



# The Rice Advocate

US Rice Producers Association

Volume 7, Issue 24

Friday, June 18, 2010

## USRPA Board Chairman to Testify before House Agriculture Committee



Gary Murphy, Chairman of the USRPA Board of Directors, will testify next Thursday, June 24 before the House Subcommittee on General Farm Commodities and Risk Management. The purpose of the hearing is to review U.S. farm safety net programs in advance of the 2012 Farm Bill.

Gary Murphy is a rice producer from Bernie, Missouri. His farm produces rice, cotton,

corn, popcorn and soybeans in Stoddard, New Madrid and Donklyn counties. Five generations of the Murphy family have farmed in the area. Gary is 3rd generation to work the family farm; his sons and grandsons are continuing the family tradition.

At the hearing, Mr. Murphy will represent the views of the entire rice industry relative to U.S. farm safety net programs. He will give a U.S. rice industry overview, a re-

view of the 2008 Farm Bill and existing safety net provisions such as ACRE, Crop Insurance, and SURE. He will close his statement by discussing the development of the 2012 Farm Bill, including comments on how the rice industry is working internally to analyze the existing safety net policies and to evaluate their effectiveness in providing a measure of protection in the most efficient manner.

Following his oral testimony, Mr. Murphy will respond to questions from Members of the Subcommittee.

Next week's hearing is part of a series that the House Agriculture Committee is holding -- field hearings have taken place in eight states -- as it begins the process of writing the 2012 Farm Bill.

## Tax Extenders Legislation Stalled

The Tax Extenders legislation, which includes provisions for emergency agricultural disaster assistance, is still a ways away from being sent to the President's desk. Late on Thursday night, Senate Democrats split the extenders bill up into three pieces as they tried to gain consent for each part. Republicans objected to two of the three parts, but some political maneuvering may allow the Senate to pass the bill in short order. However, with objections to the legislation looming from Senators on both sides, the legislation is likely to be stalled.

In a move to recognize that the Senate may not strike a deal today, the House Democratic leaders released their members to head home for the weekend on Thursday night. Action on the Extenders bill will be a priority for next week's agenda.

USRPA will continue to report on the developments of the legislation in general and the inclusion of the agricultural disaster provisions in particular.

## Cuba Briefings



Congratulations to Raul Sanchez Cordovi on his appointment as the First Secretary (Trade and Business) of the Cuba Interests Section in Washington, D.C. Mr. Sanchez, with a degree in law, worked for many years in Alimport (Cuba Food Import Agency) as a Senior Advisor to the Chairman, Director for International Commerce and later as the General Director of

the Rice & Pulses Division. A long time friend of the US Rice Producers Association, Mr. Sanchez has played an important role in the pursuit of positive trade relations between Cuba and the USA for many years. Pictured here with Joe Crane of BU Growers during a dinner in Havana.

On a related note, Gustavo Rodriguez Rollero, a 46 year old agronomist has been named the new Minister of Agriculture by the Cuban government. Rodriguez Rollero who has been the First Deputy Minister of Agriculture holds a degree in agronomy replaces Ulises Rosales Toro who was promoted to Technical Advisor for the country's sugar, agricultural and food production industries. Cuba must spend over 1.5 billion US dollars annually importing food and Rosales Toro will focus his attention on boosting domestic food production.

### Inside this issue:

<b>USRPA Chair to Testify before House Ag Committee</b> pg. 1	<b>Tax Extenders Legislation Stalled</b> .....pg. 1
<b>Cuba Briefings</b> ..... pg. 1	<b>USRPA School Lunch Program Makes TV Debut</b> .....pg. 2
<b>General Market Update</b> ..... pg. 2	<b>Former NFL Star to Speak at MS Field Day</b> .....pg. 3

## USRPA School Lunch Program Makes a Television Debut

This week, the USRPA program in Mexico, MAS POR MENOS, was recognized, re-emphasizing its success in educating consumers about the benefits of including more U.S. rice in their everyday meals. The program was invited to a TV broadcast station that also transmits over the world wide web, making it directly accessible to rural areas within the state.

MAS POR MENOS performed a massive training session using the same principles and techniques done in schools. Consumers were instructed on the easiest and most efficient ways of cooking rice and informed on the high nutrition value rice delivers in every meal.

During the broadcast, the program highlighted the versatility of rice, explaining that rice can be a whole meal when vegetables and protein, such as chicken or fish, are included. The family budget was also addressed. The message that a healthy meal does not have to be expensive was clear; including rice in their diet is not only

healthy and tasty, but also very economical and accessible.

Participants' comments said they felt the program was very informative and they felt that including rice more often would benefit their family. Other comments stressed the importance of this educational nutrition program in fighting malnutrition and obesity by teaching people healthy eating through rice.

MAS POR MENOS keeps exceeding goals, delivering the message that rice is healthy, nutritious, versatile and budget friendly.



## General Market Update

USDA left the factors for WMP undisturbed again this week, while the weekly export sales report showed another solid figure of 56,300 tons – all out of the current crop. Nearly 80% of the sales were made up 23,000 tons of long grain rough to Venezuela and Central America along with 21,300 tons of long grain milled to Haiti, Ghana, El Salvador, Brazil, Canada, Yemen (parboiled), and additional destinations. It is particularly good to see Ghana in the market for US long grain again. No medium/short grain rough or brown hit the report this week, but nearly 12,000 tons of medium milled were sold mostly to Jordan, Israel, and Mexico. We continue to point out that this kind of sales tonnage being sold at this time in the crop year is very impressive. We believe that much of next year will reflect similar sales strength, but additional milled long grain export sales and shipments will be absolutely necessary to maintain the health of the US rice market. Let's hope Washington is listening, especially with regard to Cuba and Iraq. Political will and assistance will be needed if we are to sell to those markets. USDA's export tonnage figures were very good at a net of 43,000 tons for the week. Mexico and Nicaragua took 12,500 tons of long grain rough between them with Mexico also taking just under 2,000 of medium paddy. Asian buyers in the Pacific lifted 3,000 tons of short grain brown; some 4,500 tons of medium/short milled were loaded for the Pacific as well as the Middle East and our two North American neighbors. Milled long grain shipments for the week totaled 21,100 tons with Brazil being the big destination at 15,400 tons (ten percent more than the original sale report). Of interest here is that most of the trade talk said that this would not ship until new crop – to some small degree this does beg the question of just how much Brazil may need and subsequently take from the US. Another Iraqi tender was announced this week, but some hold the opinion that without recognition on the part of the

Iraqis as to who their friends have been for the last several years – no US will be bought. Iraq not buying a majority of its rice needs from the US verges on the disgraceful, particularly for Baghdad but for Washington as well.

Old crop rough stocks continue to dwindle, and while we may not go to zero in the carry over to the new crop, there is a strong belief that there will be even less than the already low number USDA is estimating. Remaining paddy in Texas is still seeing a \$4.00 premium for traditional varieties and a \$3.50 premium for hybrids. South Louisiana noted not much old crop left and no trading reported – eyes now are turned to the upcoming harvest. A few low bids reported in the Delta, but there is very little left in first hands there either. What new crop bids that are being floated are attracting no interest. New crop prices will have to reflect both the costs and the additional risks to which farmers are now being subjected. It seems that crop conditions everywhere are very good. Of note is the fact that a few certificates are being cancelled off the CME/CBOT and subsequently called for load out. If this pattern continues, carry over numbers will have to be lowered – perhaps substantially.

With the exception of quotes out of Pakistan, Asian rice prices changed little from last week's numbers. Thai 100% Grade B is still in the range of \$455 to \$465 per ton fob vessel with Thai parboiled at \$445 per ton. Viet 5% remained near \$360 per ton, but Pakistani 5% again moved up to as high as \$420 per ton. Talk persists about the drop in production in the coming Thai crop due to very low reservoir levels, but there is also talk of the pressure of the next crop in Vietnam. There seems to be less talk of dry conditions in China. The Euro has gained a couple of cents on the Dollar this week, but few analysts are looking for any sort of real recovery in that currency.

*(Continued on page 3)*

## General Market Update (cont'd)

(Continued from page 2)

Crude oil prices nearby are in the \$77 per bbl area, and gold made new all time highs this week. Surging gold prices are a strong indicator of how little confidence there is in the central banks of any Western economy. All eyes remain focused on how strong the Chinese economy will be, if the European countries can maintain a moderately good level of activity, and what goes on in Washington. With so many credit, financial, economic, and political pitfalls on all fronts now, trading has become more difficult than perhaps at any other time in history, possibly barring the 1930's.

Rice futures had a range bound, mostly sideways week with a high of 11.225 (basis the July contract) coming in on Tuesday and a low of 10.815 printing on Wednesday. The Friday settlement of the nearby contract was 11.005, just a half-cent below the previous Friday's close. Some in the trade have been looking for much weaker futures prices and are surprised at the relative strength being shown, with the unavoidable questions being raised of just how low is the carry over and how strong might next year's demand actually be. Volume for the week averaged something over 1,350 contracts a day with a good bit of rolling out of the July into new crop positions being seen. Open interest backed down 549 contracts to 14,991 on a

Thursday to Thursday basis. Normally this might be seen as slightly negative, but the narrow trading range of the week blunts that idea somewhat. Corn, cotton, beans, wheat, and oats all held up well during the week. 🌾

## Former NFL Star to Speak at MS Field Day

D.D. Lewis, former Dallas Cowboy, linebacker, an All-American and Southeast Conference Player of the Year in 1967 at Mississippi State will be the keynote speaker at the Agronomic Crops Field Day on July 15th at the Delta Research and Extension Center in Stoneville, Mississippi. Topics at the DREC field day will include rice production along with corn, cotton and soybean subjects.



Registration begins at 8:00 a.m. with presentations starting at 8:30a.m. For more information, contact Jody Stovall, DREC location coordinator at (662) 686-3216.

### STATE/REGIONAL NEWSLETTERS:

Texas Rice Crop: <http://beaumont.tamu.edu/CropSurvey/>  
 Arkansas Rice: <http://www.usriceproducers.com/links>  
 RiceFax: Midsouth/Texas; 06/17 - [More Blast in More Places.](#)



2825 Wilcrest Drive, Suite 505  
 Houston, Texas 77042  
 Phone: 713-974-RICE  
 Fax: 713-974-7696

[rice\\_advocate@usriceproducers.com](mailto:rice_advocate@usriceproducers.com)  
[www.usriceproducers.com](http://www.usriceproducers.com)  
[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 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 24, 2010	RiceTec Field Day, RiceTec Headquarters, Alvin, TX
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 25x25renewable Energy Summit, Washington, DC
June 30, 2010	RiceTec Field Day, Hundley Farm, Mowata, LA
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 5, 2010	Horizon Ag Field Day, Ruleville, MS
August 11, 2010	Arkansas Rice Research & Extension Field Day, Stuttgart, AR
August 12, 2010	RiceTec Field Day, RiceTec Station, Harrisburg, 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

Crop Progress (NASS)	Monday, June 21, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, June 22, 12:00 pm
U.S. Export Sales (FAS)	Thursday, June 24, 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).

USRPA does not discriminate in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, or marital/family status. Persons with disabilities who require alternative means for communication of information (such as Braille, large print, sign language interpreter) should contact USRPA at 713-974-7423.