



# The Rice Advocate

US Rice Producers Association

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## Weekly Export Sales Indicate Strong Demand/Purchase From Brazil

USDA took another small bite out of WMP this week with a decrease of 16 cents for both long and medium/short grains. The weekly export sales report, however, continued to show both good sales and shipments out of the old crop and a nice slug of new sales to Brazil out of the crop just planted. Current crop sales posted for the week were 45,400 metric tons – another good number for this late in the year. Just over 15,000 tons of long grain rough rice were sold to Mexico and Central America with another 6,000 tons of milled long grain being put on the books for Honduras, Mexico, and various other locations. Medium/short grain was the big winner this week with Turkey buying 9,000 tons of rough and another 14,500 tons of milled being sold to Jordan, Japan, Israel, and other destinations. Shipments out of the old crop were heavy at 78,700 tons, over half of which went as long grain paddy to Venezuela, Mexico, Honduras, Guatemala, and Costa Rica. Long grain milled liftings totaled nearly 10,000 tons with the main destination being Haiti. There was no medium rough loaded out this week, but just over 20,000 tons of milled medium/short went to Japan, Turkey, Taiwan, and numerous other countries. The most striking news for the week was the USDA's report of new crop rice in the amount of 54,000 tons being sold to Brazil in a split of 40,000 tons of rough and 14,000 tons of milled. Not only is this a great way to start off the new crop year, but these early purchases add to the last several weeks of anticipation and expectation about potential sales to Brazil. With substantial purchases being seen this early, Brazil's actual needs could be quite high. There is still no news about Iraqi purchases from the last tender, but the feeling persists that at least a small quantity – maybe 30,000 tons – of US milled has already been or will be sold.

Much of the remaining Texas crop has been sold in the last week at \$4.00 over for standard varieties and \$3.50 premium for hybrids. South Louisiana and Delta prices eased a bit this week. There is very little still in first hands in Texas and we are given to understand the same to be the case nearly everywhere now in the South. A continuing serious problem that has been plaguing ship-

ments in the Delta has now reared its head in south Louisiana as well – stain. We hear that a fair amount of rejection is being seen on stained deliveries for export. Quality is still the name of the game for US rice: milled or paddy. USDA weekly updates show the new crop rice and nearly all other crops to be well underway or ahead of normal benchmarks at the same time in previous years and of good quality so far. An early and concentrated harvest of a lot of rice appears to be on the horizon.

As world stock markets swooned and soared this week and the Euro stayed in the headlines doing the same, Asian rice prices seemed to firm just a bit more. Demand has seen a slight pick up, making the mood of the sellers a little brighter. Thai 100% Grade B remained in the \$470 to \$480 range per metric ton fob vessel, and parboiled held at the \$465 level. Viet 5% was quoted higher between \$370 and \$375 per metric ton, and Pakistani 5% was noted as high as \$395 per ton. More talk is being heard about the return of La Niña which is expected to bring better rains with her, but it remains to be seen if the Indian monsoon comes in on schedule as predicted by the Indian government. Questions remain in both India and China for the coming year, and Brazil's early US purchases are coming into the mix as well.

In spite of some positive export news, rough rice futures had something of a tough week starting with a high on Monday in the July contract at 12.275 but then sliding sharply on Tuesday to 11.57 and finally settling on Friday at 11.635. Volume was erratic from day to day with very heavy trading being seen with the big drop on Tuesday. The average volume for the week came to a decent 1,313 per session. Open interest dropped only 199 from the previous Thursday's figure of 15,569. The market has been and continues to be very difficult to read. Technical indicators are providing some information, but trading in and out is tricky. Most in the trade expect to see more weakness over the next month or two. The real mystery is how far will basic fundamentals allow futures prices to fall? 



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## Mas Por Menos Leading the Fight Against Malnutrition and Obesity


The SCHOOL LUNCH PROGRAM IN MEXICO delivers great information to mothers/school cooks during the visits to schools and the training sessions. Through this medium we teach the mothers the importance of including rice in their family's daily diet to help fight two epidemics Mexico is encountering: malnutrition and obesity in children. We educate these consumers about the nutritional value of rice; with this newfound knowledge, they will become daily consumers of rice.

The program teaches mothers that with rice, their children will receive a more nutritious meal, sustaining a stronger immune system, thus reducing illnesses and lead-



ing to overall better health.

The Mexican government along with international organizations such as the World Health Organization are working to fight the growing malnutrition and obesity problems. Agencies are employing programs and strategies of education and counseling services based on the knowledge of proper childhood nutrition, starting with the nation's schools.


USRPA's School Lunch Program is the model to follow; we have been teaching families better nutrition at a lower cost through increased rice consumption every day. 



## Update on Senator Murkowski's EPA Disapproval Resolution



Senator Murkowski negotiated a unanimous consent agreement on Tuesday, May 25, to extend the deadline of her bipartisan resolution disapproving the EPA's effort to regulate greenhouse gases under the Clean Air Act (S.J. Res. 26). A vote on the resolution is scheduled for June 10. The resolution requires a 51-vote majority to pass the Senate.

S.J. Res. 26 would invoke a legislative process established by the Congressional Review Act (Public Law 104-121) to disapprove EPA's rule. If S.J. Res. 26 is enacted, the published rule would have no force or effect as provided by the terms of the resolution. 



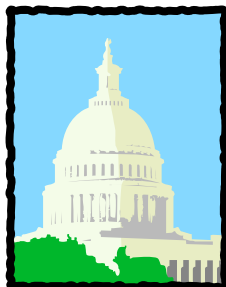
## International Rice Conference for Latin America and the Caribbean - "Rice Challenges for XXI Century"

The Latin American Fund for Irrigated Rice (FLAR), the International Center for Tropical Agriculture (CIAT), the Rice Growers Federation of Colombia (FEDEARROZ) and the International Rice Research Institute (IRRI) extends an open invitation for the XI International Rice Conference for Latin America and the Caribbean to be held September 21-24, 2010 at the Intercontinental Hotel in Cali, Colombia. The conference will celebrate the 15 years of FLAR and the 50th anniversary of the founding of IRRI with strong support from FEDEARROZ and CIAT in Colombia. The purpose of the event is to update scientific advances showing progress made in the region and highlighting the strategic position it has in the future of rice production while facing global demand. "Rice Challenges for XXI Century" will address the innovation and development for rice through breeding, biotechnology and production trends. The conference targets scientists, technicians and producers involved with research, extension and production.

For more information visit:  
[www.conferenciaarroz2010.com](http://www.conferenciaarroz2010.com)



## The House considers H.R. 4213 American Jobs and Closing Tax Loopholes Act



The House is expected to consider, H.R. 4213 (aka the Tax Extenders Bill), before it adjourns for Memorial Day Recess on Friday afternoon. Ways and Means Chairman Sander Levin (D-MI) predicted the bill would pass the House and be supported in the Senate. H.R. 4213 includes agriculture disaster provisions that would provide assistance for 2009 agricultural losses for crops, including specialty crops, livestock, sugar, aquaculture, cottonseed, and poultry. In addition to approximately \$1 billion in supplemental direct payments to producers with a minimum 5-percent loss in production, the bill would provide \$42 million in cottonseed assistance, \$25 million in aquaculture assistance, \$21 million to a Hawaiian sugar cane cooperative, \$75 million to poultry producers, \$50 million for livestock producers, and \$300 million for specialty crop producers. The program is designed for payments to be issued quickly through USDA and State block grants. This provision is estimated to cost \$1.479 billion over ten years..

The Senate won't consider the tax extenders package, including its provisions for disaster relief until after the Memorial Day recess. Senate Majority Leader Harry Reid (D-NV) expects to take up the legislation when Congress reconvenes on Monday, June 7.

USRPA will continue to report on the bill's developments. 🇺🇸

## Cuba Agriculture Trade Bill Still Pending

Legislation supported by the US Rice Producers Association is still pending as Congress adjourns for its week-long Memorial Day District Work Period. Those concerned with increasing U.S. agricultural exports are still hopeful that members of the House Agriculture Committee will vote to enhance agricultural trade this Congress by passing H.R. 4645, then Travel Restriction Reform and Export Enhancement Act. The bill will create thousands of jobs in the United States and enhance U.S. agricultural exports by hundreds of millions of dollars each year. This may be the only opportunity this year for Members to vote to enhance agricultural exports.



Cuba's renown chef Gilberto Smith Duquesne has been honored by culinary institutes with gold medals from around the world. No one cooks rice in Cuba better than Gilberto!

USRPA encourages all members of the House and Senate to support U.S. farmers in this key issue for 2010. A vote on the bill is expected in June. 🇺🇸

The USDA and the Natural Resources Conservation Service reminds you that the **deadline** for signing up to be considered for the Conservation Stewardship Program is **June 11, 2011**.

For more information visit:

[www.nrcs.usda.gov/programs/new\\_csp/csp.html](http://www.nrcs.usda.gov/programs/new_csp/csp.html)

## EU & Mercosur to Re-Launch Free Trade Talks

Aimed at creating a free trade area of 800 million people, the European Union and the Mercosur trade block announced last week their decision to re-launch talks in July. At a summit in Madrid, European Commission President Jose Manuel Barroso stated the talks are focused on creating "one of the biggest free trade zones in the world."



While agriculture has been a point of contention, the Commission argues the trade deal with Mercosur would generate annual benefits of 4.5 billion Euros for both sides. Trade deals with Peru, Colombia and Central America were also discussed at the Madrid summit that brought together some 60 European and Latin American leaders. 🇺🇸



Memorial Day was officially proclaimed on May 5, 1868 by General John Logan, national commander of the Grand Army of the Republic. It was first observed on May 30, 1868; flowers were placed on the graves of Union and Confederate soldiers at Arlington National Cemetery. ([www.usmemorialday.org/](http://www.usmemorialday.org/))



### 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:

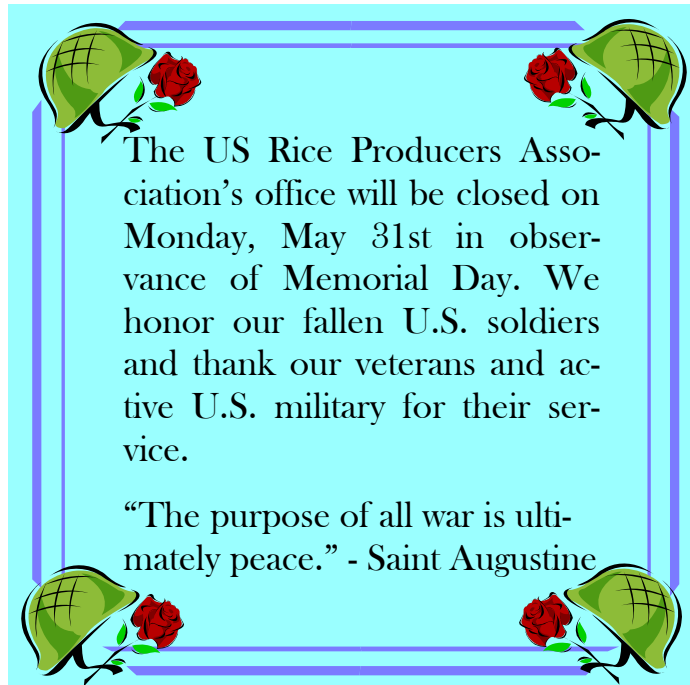
<http://beaumont.tamu.edu/CropSurvey/>

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

[www.usriceproducers.com/stateassociations/50-arkansas](http://www.usriceproducers.com/stateassociations/50-arkansas)

**Texas Rice April Newsletter:** Latest issue is available through the Beaumont Center site at : [http://beaumont.tamu.edu/eLibrary/eLibrary\\_default.htm](http://beaumont.tamu.edu/eLibrary/eLibrary_default.htm)

**RiceFax: Midsouth/Texas; 05/20** - Rain brings misery or relief. ([CLICK HERE](#))



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[www.riceromp.com](http://www.riceromp.com)



#### **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**

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
June 29 - July 1, 2010	6th Nat'l 25x'25 Renewable Energy Summit, Washington, DC
June 30 - July 1, 2010	Congreso Nacional Arroceros 2010, San Jose, Costa Rica
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 18, 2010	Cache River Valley Seed Company Field Day, Cash, AR
August 26, 2010	Missouri Rice Council Field Day, Glenoville, 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](http://www.usriceproducers.com/calendar)

#### **USDA Reports Next Week**

Reports schedule not available at this time.

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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