



The Rice Advocate

US Rice Producers Association

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Texas Farmers Welcome Spring; by Dr. Mo Way

Finally, the weather has turned from winter to spring and planting in Texas is well underway! The Beaumont Center Rice Crop Survey estimates about 30% of the 2010 predicted rice crop was planted as of April 2. In 2009, about 60% of the total rice acreage was planted the first week of April, so this shows how the cold, wet winter and early spring have delayed rice planting in the Texas Rice Belt. I have not received any calls from concerned rice producers which is good, but I expect to get questions any day now. Because of the cooler than normal temperatures, seedling diseases may be troublesome this year. Fungicidal seed treatments are good insurance against these stand reducers; also increasing seeding rate can help compensate for seedling disease problems.

I know blackbirds this time of year can be especially problematic. Unfortunately, no repellent or toxicant is labeled for managing blackbirds attacking seedling rice. Another smaller seed/seedling depredating bird is the dickcissel which resembles a small meadowlark, but can be easily overlooked in the field because these birds are about the same color as the dry soil. If you broadcast seed, you should harrow the seed into the soil to avoid severe blackbird problems. Now that most rice seed is drill-planted in Texas, sprout-pulling by birds is not as big a problem as in the past. Some farmers may think baiting sprout-pulling blackbirds with DRC-1339 will control depredating populations, but once rice is planted, birds cannot be lured to the bait. This is not a recommended practice and is not on the DRC-1339 label.

Remember, both Dermacor X-100 and CruiserMaxx have labels and can be applied to rice seed in 2010. Dermacor X-100 controls rice water weevil, South American rice miner, fall armyworm and stalk borers while CruiserMaxx controls rice water weevil, chinch bug, aphids, thrips and grape colaspis. CruiserMaxx also possesses 3 fungicides for control of seedling diseases.

We are in the process of trying to obtain a Section 18 Emergency Exemption for Tenchu 20SG which is an

excellent insecticide targeting rice stink bug. EPA is reviewing this request now. We hope to have a decision soon.

I am the editor of the 2010 Texas Rice Production Guidelines which is at Ag Communications now. I hope to have this bulletin ready for distribution in the near future. I apologize for not having this publication ready earlier. The last time this bulletin was published was in 2008, so many changes have been included in the 2010 edition. Dr. Garry McCauley has agreed to help edit the 2012 Texas Rice Production Guidelines which should allow for more timely publication of this grower-friendly bulletin.

Many of you probably know that the Texas rice industry lost a good friend last month. Hal Koop farmed rice in Jackson County and was a strong supporter of Texas AgriLife research/extension programs. Hal was a member of the Texas Rice Research Foundation Board and was a wonderful advocate for our industry. We all miss Hal dearly---he was smart, humble, generous and kind. He was one of the first rice farmers I met when I came on board more than 25 years ago. I always consulted Hal and learned a lot from him over the years---Hal Koop made a difference.

TRT Rice Americas 2010

There is still time to register for the premiere rice event for the Western Hemisphere, the TRT Rice Americas Conference! Join Professionals from every rice producing region to network and increase your business opportunities.



There are now over 30 countries, 130 companies, and more than 200 delegates registered for this year's biggest rice industry event. Book your flight with COPA Airlines and save up to 20% because you are attending TRT Rice Americas!

Stay on the Caribbean coastline and enjoy Cartagena's world renowned beaches. A special price has been negotiated with the Hilton, Cartagena and rooms are filling up fast! For more information, visit:

www.trtamericas.com

Texas Weekly Rice Crop Survey Reports

The latest Texas Rice Crop Survey reports are available through the Beaumont Ctr. web site at: <http://beaumont.tamu.edu/CropSurvey/>

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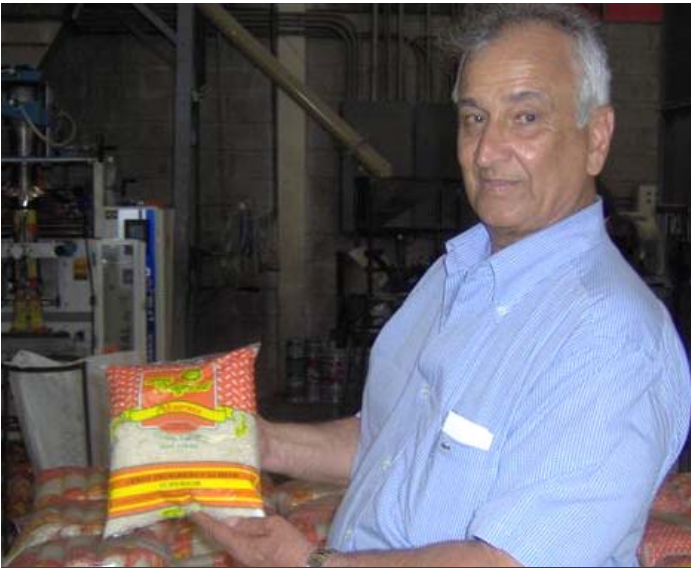
Honduras Rice Industry Optimistic About the Future

Despite the recent presidential political upheaval in the country during 2009 and a recession that is affecting consumer habits, the Honduran rice industry expressed optimism that economic conditions in the country will improve during meetings this week in Tegucigalpa and San Pedro Sula with Dwight Roberts, President & CEO of the USRPA. Today in Tegucigalpa, an important meeting between the new Minister of Agriculture and a large delegation from ANAMH, the Honduran Rice Milling Association headed by Benjamin Toledo, the group's president will hopefully lay



Despite the absence of a government supported quality seed program, national rice production in Honduras is expected to reach one million hundredweights this year. This field near the city of El Progreso belongs to BAPROSA (Beneficio de Arroz Progreso, S.A.)

the groundwork for a number of new policies that influence the domestic marketplace including prices for local farmers. ANAMH's leadership discussed new efforts for convincing local consumers to eat rice more than the customary once per day. Domestic consumption is approximately 30 pounds per person and while this is higher than its neighbors (Guatemala) to the north it is far behind Nicaragua to the south that consumers more than double. Other topics discussed included the USRPA's school lunch program and a new project between ANAMH and the USRPA to organize with the Honduran government a national rice day that would involve the national media and press in order to give more exposure to the local rice sector and raise the awareness level of the numerous benefits of consuming rice twice a day. Later this month during the Rice Americas 2010 conference in Cartagena, Colombia representatives of the USRPA will meet with ANAMH leadership in order to develop new detailed plans. 🌿



Michael Hawit Mahchi, President of Beneficio de Arroz Progreso, S.A., a rice milling operation near the town of El Progreso, Yoro, Honduras. Mr. Haiwit, a prominent figure in the Honduran rice market has served as president of both ANAMH (National Rice Milling Association of Honduras) and FECARROZ (Central American Rice Federation) and remains an active board member of the two organizations.



Adalid Aguilar (left), Executive Director for ANAMH (National Rice Milling Association of Honduras) and Eduardo Flores, farm administrator for Agrimonsa (Agricola Monterrey S.A.), one of the largest rice farms in Honduras located near the city of Choloma. A quality seed program is a major obstacle for local farmers.



David Kamal Dieck, General Manager of Beneficio Dieck Rice Mill in Villanueva, Cortes, Honduras discusses the current conditions of the domestic rice market with Dwight Roberts of the USRPA this week. One of the most important rice companies in Honduras and a major importer of U.S. rice, Mr. Dieck expressed concerns with regards to the current economic conditions of the country due to the recent political turmoil and the recession affecting consumers.

2012 Farm Bill Negotiations Begin Soon, Farm Safety Net at Risk

With the House Agriculture Committee already gearing up for discussions surrounding the 2012 Farm Bill, many agriculture groups are prioritizing key policy issues for the upcoming legislation, particularly focusing on preserving the farm program safety net.

Part of the reason why Agriculture Committee Chairman Collin Peterson (D-MN) is calling for Farm Bill hearings is to determine how much money will be needed in 2012 and how to increase the baseline for USDA spending. The Congressional Budget Office recently released its analysis of the President's budgetary proposals for Fiscal Year 2011, which estimates savings resulting from cuts to the crop insurance funding programs, part of the Farm Safety Net, to the order of \$3.9 billion.

As the Federal deficit continues to grow and the current Administration proposes to tighten government spending in areas critical to agriculture, the 2012 Farm Bill will probably look a lot different from the 2008 bill in terms of spending power. Policy experts are predicting the agriculture budget baseline for the next farm bill could be reduced by more than \$13.5 billion from the 2008 baseline. At the time the bill passed, the Congressional Budget Office estimated the costs of the 2008 bill to be \$284 billion over 5 years and \$604 billion over 10 years.

Farm programs such as direct payments, counter-cyclical payments and crop insurance will probably be ripe for picking in this round of spending cuts.

USRPA will continue to monitor and report on the upcoming negotiations concerning the 2012 Farm Bill.

General Market Update

USDA lowered WMP yet again this week reflecting continued softness in Asian quoted prices, but the momentum downward seems to be abating. Both long grain and medium/short grain were dropped by 8 cents. The weekly export sales report unsurprisingly showed a slowdown as net sales reported to USDA totaled only 36,400 metric tons, about a third of which was medium milled to Japan, Israel, and Canada. The balance was mostly long grain paddy sold to Mexico and Central America followed by a small tonnage of long grain milled destined for Mexico, the United Kingdom, and Canada. Even though this was a light week for sales, the figure was not as low as some had anticipated. The next few weeks will bear watching to see if the reduced sales trend persists. On the other hand, the export tonnage posted for the week came in at a whopping 154,100 metric tons – a marketing year high. Nearly half of the shipments (64,700 tons) went to Mexico and Venezuela as long grain paddy. Another 45,700 tons of long grain milled were lifted for Iraq, Haiti, and various smaller buyers, and just over 4,000 tons of milled parboiled loaded for Saudi Arabia. Turkey took 20,000



There is still time to attend the TRT Rice Americas 2010 conference in Cartagena, Colombia, April 20-23. The experienced speakers, panels and social events clearly make this conference the best networking opportunity for all aspects of the rice industry.



Jean-Pierre Brun, Managing Director, Marius Brun & Fils, France, graduated from Avignon Business School in 1989 and is fluent in English, Italian, Spanish and Portuguese. After spending four years training in trading and brokerage companies as well as the rice industry in the USA, London, Portugal and Italy, Brun began the family company: Marius Brun et Fils, a brokerage company specializing in rice, primarily working with European millers and importers. Finding reliable suppliers from Thailand, Vietnam, Laos, Cambodia, China, India, Pakistan, Egypt, USA, Uruguay, Argentina, Guyana, Surinam as well as Inland Europe to supply on a regular basis the mills and packers in the European Union is his everyday job. Brun has been a sworn broker since 1997 at the High Court of Justice of Aix en Provence.

Brun is also a partner in Laboratoriz, also known as "Rizlab", a Rice Quality Control Lab based in France. Laboratoriz analyzes physical parameters, milling yield, varieties admixtures, as well as conducts DNA testing, GMO analysis, training sessions for mills and labs analyzers, and more. Laboratoriz is COFRAC certified GAFTA accredited and French Ministry of Agriculture approved.

tons of medium rough, and nearly the same amount of medium milled was lifted for several destinations with Japan being the largest. Finishing out the USDA week was the highly anticipated monthly Supply/Demand report which finally, repeat, finally showed some fairly decent downward adjustment to this year's projected carry over numbers. Total carry numbers were dropped 8.5 million cwt, with 6.5 million being in the long grain column. While this was less of a drop than some had thought, it was slightly more than most had really expected and should serve to fix a rather solid base to the current market, especially if the export sales/shipment pace continues. Of note, too, was the average long grain farm price increase of 15 cents from the March report, and while not a big item, it is a positive admission on the part of USDA. In addition, even though this was a big adjustment in the numbers, many in the trade feel USDA's figures are not yet correct and believe the carry over could be reduced even further. The crop should move as it is now without a problem, but if any extra business pops up all of a sudden, some tightness

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General Market Update (continued)

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could be felt on the buy side. On the global section of Friday's report, there were practically no changes with the world carry over being dropped only slightly. Dry weather in the Far East could change that figure as the next few months pass.

Rough rice is still very quiet all over the South. Small quantities are estimated to be left in first hands, but the bidding is either low or withdrawn altogether at the moment. Planting is well underway along I-10, but there is little trading in the current crop just now. Texas is reporting no bids in the market, and South Louisiana is seeing bid indications too low to be of much interest to those still holding some of their crop. Bids in the Delta/Arkansas area are also reported to be too low to draw much interest, as are the new crop bids placed under the futures. Farmers face greater risks now and as a result need more incentive to let rice go and/or book new crop sales.

Weakness in Asia persists as buyers are absent the market for the fourth or fifth week now. Some in the trade have estimated that this will be the case for another 30 to 45 days, but there is a point where demand will become active again. Thai 100% Grade B is quoted between \$485 and \$510 per metric ton fob vessel with par-boiled at \$510 per ton. Vietnam has dropped its minimum export price to \$390 per ton but is quoting 5% broken as low as \$355 per ton. During very slow times, the common modus operandi in Asia is to drop price quotes until someone pays attention, but defaults on big sales made at very low prices routinely follow once the buyers return to the table and the market advances. This is a pattern that everyone in the trade seems to understand, but it still puts pressure on



2825 Wilcrest Drive, Suite 505

Houston, Texas 77042

Phone: 713-974-RICE

Fax: 713-974-7696

rice_advocate@usriceproducers.com

www.usriceproducers.com

www.riceromp.com

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

prices everywhere until demand returns. Pakistani 5% is quoted at \$390 per metric ton. Dry weather conditions are an ongoing problem in Asia, but the stated mood there is still "no problem."

Futures have had a most interesting week. With many players anticipating a big change in the carry over, rough rice futures had a very positive week, even in the face of some technical sell signals. The May contract range for the week was just over \$1.05 running from a low on Monday of 1238 to a post-report high on Friday of 1343.5. The monthly Supply/Demand report brought out a certain amount of profit taking and "buy the rumor, sell the news" selling, but the positive side was not to be denied with May settling up 19 and July up 17.5 at the Friday session's close and the continuation chart up 81 cents from last Thursday's settlement. With this performance for the week, some shorts may be rethinking their positions which could give even further support to the futures. Volume was good at a daily average of nearly 1,335 contracts per day, and open interest up to 17,886 as of Thursday.

FAO Rice Price Update - April 2010 - Corrigendum

[CLICK HERE](#) to access the corrected version of the April 2010 issue of the FAO Rice Price Update. There was a mistake in the 25% Thai price quotation for March 2010.

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
July 27 - 29, 2010	The 3rd Africa Rice Outlook, Cape Town, South Africa
August 26, 2010	Missouri Rice Council Field Day, Glennoville, MO
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 Production Historical Track Records (NASS)	Monday, April 12, 3:00 pm
Rice Outlook (ERS)	Monday, April 12, 4:00 pm
Crop Progress (NASS)	Monday, April 12, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, April 13, 12:00 pm
Latest U.U. Agricultural Trade Data (ERS)	Tuesday, April 13, 4:00 pm
U.S. Agricultural Trade Data Update (ERS)	Wednesday, April 14, 4:00 pm
U.S. Export Sales (FAS)	Thursday, April 15, 8:30 am

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

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