consumption in this key market for U.S. rice.



Jaime Beltran, production manager for Agroindustrias Gumarsal, S.A. in El Salvador, discusses the aspects of parboiling rice to Pedro Antonio Menjivar, President of ASALBAR (El Salvador Rice Millers Association) and Marcela Garcia of USRPA this week. Marcela traveled to El Salvador with Dwight Roberts, President and CEO of USRPA, to discuss the current market conditions in El Salvador and to evaluate and plan current and future promotional activities. The El Salvador markets depends on the import of U.S. rice for 80% of the consumer demand.

General Market Update (continued)

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100,700 tons. Over half of this was paddy loaded for Mexico and Central American customers where demand remains steady and strong. A small amount of both long grain and medium grain brown, 17,600 tons of medium grain milled (mostly to Japan), and 21,000 tons of long grain milled made up the balance of the tonnage lifted during the week. Of the milled, 7,500 tons went to the United Kingdom – a good and welcome sign.

The Southern rough rice story has not changed from last week, with smaller than usual supplies still in first hands being widely conceded as accurate. Except for the movement in paddy exports, however, the market remains very quiet. Millers need to see some business come their way, but with soft Asian prices and very dull global demand, it seems that the waiting will have to be endured a bit longer. No bids were noted in either Texas or South Louisiana, and the idea of offering at low prices is still not appealing to sellers. Bids under the May futures in the Delta/Arkansas area are said to be unattractive as well. There seems to be a dynamic at work – hard to put a finger on it exactly – that indicates that current low levels simply will not work for Southern rice farmers and/or their

financiers. If this is indeed the case, it will be interesting to see just where this leads in terms of minimum acceptable/workable prices and new plantings. Though slowed to some degree by rain, fieldwork and some planting continue to be reported along I-10. Re new crop, USDA releases its prospective plantings report on March 31st. The current guess for rice is that acreage will be up by 4% to 5% in this report, but the lower futures prices may cause some producers to take a second look if they have a choice.

Asia continues to see muted demand, but some firmness is being seen in quotes from Thailand this week. There is also some idea that with the current harvests coming to a close, prices will now start to base somewhat. Some Chinese buying interest has been reported for 25% broken Viet rice due to the dryness in southern China affecting its rice crop. Reports of very dry conditions in many parts of Asia, including the Philippines, Thailand and Vietnam, have all been met with a “no problem” reply. There is some speculation, however, that Vietnam may have as much as 2 million acres of rice at risk without getting rain very soon. Whatever the actual effects of the

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General Market Update (continued)

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extremely dry conditions are, they will only be exposed when sellers stop selling and buyers commit their money to buying and in what quantities. Thai 100% Grade B is quoted at \$510 to \$520 per metric ton fob vessel with Thai parboiled being quoted at \$515 to \$520 per ton. Vietnam has lowered its minimum export price to \$400 per ton, but quotes for 5% are noted at \$385 to \$390 per ton. Given potential problems in Asia, the harvest pressure to move rice in Vietnam must be tremendous, and the global market is playing it like a fiddle. Most in the trade, though, expect prices in Asia to rise rapidly as soon as any real demand returns to the market.

Rice futures had a tough week, but given the mathematics of the market, a downside technical retracement was somewhat expected. Monday's high of 1289.5 was then followed by slippage Tuesday and Wednesday into a hard drop on Thursday with the week's low finally being made on Friday at 1236. Volume was high early in the week, very light at mid-week, very high on Thursday, and so-so on Friday. Average daily volume was nearly 1,000 contracts, but the action was inconsistent from day-to-day. Friday's settlement at 1246 left the market down 24 cents from the previous Friday's close, but the recent low of 1232 remained intact. Open interest picked up fairly substantially during the week which adds another cross-current of information to the market. With the planting intentions still to be seen next week, more choppy action in rice and other futures markets will be seen.

Washington DC Update: Spring Recess



The House of Representatives and Senate will recess for a two-week state and district working period.

Congress will reconvene to consider legislative business on Monday, April 12. Among other business awaiting Congress' return is legislation 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 RICE TRADER
TRT RICE AMERICAS 2010
Cartagena, Colombia
21-22 April 2010
US Rice Producers
For more information, or to download a registration form, visit:
<http://www.usriceproducers.com/trtriceamericas2010cartagena>
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Upcoming Events

March 22-26, 2010	Africa Rice Congress, Bamako, Mali
March 30, 2010	Export Letter of Credit Documentation Training; Houston, TX
April 21, 2010	Exporting to Cuba Workshop, 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

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

USDA Reports Next Week

Weather Crop-Summary (NASS)	Tuesday, March 30, 12:00 pm
Agricultural Prices (NASS)	Tuesday, March 30, 3:00 pm
Rice Yearbook Data tables (ERS)	Tuesday, March 30, 4:00 pm
Grain Stocks (NASS)	Wednesday, March 31, 8:30 am
Prospective Plantings (NASS)	Wednesday, March 31, 8:30 am
Rice Stocks (NASS)	Wednesday, March 31, 8:30 am
U.S. Export Sales (FAS)	Thursday, April 1, 8:30 am

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

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