



# The Rice Advocate

US Rice Producers Association

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## House Agriculture Committee Holds First Hearing For 2012 Farm Bill

On Wednesday, April 21, the House Agriculture Committee Chairman Collin Peterson held a hearing to discuss U.S. agriculture policy in advance of the 2012 Farm Bill with U.S. Secretary of Agriculture Tom Vilsack. The current farm bill, the Food, Conservation and Energy Act of 2008 was signed into law in 2008, and many of the provisions in that bill will expire in September 2012.

"This hearing is the first step in the process of writing the next Farm Bill. A bill this large and that covers so many important issues takes a lot of time and effort to get it right, and I am committed to a process that is open, transparent, and bipartisan," said Chairman Peterson. "I look forward to working with my colleagues on both sides of the aisle and from all regions of the country to be sure that we put together a bill that supports the food, fiber, conservation, energy and rural development needs of this country."

Ranking Member Frank Lucas highlighted how important the farm bill is to production agriculture and rural America in his weekly remarks and predicted that writing a farm bill is always a challenge, but this next farm bill

may prove more challenging than most. He also expressed particular interest in the field hearings that the House Agriculture Committee is expected to hold in the near future because of the opportunity to go out into the countryside and visit with the men and women who actually produce the food and fiber.

Agriculture Secretary Tom Vilsack testified on the status of the current Farm Bill and the upcoming 2012 Farm Bill. In his remarks, Vilsack provided a national perspective on the challenges facing rural America based on his travels to rural communities throughout the country. He also discussed the state of agriculture today, the need for a strong farm safety net, and new approaches to create income opportunities and generate wealth in a stronger, more prosperous rural America.

Written testimony provided by the witness is available on the Committee website:

<http://agriculture.house.gov/hearings/index.html>

A full transcript of the hearing will be posted on the Committee website at a later date. 🌱

## TRT Rice Americas 2010 Conference Welcomes Latin Americas Rice Trade

As expected, a very large crowd representing every corner of the rice industry in the Western Hemisphere gathered in Cartagena, Colombia this week to discuss the issues and developments that affect rice farmers, millers and related industries. Organized by The Rice Trader and co-hosted by the US Rice Producers Association (USRPA), the event brought together major producer organizations, buyers, sellers and traders of rice from throughout the region and included important traders from Europe as well. The interest about the rice trade in the Americas continues to grow as evidenced by the attendance of Dr. Delima Hasri Azahari, Senior Researcher and Minister Advisor for Agricultural Policy for the Republic of Indonesia.

"The size and interest of the crowd far exceeded our previous expectations, the comments we received from the numerous delegations have convinced us that we will grow this event even more in the years to come," commented Dwight Roberts, President & CEO of the USRPA.



A large crowd listens to a panel addressing South American rice trade issues.

Participants expressed great satisfaction with the meetings including a delegate from Ecuador who told the

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crowd during the last Q&A session to close out the conference, "this is the best conference of its kind that I have ever been to and I will definitely plan to attend next year for sure. I sincerely thank you for organizing this event."

Plans are already being made for the 2011 edition for the TRT Rice Americas and Panama has already been selected as the site with a June timeframe. With direct flights into Panama from every country in the region as well as from Europe, an even larger crowd is expected. The month of June is after the end of the Mercosur harvest and U.S. planting season, enabling more participation. "I am willing to bet we will again break our record in 2011," added Roberts.

A full report on the conference will be included in next week's Rice Advocate.



A panel that addressed seed and varietal developments for the future, genetically modified rice and the cost of food security from a seed industry's viewpoint drew great interest and a long Q&A session.

## Exporting to Cuba Workshop by Texas-Cuba Trade Alliance

The Texas-Cuba Trade Alliance hosted an Exporting to Cuba workshop this week in Houston, TX. The workshop was held on Wednesday, April 21, 2010 at Brady's Landing. The workshop was a one day event designed to help export service providers, food processors and distributors, forestry businesses and producers succeed in the Cuban market.

An informative and well presented overview of the historical and current situation in Cuba started the workshop, giving attendees a good historical background of how we have gotten to where we are today. The following presentations focused on the Cuban market potential, export licensing as well as information pertinent to doing business in Cuba. All the presenters were very thor-



Attendees at Texas-Cuba Trade Alliance's Export to Cuba Workshop at Brady's Landing in Houston, TX

ough and were able to answer the audience's questions knowledgeably. Lunch provided attendees the perfect opportunity for networking and a sharing of personal experiences from both Americans and Cuban-Americans, not to mention lively political debates! After lunch, the Exporting to Cuba-Open Forum engaged the audience in a wide range of topics from potential markets to experiences dealing with the government and local population. The importance of Cuba as a potential market for U.S. exports was emphasized throughout the day.

The next workshop is scheduled for June 16, 2010 at the Free Trade Alliance offices in downtown San Antonio. For further information, please contact Parr Rosson at 979-845-3070.



(Left to right) Keith Miceli, Trade Development Manager with the Port of Houston, Mike Strain, DVM, Louisiana Commissioner of Agriculture & Forestry, Carrie Castille, Deputy Assistant Commissioner, Louisiana State University, and Ray Stoesser, President of Texas Rice Council.



More than 1 billion people throughout the world are actively involved in growing rice.

## Work Continues on Bill to Increase Cuba Sales & Rice Farmer Income


Congressional and industry advocates continued pushing this week against the naysayers of the status quo, to open more sales and travel to Cuba. H.R. 4645, the Travel Restriction Reform and Export Enhancement Act would ease payment restrictions on sales to Cuba, make U.S. sales more competitive and free Americans to travel to Cuba.

While the spring legislative calendar is crowded in the House and Senate, the House Agriculture Committee has already held a hearing on the bill. This week, the House Ways & Means Subcommittee on Trade announced a hearing to be held next Thursday, April 29 on U.S.-Cuba Policy. The hearing will consider whether relaxing current Cuba travel and trade restrictions would advance U.S. economic objectives, as well as democracy and human rights in Cuba.

The US Rice Producers Association agrees with dozens of other agriculture, trade, travel, business, religious, human rights and other groups that further opening trade and travel with Cuba will benefit U.S. farmers and people in America and Cuba.

Unfortunately, our 50 year old failed Cuba policy dies hard. However, we are making progress and changing minds with this initiative to make small but commercially significant changes in our Cuba policy. This 600,000 ton rice market was a major market for U.S. rice

in the 1950's and again this decade. Unfortunately, our misguided U.S. Government policy ran the market from "first to worst" in both decades. What was a \$62 million market for U.S. rice in 2004 was a market for ZERO sales in 2009 and 2010.

We expect that a more enlightened, commercially friendly policy would engage the Cubans more and enhance U.S. farm income. USRPA supports such a policy, as it will increase income to rice producers. We are telling policymakers that it is important that we see them support rice farmers and their livelihoods in this important issue. 

### Texas A&M AgriLIFE Research Center

The latest Texas Rice Crop Survey reports (updated through Friday April 23, 2010) are available through the Beaumont Center web site at: <http://beaumont.tamu.edu/CropSurvey/>

The crop survey provides detailed data on rice acreage across the Texas rice belt, including information on varieties and crop development.

## General Market Update

WMP was left undisturbed by USDA for the second week in a row, but we may see a little drop over the next few weeks if the weakness in Asia persists. Sales posted on the USDA's weekly report were only 25,500 metric tons and, though disappointing, were not necessarily a surprise for this time of year. The largest tonnages came from long grain rough sales to Venezuela, Mexico, and Central America and long grain milled sales primarily to Haiti, the Dominican Republic, and Mexico. Small amounts of medium grain milled to Japan, Canada, Jordan, and various other countries completed the tally for the week. Export shipments reported for the week remained strong at 64,900 tons with long grain rough to Venezuela and Mexico accounting for over two-thirds of the tonnage. Most of the balance consisted of just over 8,000 tons of long grain milled and 11,200 tons of medium milled – both to a variety of markets. More paddy sales and shipments from the current crop may be in the cards if Venezuela continues to steadily buy for prompt shipment and if Brazil finds itself needing a good shot of paddy imports around the end of our present crop year/beginning of the new crop year. The Iraqi tender mentioned last week is still on for this weekend, and opinions abound as to whether the US will be awarded any tonnage or not. Some believe our prices will be too high compared to the potentially very cheap Asian offers,

while others think that from a quality and political standpoint the Iraqis will buy at least some US – maybe 30,000 to 60,000 tons to be shipped out of old crop. US prices will not be nearly as low as Asia, but the companies who may offer US will no doubt be very aggressive (low) in their pricing. Hopefully something will be heard sometime next week. Although there will be no real immediate effect, the European Union announced this week that restrictions on the importation of US rice will be lifted. The destination testing remains for now, but the hope is that within the next 30 to 60 days origin testing will be acceptable and take the risk out of shipping to European customers. Even once this is done, it will take some time to rebuild customer relationships, but this is very welcome news and should be a help in the new crop.

Texas saw some small interest in hybrids this week at \$5.00 premiums, but very little selling came from it. Aside from that, it remains quiet there as well as in South Louisiana where mills are said to be looking for backing for the Iraq tender. If they do get some backing, there is a feeling that they will come back at lower prices after the tender, since this was done by the exporter a couple of months back. Planting along I-10 is well on its way to completion. A bit more rain this past week would have been welcome, but it looks as though the crop is off to a

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## General Market Update (continued)

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fairly good start. The Delta is said to be slow, with buying interest still well below sellers' price ideas. Arkansas is reporting bids of \$12.00 to \$12.10 delivered with no selling reported. Though not short, supplies still in first hands continue to dwindle and are said to be low for this time of the crop year – part of April, and all of May, June, and July still have to be covered.

Lack of buying interest is the dominant feature in the Asian markets, and as a result the sellers in that region continue to quote lower in the hope that more attractive pricing will generate some trading action. The annual world trade for rice is about 27 million tons, and that just does not disappear. Buyers are much more cautious now, however, and the result is a very slow back-to-back trading pattern. Predictions for a pick-up in trading have now moved to early in the third quarter of the calendar year, but for now, Asia is slow and quiet. Thai 100% Grade B was quoted this week at \$450 to \$460 per metric ton fob vessel which is far under the minimum range of \$500 to \$600 per ton predicted by many in Thailand just a few months ago. Thai parboiled is called \$450 per ton. Viet 5% is called steady at \$350 to \$370 per ton fob vessel, and many there are expecting to see a return of demand from Africa in the near future.

In spite of what appeared to be an opportunity to find some technical traction, rice futures continued to slide this week finishing on Friday at 1239 compared to the previous Friday's close of 1280.5 basis the May contract. Volume was heavy at a

daily average of approximately 1,796 for the five sessions. Most of this was due to a good bit of rolling out of the May contract into the July contract. Open interest remained quite high at 17,139 contracts, down only 77 from last Thursday's total. The tone of the futures is decidedly weak, but they are very oversold technically which may result in some short term support. Longer term support, however, will have to come from some additional export long grain sales. 🌿

The USRPA welcomed the new Rice Leadership Class to the office last week for an overview of the organization's history, current activities and programs. Currently participating are Alex Clark, Matthew Feilke, Nicole Montna Van Vleck, Jim Whitaker, Shannon Harrington, Andy Morris and Dan Squires.



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### Additional Resources

For economic analysis on agricultural efficiency, efficacy, and equity issues: [www.ers.usda.gov](http://www.ers.usda.gov)

Texas Rice from A&M AgriLife Research Ctr. at Beaumont: [http://beaumont.tamu.edu/eLibrary/eLibrary\\_default.htm](http://beaumont.tamu.edu/eLibrary/eLibrary_default.htm)

AgFax - Editor: Owen Taylor:  
[www.agfax.com](http://www.agfax.com)

USRPA News & TRA Archives:  
[www.usriceproducers.com/news](http://www.usriceproducers.com/news)

### Upcoming Events

May 11-13, 2010	Food Marketing Institute (FMI) Show; Las Vegas, NV
June 16, 2010	Export to Cuba Workshop, San Antonio, TX
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 12 - 13, 2010	USRPA Board Meeting, Branson, MO
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](http://www.usriceproducers.com/calendar)

### USDA Reports Next Week

Crop Progress (NASS)	Monday, April 26, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, April 27, 12:00 pm
U.S. Export Sales (FAS)	Thursday, April 29, 8:30 am
Agricultural Prices (NASS)	Friday, April 30, 3:00 pm
Grain Stocks Historical Track Records (NASS)	Friday, April 30, 3:00 pm

All USDA reports are available by visiting [http://www.usda.gov/wps/portal/?navid=AGENCY\\_REPORTS=RT](http://www.usda.gov/wps/portal/?navid=AGENCY_REPORTS=RT).

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