



The Rice Advocate



US Rice Producers Association

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Cuba Bill Could Reach House Floor in April

House Agriculture Committee Chairman Collin Peterson (D-MN) has announced that his committee will mark-up legislation in the coming weeks which will remove obstacles to legal sales of US agricultural commodities to Cuba and end travel restrictions to Cuba for all Americans. After the Agriculture Committee considers the bill, H.R. 4645, the full House of Representatives can vote on its passage.

While the Travel Restriction Reform and Export Enhancement Act has 42 co-sponsors, including 13 from rice states, we need your help to secure more support for this important legislation by encouraging your representatives to vote for the measure. The bill includes provisions that benefit US agriculture, including an easier method for Cubans to pay for purchases of US agricultural exports.

If trade and travel restrictions are eased, U.S. exports would increase dramatically. The U.S. International Trade Commission estimates that the U.S. could supply as much as two-thirds of Cuba's agricultural imports. A Cuban importing official recently estimated that Cuba could buy agricultural products from the US with a value of \$21 billion just in the first five years with no payment restrictions.

14th Annual NCSCRC "Tillage Conference" February 1-2, 2011 in Louisiana

After a record breaking event in January of 2010, the 14th Annual National Conservation Systems Cotton & Rice Conference is headed to Baton Rouge, Louisiana next year in what is expected to be once again a large turnout. Organized by Mid-America Farm Publications and sponsored by the US Rice Producers Association and Cotton Incorporated, the 2010 conference was attended by a record breaking 637 farmers and consultants representing some 3,243,349 acres of crop production. Written evaluations indicated an overwhelming response and a long list of positive comments from attendees. The 2011 conference currently being planned will not disappoint as farmers from throughout the gulf coast, Mississippi River delta and numerous mid-west states gather to network and learn in a great conference atmosphere. Stay tuned for more information but mark your calendar in the meantime!



A report released last month by the Center for North American Studies, Texas AgriLife Research, Texas A&M University reports that there is a correlation between Cuba's tourism industry and US agricultural sales to Cuba.

"While numerous other factors also influenced U.S. exports, tourism in Cuba appears to be one important factor in maintaining a viable export market for U.S. products."

"There does appear to be an established linkage between the amount of money Cuba earns from tourists who visit the island and the amount of food it can afford to import from the United States," the report states.

USRPA will continue to fight for the enactment of this legislation and to report on related developments in the coming weeks.



TRT Rice Americas 2010



There is still plenty of time to make plans to attend the TRT Rice Americas 2010 conference in Cartagena, Colombia, April 20-23. Already over 100 rice related businesses from throughout the Western Hemisphere have registered for an event that is easily the best networking opportunity for all aspects of the rice industry. Great speakers, great social events, great location along with a reception on a pirate ship make the conference a real reunion event. Ken Fearday, Executive Vice President of Business Development with Rice Tec, Inc. (pictured above) will participate in a seed panel that will discuss the future of seed variety development in the Americas. A former vice-president of the international division of Delta and Pine, Ken managed the introduction of GMO cotton seed in several countries. He has chaired a division of the American Seed Trade Association and served as president and board member of both the Western Seed Association and the Field Seed Institute of North America. His 30+ years of experience in the global agricultural seed industry working with numerous crops including rice is one of many reasons that participants from over 25 countries have registered for this year's event. See you there! For more information, go to:

www.trtamericas.com




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Earthquake Affects Chile's Rice Industry

The recent earthquake in Chile took its toll on the local rice industry causing approximately a 15-20% reduction in the local harvest as a result of damage to some of the water infrastructure (canals, reservoirs). This is in addition to the irregular climatic conditions caused in the country by El Nino weather patterns. Damage to rice mills, storage facilities and dryers was considerable as indicated by the



above pictures. Fortunately the rice contacts in Chile of the USRPA and their families were not harmed and we expect to host Ernesto Eguiluz (President of FEDEARROZ Chile) and a team from the Federacion Arroceros de Chile later in the year. 

General Market Update

Our tax dollars were really churned by USDA this week with the release of four reports, starting on Wednesday morning as USDA dropped world market price by 14 and 15 cents respectively on long and medium/short grains. At the same time, USDA released its Prospective Plantings report and the Rice Stocks Report, both for March 31st. Industry guesses for increased acreage had been in the 4% to 5% range, but USDA came out with a 9% overall figure while assigning a 12% increase to long grain acres for the 2010 crop. This was considerably more than anyone in the trade had estimated and only added to the questions raised by USDA figures for the last two years. There is some feeling that the lower price quotes worldwide and particularly those reflected in US rice futures prices (which were off over 12% for March) will cause some producers to rethink what they might plant for the new crop. In any case, the figures for rice as well as other grains – especially soybeans – helped pull all futures prices considerably lower in Wednesday's session. Cotton was the only positive on the board following the reports. The Rice Stocks Report drew mixed reviews, with some saying that the figures will ultimately show a smaller carry over in rice while others question just how USDA will rearrange the figures in the April Supply/Demand report to be released on April 9th. The final offering from Washington came out on Thursday as the export sales report posted a very nice 71,700 tons sold for the week. Highlights for the week included a new 30,000 ton paddy sale to Venezuela along with long grain parboiled and regular milled to Saudi Arabia, the United Kingdom, and various other buyers and substantial medium grain milled and brown to Japan and Taiwan respectively. The pace

of sales continues to move right along.

Rough rice is still very quiet with the mills having enough stocks for current business. Paddy exports are maintaining a good pace, but additional large milled rice sales would be a welcome sight. The feeling is that this year's crop will all be moved and that it would not take very much in the way of new milled sales to really tighten things up on the supply side. There are currently no bids in Texas where stocks still in first hands are low. South Louisiana has seen some bidding reported between \$19.25 and \$22.00 per bbl depending on the variety in question. Buying interest in the Delta/Arkansas area continues to be tied to bids under current futures prices, but this is of little interest to sellers. As far as planting is concerned, the weather has been good along I-10 and some say that nearly half the planting is complete in that area.

Asia remains slow and has reported bids off just a bit from last week. Global buyers are still dormant, but this cannot go on for much longer. A return to active trading will almost surely bring higher quotes as well. In the meantime, Thai 100% Grade B is noted around \$510 per metric ton fob vessel as is Thai parboiled. Vietnam has a minimum export price of \$400 per ton, but quotes of \$370 to \$380 are being seen with the almost certain knowledge that little, if any, will actually be delivered at that low level when sales finally take place. Pakistani 5% long grain is quoted at \$390 per ton fob vessel. Persistent and numerous reports are being made about the dry conditions in China, Vietnam, Indonesia, and the Philippines with the dull commentary from those countries sort of mumbling "no problem" in reply. Some in the trade, how-

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General Market Update (continued)

(Continued from page 2)

ever, see these weather factors as a potential powder keg for global supplies and prices. As in the US, international traders seem to be willing to work only on a back-to-back basis, meaning that once they secure the business then they will buy the rice to cover it. There seems to be no appetite for taking long positions or risky short positions for that matter. We don't find this attitude to be unreasonable, but we do see it as uncharacteristic for the big traders. It also causes us to try and take stock of broader economic and market conditions worldwide. We are not sure just what questions should be asked, but the energy of this situation feels odd.

Futures went for a real ride in this abbreviated week, with a 74.5 cent range from Tuesday's high of 1287 to Wednesday's low of 1212.5 in the wake of the various USDA reports. Thursday's settlement came in at 1238 which was up 16.5 on the day but down only 8 cents from the previous week's close. We are still of the opinion that current levels are finding support here from a value standpoint and that being short is very risky. Volume for the four day week was solid at an average of nearly 1,850 contracts per day, and open interest increased almost 900 contracts during the first three trading sessions to 17,089 at Wednesday's close.



USRPA will be closed
Friday, April 2nd.

Happy Easter!



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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

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From Louisiana State University:

The Rice Research Station will again host a webcam of a rice seed production field in 2010. The Rice Cam can be accessed at www.lsuagcenter.com/ricecam. The camera will be focused on a seed production field of the medium-grain variety Jupiter. The field will also be the subject of a web log (blog) updated by Bruce Schultz.

The blog will periodically update viewers on the progress of the field and management practices used during the growing season. The blog can be accessed at www.lsuagcenterrice.blogspot.com. The field was planted on Monday morning, March 29 at a seeding rate of 26 lb per acre. You are encouraged to check back to view the seeding operation.



Upcoming Events

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
June 20 - 21, 2010	2nd Middle East-Africa-Asia Rice Summit 2010, Dubai
June 29, 2010	Eagle Lake Field Day; Eagle Lake, TX
July 1, 2010	Rice Research Station Field Day; Crowley, LA
July 8, 2010	Beaumont Field Day; Beaumont, TX
July 15, 2010	Agronomic Crops Field Day; Stoneville, MS
February 1 - 2, 2010	14th Annual NCSCRC "Tillage Conf."; Baton Rouge, LA

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

USDA Reports Next Week

Crop Progress (NASS)	Monday, April 5, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, April 6, 12:00 pm
U.S. Export Sales (FAS)	Thursday, April 8, 8:30 am
World Ag Supply and Demand Estimates (ERS)	Friday, April 9, 8:30 am
Crop Production (NASS)	Friday, April 9, 10:00 am
Grains, World Markets and Trade (FAS)	Friday, April 9, 10:00 am
World Agricultural Production (FAS)	Friday, April 9, 10:00 am
Season Average Forecasts (ERS)	Friday, April 9, 4:00 pm

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