



The Rice Advocate

US Rice Producers Association

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House Ways and Means Trade Subcommittee Holds Hearing on U.S.-Cuba Policy

USRPA submitted a written statement for consideration by the House Ways and Means Trade Subcommittee. The statement will be included in the printed record of the April 29 hearing on U.S.-Cuba policy. The focus of the hearing was to consider whether relaxing current Cuba travel and trade restrictions would advance U.S. economic objectives, democracy and human rights in Cuba.



Jerry Moran, Jo Ann Emerson, Rosa DeLauro and 48 other House members. The legislation would help to create jobs in the United States by rationalizing agricultural sales to Cuba and opening travel there for all U.S. citizens."

USRPA's statement emphasized the importance of exports to the U.S. rice industry, which annually sells approximately half of its crop overseas. "The Cuban market is equally as vital for the U.S. industry because it holds the potential to become a 400,000 – 600,000 MT market," stated USRPA.

"We strongly support H.R. 4645, the Travel Restrictions Reform and Export Enhancement Act. House Agriculture Committee Chairman Collin Peterson introduced the bill, which has been cosponsored by Representatives

In announcing this hearing on U.S.-Cuba policy, Ways and Means Trade Subcommittee Chairman Tanner said, "It is clear to me that the United States' policy toward Cuba is not working. The embargo has failed to achieve its objectives and has shut U.S. workers, farmers and businesses out of the Cuban market. The Administration has taken us in a new direction, but more needs to be done. It is time to expand our approach to promote U.S. economic interests and support democracy and human rights in Cuba as well."

To read the full written statement submitted for the Committee's record [CLICK HERE](#).

USRPA Encourages Senate to Include Ag in Credit Legislation

USRPA, along with American Farm Bureau Federation, the National Farmers Union and other agricultural organizations, signed a letter to senators this week expressing concern over pending legislative changes that might decrease availability of credit for agriculture or increase its cost from its major providers.

The legislation contains language that addresses the proprietary trading activity of insured depository institutions, bank holding companies or subsidiaries of these entities, the so-called "Volcker Rule." An exception to these new limitations is provided for obligations of the Federal government and certain GSEs, such as Fannie Mae and Freddie Mac, because of the assumption that the Volcker Rule limitations might adversely impact the trading of these obligations and their liquidity. However, the GSEs that ensure that agriculture has access to the credit it needs, such as the Farm Credit System, Farmer Mac and the Federal Home Loan Banks (FHLBs), are not included in this exception.

In the letter, the organizations urged senators to change the Volcker Rule language to ensure that all of the GSE obligations are treated the same as US Treasury debt. The letter states, "The result of the GSEs serving agriculture being excluded from the Volcker Rule exception is that for the first time the GSEs that serve agriculture will be separated out and treated differently, threatening to alter how their obligations are traded in the future. This could translate into higher interest rates for farmers and greater uncertainty of funding.

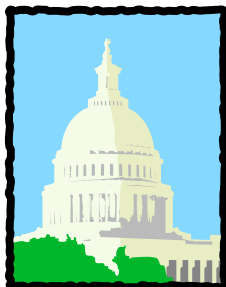
"We are not willing to accept a simple assurance that market makers won't treat the agricultural GSEs differently in the future. The access of farmers and ranchers to the nation's debt markets should not be left to the whim of market makers in this way. Agriculture must have access to credit on terms that are affordable and reliable."

To read the entire letter, [CLICK HERE](#).

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Texas Rice Farmer L.G. Raun Scheduled to Participate in House Ag Committee Public Hearing Monday



The House Committee on Agriculture will hold their next public hearing to review U.S. agriculture policy in connection with the 2012 Farm Bill at Texas Tech University in Lubbock, Texas on Monday morning, May 17th beginning at 9:00 a.m. CDT. Mr. L.G. Raun, a rice farmer from El Campo, Texas and a member of the Texas Rice Legislative Group, is scheduled to represent comments on behalf of the U.S. rice industry.

Other members of the panel will include:

- Mr. Brad Bouma, dairy producer, Plainview, Texas
- Mr. Jimbo Grissom, peanut producer, Seminole, Texas
- Mr. John Lackey, citrus producer, Weslaco, Texas
- Mr. Ronnie Holt, cotton, corn, and sorghum producer and crop insurance agent, Muleshoe, Texas
- Mr. Joe Parker, Jr., cattle producer, Byers, Texas
- Mr. Dale Murden, sugarcane, citrus, vegetable, soybean and sorghum producer, Monte Alto, Texas
- Mr. Billy Bob Brown, irrigated and dryland wheat, sorghum and beef producer, Panhandle, Texas
- Mr. Brad Heffington, cotton, corn, and sorghum producer, Littlefield, Texas
- Mr. Scott McGarraugh, wheat producer, Perryton, Texas
- Mr. Lowell Raun, Jr., rice producer, El Campo, Texas
- Mr. Doyle Schniers, cotton producer, San Angelo, Texas
- Mr. Dan Smith, sorghum producer, Lockney, Texas
- Mr. Dee Vaughan, corn, soybean, wheat, cotton, and sorghum producer, Dumas, Texas

In related news, the Full Committee on Agriculture for the U.S. House of Representatives on Thursday held a public hearing this week to review U.S. agriculture policy in advance of the 2012 Farm Bill. The legislation authorizes many government farm safety net, conservation, energy, trade, marketing, food assistance, and rural development programs over several years. The witness list included agriculture economists and academics who were invited to discuss trends and emerging issues facing agriculture and rural America.

“These perspectives, along with the input we are receiving from farmers, ranchers and others around the country, will help us craft policies that will address the

evolving situation facing producers and others who use Farm Bill programs,” Ag Chairman Peterson (D-MN) said.

The House Agriculture Committee plans to provide live video coverage of field hearings (including Monday’s Texas Hearing) on the Committee’s website:

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

The Committee will also collect public comments about the Farm Bill on its website:

<http://agriculture.house.gov/inside/feedbackform.html>

Written testimony provided by the witnesses 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.

Texas Farmers Can Fight Rice Stink Bug

Thanks to the efforts and dedication from Dr. Mo Way and his colleagues at the Texas A & M AgriLife Research Center, the EPA has granted a specific exemption under the provisions of Section 18 of the Federal Insecticide, Fungicide and Rodenticide Act to the Texas Department of Agriculture for the use of dinotefuran to control rice stink bug on rice.

Dr. Mo Way petitioned the Environmental Protection Agency in April with the support of USRPA and other organizations. Letters to the EPA explained how rice stink bugs are harder to control in Texas than in other rice-producing states and that currently labeled insecticides are no longer effective, causing farmers to spray as many as 6 times per year.

[CLICK HERE](#) to read the Approval Letter from the EPA



Americans eat a little more than 20 pounds of rice per person each year. Asians eat as much as 300 pounds per person each year, while in the United Arab Emirates it is about 450 pounds, and in France about 10 pounds.

General Market Update

USDA started the week with its monthly Supply/Demand Report which decreased this year's carry over by 1 million cwt each for long grain and medium/short grain. This was less aggressive (not enough reduction in the long grain number) than some thought the report would show. The adjusted long grain ending stocks number was lowered to 14.8 million cwt and the medium/short figure dropped to 13.2 million cwt. The 2010/11 new crop predictions, however, were for very large production of long grain in nearly all states. Overall the report was, as someone in Chicago put it on Tuesday, one on "which traders and analysts agreed was bearish across the board." Many in the trade were expecting a 20 to 30 point down day in the futures with at least one person saying that limit down would not have been a surprise at least early in the session following the release of the report, but the nearby July instead barely lost anything at the open and closed unchanged on the day after slipping just inside positive territory right before the close. This year's market has been one of paradoxes, and it seems that is not yet ready to end. The Supply/Demand report further predicted new crop long grain production at a bit over 24 million cwt more than 2009/10 accompanied by an increase in total domestic and export usage by 6 million cwt. The average farm price range for the 2009/10 long grain was narrowed slightly from the previous month's report to \$12.90-\$13.10, but the new crop prediction was considerably weaker at \$10.00-\$11.00 per cwt. As the week progressed, trade observations and discussions centered on the fact that this was the first report showing any numbers for the new crop and as such may reflect the best production scenario. The new crop is still not completely planted and both dry and wet weather are a big question mark – in the US and abroad. USDA also predicted world production to be up by 17.5 million tons over last year, but the persistent dryness, especially in Asia, will likely have the final say on this figure. On Wednesday WMP was dropped again by USDA – this week by 29 cents on long grain and by 30 cents on medium/short – probably still adjusting to the recent price weakness in Asia. Export sales were again very good for this time of the year with nearly 66,000 metric tons reported for the week. The pattern of heavy long grain paddy buying was followed once again with Venezuela and Central America taking the vast majority of the tonnage – almost 54,000 tons. Long grain milled sales spread among the United Kingdom, Yemen (parboiled), Canada, Saudi Arabia (parboiled), and Costa Rica and medium grain milled bought by Israel, Canada, and Turkey finished out the weekly sales report. Export tonnage lifted for the week continued to be good at 50,300 tons. About 60% was long grain rough to Mexico and Central America followed by 12,000 tons of long grain milled (over half of that went to Haiti) and nearly 8,000 tons of medium/short split between milled and brown to various destinations. Iraq is tendering

again this weekend, but opinions are mixed as to whether the US will have a shot at booking any of the tonnage. Millers need this business, and as a result are expected to be fairly aggressive in their pricing with the idea that US levels can be close enough to Asian prices to draw some Iraqi attention. There is also talk of more Venezuelan buying as well as Brazilian in the new crop.

Texas remains soft and quiet with few bids being seen and only a small amount having traded this week at \$4 over loan, while buyers in south Louisiana are reported to have interest between \$18 and \$19 per bbl for prompt delivery. Selling interest along I-10 at these levels seems to be very light. At the same time more and more reports of insufficient to no rain and subsequent salt incursion problems are being heard from areas just this year recovering from those types of problems. Stain and damage continue to be problematic in the Delta where it appears high quality barges are in immediate demand with some trading reported at the \$12.40 delivered barge level. Some in the trade say there is plenty of rice to finish this year's business while others are wondering if any of the receipts on the board will eventually have to be tapped. USDA has been reporting planting to be well ahead of schedule and the crop thus far to be in good condition throughout the South. Talk of much of the crop coming off at the same time is already being heard.

Asian prices are holding somewhat firm with very steady shipping taking place at some origins, which seems to be confirmation of USDA's prediction of more than 31 million tons to hit the global export trade this year. Quotes for Thai 100% Grade B remain in the area of \$470/\$480 fob vessel with Thai parboiled still quoted at \$460 per ton. Prices out of Vietnam are picking up with Viet 5% quoted this week at \$365 per ton, and Pakistani 5% is noted at \$375 per ton. The official position in India is that the monsoon due in June will arrive on time and be plentiful, and everyone is keeping an eye on that situation. At the same time, dryness persists in southern China as does talk of the same situation in parts of Vietnam. In spite of the bearish new crop predictions made by USDA on Tuesday and the fairly low daily volume, rough rice futures held up rather well during the week. No new low was seen in any session, and Friday's settlement actually came in 6 cents higher than the previous weekly close. This could be interpreted as a bottom perhaps being put in – at least for the current crop year (July contract). It may also be seen as an area where the market is trying to identify a minimum in terms of value. The week's continuation chart range was narrow with the high of 12.10 being made on Wednesday (post Supply/Demand report) and the low of 11.675 being seen in the Friday session. Daily average volume in rice futures was near 670, and open interest was barely changed from the previous Thursday's 15,370 to this Thursday's 15,374. It should be noted that all markets were buffeted during the week by

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General Market Update (continued)

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more strength in the dollar and political and economic problems overseas, particularly in Europe. Crude slipped further with the nearby futures being down \$2.92 at \$71.48 per bbl late in the Friday session from a high of \$12.57 just ten trading days earlier. The Dollar Index continuation chart shows the dollar to be at its strongest since April 2009, and some believe its value will only go higher. 🌱

USRPA IS CALLING FOR PICTURES

If you are an amateur photographer or just love taking pictures of your rice farm throughout the seasons, we would love to see them! Send us any photos of your rice farm, equipment and farmers in different stages, from leveling to harvesting.

You may see your photo in the next issue of the Rice Advocate!

Send as attachments to: veronica@USRiceProducers.com

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:

www.usriceproducers.com/stateassociations/50-arkansas

LSU Ag Center: The latest issue of Rice Research Station News is available at:

www.usriceproducers.com/stateassociations/119-louisiana

RiceFax: Midsouth/Texas; 05/13 - Crazy Weather - too wet, too dry, too soon ([CLICK HERE](#))



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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

Upcoming Events

May 25	25th Annual Meeting Delta Council, Cleveland, MS
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 28 - 29, 2010	Global Grains Trade Summit, Ho Chi Minh City, Vietnam
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 - 14, 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, Glenville, 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, 2011	14th Annual NCSCRC "Tillage Conf."; Baton Rouge, LA

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

USDA Reports Next Week

Crop Progress (NASS)	Monday, May 17, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, May 18, 12:00 pm
Agricultural Chemical Usage—Field Crops (NASS)	Wednesday, May 19, 3:00 pm
U.S. Export Sales (FAS)	Thursday, May 20, 8:30 am
Farm Labor (NASS)	Thursday, May 20, 3:00 pm

A new *Rice Outlook* is available from USDA ERS at www.ers.usda.gov/WhatsNew

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

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