



The Rice Advocate

US Rice Producers Association

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Action Alert: Cuba Bill Set for Mark up Next Wednesday June 30



House Agriculture Committee Chairman Collin Peterson (D-MN) announced that his committee will mark-up legislation next week to remove obstacles to legal sales of U.S. agricultural commodities to Cuba and

to end travel restrictions to Cuba for all Americans. H.R. 4645 includes provisions that benefit U.S. agriculture, including an easier method for Cubans to pay for purchases of U.S. agricultural exports.

The Travel Restriction Reform and Export Enhancement Act has 62 co-sponsors, including 20 from rice states. We need your help to secure more support for this important legislation by asking Agriculture Committee members to report the measure favorably out of committee. [Click Here](#) to access phone call talking points and contact information for members of the House Agriculture Committee who will consider the bill next week.

If trade and travel restrictions are eased, U.S. exports would increase dramatically. The U.S. Interna-

tional Trade Commission estimates that the U.S. could supply as much as two-thirds of Cuba's agricultural imports. A Cuban importing official recently estimated that Cuba could buy agricultural products from the U.S. with a value of \$21 billion just in the first five years with no payment restrictions.

A Texas A&M report released earlier this year affirms there is a correlation between Cuba's tourism industry and U.S. agricultural sales to Cuba.

"While numerous other factors also influenced U.S. exports, tourism in Cuba appears to be one important factor in maintaining a viable export market for U.S. products...There does appear to be an established linkage between the amount of money Cuba earns from tourists who visit the island and the amount of food it can afford to import from the United States," the report states.

All USRPA members are asked to contact members of the House Agriculture Committee to discuss the importance of this legislation for the U.S. rice industry.

36th Annual Eagle Lake Field Day

The Annual Eagle Lake Field Day in Texas is coming up next week, Tuesday, June 29th. Tours of the research plots will begin promptly at 4:00 p.m., led by Karla Matheny, Extension Agent at Texas AgriLife Extension, Colorado County. Topics will include varietal improvement, insect management and weed management.

Among others, Ronald Gertson, Chairman of the Colorado Water Issues Committee is scheduled to speak about current water issues.

Attendees will be treated to Austin's BBQ for dinner at the Eagle Lake Community Center, compliments of BU Growers.

63rd Annual Beaumont Field Day

Mark the date! This year's Annual Beaumont Field Day will take place Thursday, July 8th. The agenda this year focuses on Maximizing Profits—Minimizing Risk.

The program begins at 8:00 a.m. with morning tours of the research plots, led by Ricky Thompson, Extension Agent of the Texas AgriLife Extension, Jefferson County.

Dr. Ted Wilson, Professor and Center Director of the AgriLife Research and Extension Center in Beaumont, will begin the general program by giving a state/regional update and overview. Following speakers include Dennis DeLaughter, President of Progressive Farm Management, speaking on economics as well as Dr. Richard Norman, Professor of Crop, Soil and Environmental Sciences, UA Ag, among others.

Attendees will be treated to Austin's BBQ for lunch sponsored by BU Growers.



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Koreans Look To Mid-South To Source Rice

The Missouri rice producers and processing facilities were in discussions with South Korean government officials with the intention of finding new suppliers for medium and long-grain rice. This shows the state's increasing importance in America's rice industry and points to a bright future for Missouri as a rice exporter. Korean officials visited Portageville, MO, recently to meet with rice millers, exporters and producers in the upper Mississippi River Delta region.

Missouri currently ranks as the No. 4 rice producer in the United States. Representatives of Missouri's rice industry joined in the discussions with rice industry experts from Arkansas, the top rice producing state in the nation.

"With more than 200,000 acres of ground in rice production, Missouri is rapidly becoming one of America's major producers," says Missouri Department of Agriculture Director Dr. Jon Hagler. "More than just production num-



bers, Missouri is earning recognition for the quality of the rice it produces. The interest of these Korean buyers stands as testament to the great strides Missouri farmers and agribusinesses are making.

South Korea is historically an important market for U.S. corn and soybeans. The Missouri Department of Agriculture and the Missouri Department of Economic Development cooperated with Greg Yielding of the US Rice Producers Association and the Missouri Rice Council to recruit the Korean officials to travel to Missouri and coordinate their Missouri, Arkansas, and Louisiana visit. The Korean officials work at the Korean Agro-Fisheries Trade Corporation that oversees the nation's grain imports. During discussions with Missouri and Arkansas producers, they presented an overview of the Korean rice buying, or 'tender' process, and encouraged suppliers from mid-south to participate in the upcoming tenders.



Talking to Arkansas rice farmers in Prairie county about irrigation of a field of Jupiter medium grain rice.

"All of Missouri's rice production is centered in the Bootheel region in the southeast portion of the state. Blessed with fertile land and an abundant supply of good-quality water, the region is well positioned to become a major source of rice in the future," said Scott Wheeler, president of the Missouri Rice Research and Merchandising Council.

Traditionally, Koreans have imported only medium-grain rice, but the Korean government is now exploring suppliers of medium and long-grain, like that grown by producers in Missouri, Mississippi, Louisiana, Texas, and Arkansas. While America's tastes tend toward



Lunch with members of the Louisiana Independent Rice Producers Association in Welsh La.



Rice is the source of one quarter of global per capita human energy.

Gary Murphy Testifies before House Agriculture Subcommittee



Gary Murphy
Chairman, USRPA

On Thursday of this week, Gary Murphy testified before the House Agriculture Subcommittee on General Farm Commodities and Risk Management. The Public Hearing was conducted to review U.S. farm safety net programs in advance of the 2012 Farm Bill. Gary Murphy is the Chairman of the Board of Directors of USRPA; he spoke on behalf of USRPA and USA Rice Federation. He has farmed for 44 years in Bernie, Missouri.

Gary opened his testimony with a review of the 2008 Farm Bill and its traditional mix of safety net features. He emphasized that direct payments alone have assisted rice producers in meeting price and production perils of current farming practices, while the nonrecourse marketing loan, the loan deficiency payment program and the countercyclical payment program, if triggered, could not keep most rice farms in business during a year of severely low market prices.

“Unfortunately for rice producers, the existing safety net protection levels have simply not kept pace with the significant increases in production costs,” Gary stated.

He described problems with ACRE, including the 35% reduction to marketing loan rates. “While in recent years we have enjoyed market prices for rice well above our \$6.50 loan rate, the bankable certainty that the marketing loan provides is still of great value.”

Before closing, Gary Murphy offered an explanation of the unique risks associated with rice production and the resulting low level of insurance coverage that rice producers generally seek.

“The coverage level purchased is commonly the lowest level of coverage, known as catastrophic risk protection or CAT coverage. Buy-up or additional coverage, offering protection above the CAT coverage level, has not been viewed as cost effective for most rice farmers who operate on small margins.”

Because rice producers generally do not purchase high levels of crop insurance, SURE is of little value. “Rice farmers suffer twice under the current program. First, they lack effective, affordable crop insurance. Second, they are then penalized under the SURE program by receiving the lowest protection that corresponds with lowest crop insurance coverage.”

To read Gary’s full testimony, access the link through the House Agriculture Committee’s website:

<http://agriculture.house.gov/testimony/111/h062410/Murphy.pdf>

General Market Update

This week’s WMP announcement saw USDA drop 15 cents on both long grain and medium/short grain factors. This is no surprise given the soft state of Asian prices. On the other hand, the weekly USDA export sales report was a bright spot for both the old and new crops. Old crop sales totaled 59,000 metric tons and included 9,400 tons of long grain rough to Mexico and Central America along with 9,000 tons of medium/short paddy to an unknown destination. Also in the long and medium/short rough categories were new crop rough sales of 20,000 tons and 25,000 tons respectively, again for unknown destinations. The big grain companies sometimes use the unknown destination for competitive reasons, but using this option in reporting rice sales seems useless – unfortunately there is not much real potential for a big surprise out there on who is buying US rice at this time. The long grain sales are most likely for Venezuela or Brazil, and the medium sales are most likely for Turkey. It would, of course, be a big surprise if someone like North Korea or China ended up being the buyer, but that seems unlikely. Other old crop sales included a touch of both long and medium brown as well as nearly 25,000 tons of long grain milled for unknown (guesses say Brazil), Ghana, Turkey, Mexico, and

Canada, and just over 14,000 tons of medium/short milled primarily for Jordan, Syria, Japan, Saudi Arabia, and Israel. Weekly export tonnage loaded out was reported at 74,900 tons and was fairly well split between long grain liftings made up of 29,300 tons of rough to Mexico, Honduras, Costa Rica, and El Salvador, a bit of brown to the Caribbean, and 4,700 tons of milled mostly to Canada, the United Kingdom, and Canada, and medium/short grain shipments consisting of 1,000 tons of rough to Mexico, 3,500 tons of brown to Taiwan and Japan, and 35,000 tons of milled – the big hitter there being Japan with almost 27,000 tons as well as smaller tonnage to Israel, Jordan, Canada, Saudi Arabia, and South Korea. All of these reported numbers are very good and help continue the constant whittling down of old crop stocks. It should be noted that the combination of old crop and new crop sales this week exceeded 100,000 tons. The only things missing in the US export equation now are some big milled long grain sales which are critical to getting prices out of the cellar.

Even as old crop stocks continue to slip lower and lower, the rough rice market seems to be very quiet even-

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General Market Update (cont'd)

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rywhere in the South. Stocks in Texas are now estimated at just over 100,000 cwts while bids are still noted at \$4.00 over on traditional varieties and \$3.50 over on hybrids. The situation looks to be about the same in South Louisiana, and activity up river is reported to be slow and quiet as well. Prices indicated in the Delta/Arkansas area are said to be reflections of futures levels which are too low to attract any interest. A few more certificates were called for load-out off the CME/CBOT this week, which just further reduces the potential old crop carry over number. The new crop is said to look good everywhere while comments persist about heavy pressure at harvest this year.

With the exception of a nice bump up in Thai parboiled prices, Asian quotes saw few changes this week. Thai 100% Grade B remained in the \$455 to \$465 per ton range fob vessel, but Thai parboiled jumped nearly \$30 per ton to \$475 fob vessel. Viet 5% was noted at \$350 per ton, and Pakistani 5% was quoted at \$415 per ton. There was no additional news on the Thai crop situation with regard to the dry conditions there, but there was some report of the monsoon again being disappointing in India. It is too early to know just what that may mean for India or the global market, but the large stocks there may dampen any moves in

world prices unless the monsoons completely fail. There were also some longer range comments about the rate of China's food consumption growth over the next few years with the conclusion being that more and more food imports will have to be made. The Euro remained in the low 1.20's against the Dollar this week, gold futures made a new high of 1,266.50 per ounce on Monday and were not far off that as the week closed, and crude futures were just over \$79 per bbl Friday afternoon.

After moving sideways last week, rice futures fell to a new low this week in sharply dropping action as a lot of rolling out of the July into mostly September took place. The July contract settled on Friday at 10.06, just a penny off the newly hit low of 10.05. This was off 94.5 cents from the previous Friday close. September settled at 10.21 a cent-and-a-half from the new low made during the week. Technically all rice futures are very over-sold, but there is no way to deny the overall weakness weighing on the market at this time and the likelihood that it may persist into harvest. 🌱

STATE/REGIONAL NEWSLETTERS:

Texas Rice Crop: <http://beaumont.tamu.edu/CropSurvey/>

Arkansas Rice: <http://www.usriceproducers.com/links>

RiceFax: [Midsouth/Texas; 06/24 - Weather Taking a Toll....](#)



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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

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 25x'25renewable 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, 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, 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, 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.

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