



# The Rice Advocate

US Rice Producers Association

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## USRPA Joins Broader Business Community to Urge Support for Cuba Legislation

USRPA and 97 other entities from the agriculture, agri-business, and broader business sector joined in sending a letter to members of the House Agriculture Committee to urge them to cosponsor and vote to report favorably from the Committee H.R. 4546, the Travel Restriction Reform and Export Enhancement Act.

The letter emphasized the failure to realize the full potential of the Cuban market due to arbitrary restriction on U.S. ag sales and the important role House Ag Committee members play in helping America’s farmers increase their export sales.

“The bill simply clarifies how U.S. farmers and agricultural businesses conduct sales to Cuba and allows

U.S. citizens to travel to Cuba,” the letter reads.

The Cuba bill, introduced by Chairman Collin Peterson (D-MN) and Rep. Jerry Moran (R-KS), would remove U.S. barriers to agricultural sales and increase the export competitiveness of U.S. agricultural products in Cuba.

[Click Here to Read the Full Letter](#)

**Rice producers should also contact members of the House Agriculture Committee and urge them to report H.R. 4546 favorably so that it can be considered by the full House.**

House Agriculture Committee Members and their contact information is as follows:

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## All Eyes on Rio Grande do Sul Rice Harvest

**From Tiago Barata of Agrotendencias Ltda Brazil**  
([www.agrotendencias.com.br](http://www.agrotendencias.com.br))



The Brazilian rice market has been moving sluggishly over the past week. With harvest in full swing, prices signaled slight recovery, by virtue of a short interruption of harvest operations in Rio Grande do Sul due to climate conditions. Currently, a ton of paddy rice is sold for US\$ 330, up 32% from the highest price in April 2009.

With losses blamed on El Niño, Brazil should experience a deficit of approximately 1.1 million tons. In view of this, the expectation is for exports (which reached a volume of 890 thousand tons of paddy rice last year) to remain below 500 thousand tons, while imports should reach more than 1.2 million tons.

With international prices on the decline, Brazil is likely to become an attractive market. The Mercosur countries will have logistic and taxation advantages, which could ensure the supply of 90% of the needs, while countries like Vietnam, Thailand and the United States will

## Rice begins 2010 with Good Stands

**By Linda Breazeale, MSU Ag Communications**

STONEVILLE – Mississippi's 2010 rice crop is ahead of schedule and looking good, even after strong storms swept through the state in April.

Nathan Buehring, rice specialist at Mississippi State University's Delta Research and Extension Center, said growers had about 75 percent of the crop planted by the end of April. In the last two years, the majority of the planting took place well into May.

"Before the April 24 storms, we had near-perfect weather for fieldwork, which was good because of the amount of ruts in the fields from last fall's harvests in wet conditions," Buehring said. "Farmers had to work much harder this spring to get their fields ready for planting."

Although many people think of rice as a water-loving crop, the time to flood the fields does not come until the plants are about 6 inches tall. Growers like for the plants to grow quickly to minimize the cost of extra weed control.

"The big storms did not damage the young crop but brought some fields as much as 5 inches of rain, and then it turned much cooler," Buehring said. "Cool weather really slows growth and development of all crops."

Mississippi farmers are expected to plant about 270,000 acres of rice, up 25,000 acres from 2009. Buehring said every rice-growing state is expanding its acreage, which will likely impact prices near harvest time.

"There are many reasons growers are increasing their rice acreage. One reason is they want more diversity

compete for the 10% of the Brazilian market.

(Mr. Barata, pictured during the TRT Rice Americas conference in Cartagena, Colombia last week serves on the Market Advisory Team of the US Rice Producers Association.)

### Crop Survey Reports and State Newsletters

**Texas A&M AgriLIFE Research Center:** The latest Texas Rice Crop Survey reports are available through the Beaumont Center web site at:

<http://beaumont.tamu.edu/CropSurvey/>

**University of Arkansas Division of Agriculture, Cooperative Extension Center:** Access the latest edition of the Arkansas Rice Newsletter at:

<http://www.aragriculture.org/News/rice/default.htm>

**LSU Ag Center:** The latest issue of Rice Research Station News is available at: [http://www.usriceproducers.com/files/119\\_2010.05.01\\_LSU\\_RiceResearchStationNews.pdf](http://www.usriceproducers.com/files/119_2010.05.01_LSU_RiceResearchStationNews.pdf)

**RiceFax: Midsouth/Texas; 04/29 - Arkansas Breaks Ahead, Rain Needed Widely** ([Click Here](#))

on their farms. Rice prices have been decent, but they have come down quite a bit from the winter months," he said.

Extension agricultural economist John Michael Riley said declining prices are primarily due to a stronger U.S. dollar. In February, the September futures price was running around \$13.50 per hundredweight. Currently, those prices are about \$12.30 per hundredweight.

"Demand for rice is looking good, so we should continue to see exports increase in spite of the strengthening dollar," he said.

Riley said the cost of production for all crops has come down since 2008.

"All the crops are in the same boat -- unusually level -- regarding profit potential, so growers are making decisions based on rotation needs and other factors," he said.

Coahoma County Extension director Don Respass said the big rains were actually needed in the rice fields, both for the crop to emerge and to help pack the newly constructed levees.

"When we build the levees, a big rain helps pack them down for holding water later. If fields don't get the big rain event, farmers have to flush the fields with water," Respass said. "The rains probably saved farmers money."

Respass said planting delays on the final rice fields will not become critical until after the middle of May.

# Scenes from Cartagena



On behalf of the USRPA, Dwight Roberts accepts the "ICI Market Achievement Award" for the dedication to the TRT Rice Americas conference and promoting rice throughout the Western Hemisphere from Jeremy Zwinger (left). Also pictured are Luis Forero (far right), Executive Director of the Colombian Rice Millers (InduArroz) and Nestor Gutierrez, chief economist for Colombia's National Rice Producers Federation (FEDEARROZ).

TRT Rice Americas has turned into the rice convention of Latin America as separate meetings were held in conjunction with the conference by the Central American Rice Federation (FECARROZ), Colombian Millers (InduArroz) and pictured above Ecuador's Bolsa de Productos Agropuecuarios. Ecuador brought a delegation of 30 participants.



Jason Haiwit, rice miller from Progreso, Honduras catches up with Javier Molins of The Rice Company from Miami, Florida.

Participants from throughout the region listen to market updates and analysis from a variety of speakers.



Renato Franzner (left), Commercial Director for Urbano Agro Ltda rice mill in Santa Catarina, Brasil and Jose Ruebens Arantes, Director of Camil S.A., the largest rice milling company in South America (based in Sao Paulo, Brasil) discuss the current Mercosur rice harvest. Mr. Arantes has attended every Rice Americas conference since the event began in 2007.



Peru was well represented with a delegation of 20. Here some of them are pictured with Dr. Elwyn Taylor of Iowa State and Jeremy Zwinger, president & CEO of The Rice Trader publication

## House Agriculture Committee to Hold Farm Bill Hearings across the Nation



The House Agriculture Committee will start this week a series of field hearings regarding U.S. agricultural policy in preparation for the 2012 Farm Bill.

In a press release Thursday the Committee reported, "Starting Friday, the House Agriculture Committee will hold hearings in Des Moines, Iowa; Nampa, Idaho; Fresno, California; and Cheyenne, Wyoming. The Committee will hold a second series of field hearings May 14-18 in Morrow, Georgia; Troy, Alabama; Lubbock, Texas; and Sioux Falls, South Dakota."

Live video coverage of each of the hearings will be provided on the House Agriculture Committee's website: <http://agriculture.house.gov/hearings/audio.html>.

Rice producers are encouraged to submit comments about the future of farm policy to the House Agriculture Committee by filling out the "Farm Bill Feedback Form" located on the Committee's website at: <http://agriculture.house.gov/inside/feedbackform.html>.

**Please submit your comments by June 14, 2010.**

Below are more details on the Farm Bill Field Hearing Schedule:

### **Friday, April 30th - 1:00 p.m. CDT**

Iowa State Fair Grounds, Penningroth Sale Center  
Des Moines, Iowa

### **Saturday, May 1st - 1:00 p.m. MDT**

Northwest Nazarene University, Old Science Lecture Hall  
Nampa, ID

### **Monday, May 3rd- 9:00 a.m. PDT**

Fresno City Hall Council Chambers, 2nd Floor  
Fresno, CA

### **Tuesday, May 4th- 8:00 a.m. MDT**

Laramie County Community College  
Ctr. for Conferences and Institutes, Centennial Rm. 130  
Cheyenne, WY

### **Friday, May 14th - 1:30 p.m. EDT**

National Archives Southeast Region  
Morrow, GA

### **Saturday, May 15th - 1:00 p.m. CDT**

Cattlemen's Park  
Pike County Cattlemen's Association  
Troy, AL

### **Monday, May 17th - 9:00 a.m. CDT**

Texas Tech Museum  
Texas Tech University  
Lubbock, TX

### **Tuesday, May 18th - 8:00 a.m. CDT**

2nd Floor Theater  
Edith Mortenson Center  
Augustana College  
Sioux Falls, SD

## General Market Update

Even though Asian quotes seem to be finding some sort of support or even a bottom, USDA lowered WMP again this week – by 47 cents on long grain and by 48 cents on medium/short grain. Export sales reported by USDA for the week were a very nice 93,800 metric tons – solidly big numbers at anytime but particularly so for this time of year. Just over half of the sales posted were to Mexico and Venezuela followed by Guatemala and Panama with 51,500 tons of long grain rough among the four of them. Long grain milled sales for the week came in at a bit over 16,000 tons led by new postings for Haiti, Iraq, Mexico, and Canada. Taiwan was the leader in the medium/short column with nearly 19,000 tons of medium brown and a little medium milled ex California. Export shipments for the week were a whopping 167,800 tons with the leader of the pack being long grain milled to Iraq in the amount of 40,900 tons accompanied by Haiti lifting another 6,600 tons. Long grain paddy shipments were 40,600 tons shared by Mexico and Panama. Big numbers came in for medium/short shipments as well with Japan taking almost 40,000 tons of California milled and South Korea loading out 16,000 tons of brown. Long grain paddy

sales and shipments have been very good all year, and in addition to potential additional sales to Mexico and Central American buyers, more business to Venezuela and possibly Brazil may be seen before the current crop year ends. On the milled side, the Iraq tender held last week is still open with no rejection of US thus far. Some news on that should be forthcoming in the next week or so, and from a political and quality standpoint US long grain may have a shot at 30,000 to 60,000 tons. Other reasons for optimism for old crop but more so for new crop are the pending lifting of restrictions by the European Union and legislation now making its way through Congress regarding Cuba travel. If hopes on these two items are realized, it would be very good for the milling industry and indeed, for the trade in general.

The rough rice situation in the South remains fairly static. Buying interest in Texas remains light at \$5.00 over for hybrids and perhaps a bit better for standard varieties – motivation to sell is very mild as well. South Louisiana is in about the same shape, with little enthusiasm for selling cheap. The Delta is slow with a small amount

*(Continued on page 5)*

## General Market Update (continued)

(Continued from page 4)

said to have traded in the \$12.60/70 area and offers reported at 50 over the July futures likely by the basis traders. The stain/damage problem is being talked about more and more, begging the question of just how much very high quality paddy is left anywhere in the South. We also hear that unwelcome heavy rains may be in the forecast for Mississippi and Arkansas this weekend.

The drop in Asian price quotes seems to be slowing a bit. There is some idea that total export trading may actually be up on the year for nearly everyone other than Vietnam. A feeling that Africa will soon need to buy is also being expressed. While price quotes overall are still weak, Thai 100% Grade B is a little stronger this week at \$470 per metric ton fob vessel with Thai par-boiled at \$455 per ton. Viet 5% is quoted at \$350 per ton, and Pakistani 5% is noted at \$365 per ton. The back-to-back or hand-to-mouth trading pattern continues to dominate the global and domestic trades, but drought related and politically motivated factors may bring about a change to that situation in the next few months, especially if China and Brazil start buying in the world markets as some are predicting. With very high temperatures be-

ing reported in India, that country is still not out of the woods yet either.

Rice futures finally found some technical footing this week but only after falling to a new low of 1193 basis the May contract. A buy signal was triggered in that territory which pushed the Thursday session to close on its high for the day of 1224. Friday's trading session saw a further high of 1252 before settling for the week at 1235.5. There appears to be another 35 to 50 cents to the upside possible before resistance is met, but at that point it looks like some physical business – in either Asia or the US – will have to kick in to carry prices higher. As far as downside risk, the lows may have been seen, and at least for a while we could see sideways to up market action. This week's average daily volume of about 3,160 contracts was very heavy due mostly to spreading out of the May contract mainly into the July. Open interest following Thursday's trading was 16,871 down only 268 from the previous Thursday. This continues to be a high and relatively unchanging number from which a sustained large presence of funds can be inferred. 🌱



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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 20 - 24, 2010	RMA 111th Convention, La Costa Resort & Spa, Carlsbad, CA
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 22, 2010	Progeny Rice & Soybean Field Day, Wynne, AR
July 27 - 29, 2010	The 3rd Africa Rice Outlook, Cape Town, South Africa
August 11, 2010	Arkansas Rice Research & Extension Field Day, Stuttgart, AR
August 26, 2010	Missouri Rice Council Field Day, Glennoville, MO
September 21 - 24, 2010	Rice Challenges in the 21st Century, Cali, Colombia
October 12 - 14, 2010	TRT World Rice Conference, Phuket, Thailand
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, May 3, 4:00 pm
Commodity Costs and Returns Data (ERS)	Monday, May 3, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, May 4, 12:00 pm
U.S. Export Sales (FAS)	Thursday, May 6, 8:30 am

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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