



# The Rice Advocate

US Rice Producers Association

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## House Agriculture Committee Approves Cuba Bill

On Wednesday June 30th, the House Agriculture Committee passed by a vote of 25 to 20 H.R. 4645, the Travel Restriction Reform and Export Enhancement Act to remove obstacles to legal sales of United States agricultural commodities to Cuba and to end travel restrictions on all Americans to Cuba.

If enacted, the bill will accomplish 3 things:

1. H.R. 4645 will permanently reverse by law the interpretation of "cash in advance" sales of farm goods to Cuba. Since this overly restrictive rule was imposed by the Bush Administration in 2005, U.S. rice sales to Cuba have fallen from \$64 million in 2004 to ZERO in 2009 and again in 2010.
2. The bill will allow Cuban banks to wire payments directly to the banks of U.S. sellers. This will repeal the expensive and cumbersome requirement that payments be sent from Cuba, to third country banks, and THEN to the seller's U.S. bank. This process increases the cost of purchasing U.S. agricultural goods and puts U.S. agriculture at a competitive disadvantage. [CLICK HERE](#) for illustration on how third country vs. direct payments by Cuba would work to benefit U.S. agriculture.
3. The bill will repeal the ban on and free US citizens to travel to Cuba. Cuba is the ONLY country in the world that our own government prevents Americans to travel to.

The "cash in advance" and "direct payment" provisions were not controversial in the Agriculture Committee. Most Members said that they supported these provisions.


The outcome of the vote was 25-20 in favor of the bill, including 21 Democrats 4 Republicans voting in support of the legislation. Of the 20 NO votes, 15 were Republicans and 5 were Democrats.

Representatives from rice states in favor of the bill include Reps. Cardoza (D-CA), Cassidy (R- LA), Childers (D-MS), Costa (D-CA), and Cuellar (D-TX).


Votes of Rice State Representatives on the House Agriculture Committee follow:

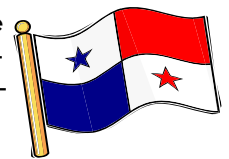
State	Representative	Yay	Nay
CA	Costa	X	
CA	Cardoza	X	
LA	Cassidy	X	
MS	Childers	X	
MO	Graves		X
MO	Luetkemeyer		X
TX	Cuellar	X	

Before going to the House floor, the bill is referred to the House Foreign Affairs and House Financial Services committees, but these committees can waive their opportunity to consider the legislation.

Rice producers are asked to please call, email, fax those Agriculture Committee Members who voted for the bill to say THANK YOU FOR SUPPORTING RICE FARMERS. Additionally, please contact ALL of your Representatives in the House to urge them to vote for H.R. 4645 WITHOUT AMENDMENT if and when the bill is considered by the House of Representatives. 

## Rice Farmer Named Secretary of Agriculture in Panama

President Ricardo Martinelli of Panama, named Emilio Keiswetter, a rice producer and dairy cattleman, as the new Minister of Agriculture this week. Mr. Keiswetter, an engineer and the current President of the Rice Producers Association of Chiriqui (APACH), the largest rice farming association in the country, has been the senior advisor for agriculture to President Martinelli and his chief of staff Demetrio Papadimitriu. The new designation has been well received by the agricultural sector in Panama. 



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## Updates from Dr. Mo Way, Texas AgriLife Research and Extension Center



The David R. Wintermann Rice Research Station at Eagle Lake 2010 Field Day was held Tuesday June 29. Turn out for the field day was good - more than 120 attendees took the tour. Tour speakers were Drs. Dante Tabien (rice breeding), Shane Zhou (rice pathology), Garry McCauley (weed management) and myself (entomology). Dante


spoke about his elite lines, aromatic rice yield trial, varietal herbicide resistance work, incorporation of beneficial genes from African wild rice and development of seedling cold tolerance. Garry spoke about new weed management tools and agronomic studies of new rice varieties. Garry is working cooperatively with Dr. Scott Senseman who is located on the main campus. Shane is our new rice pathologist; Shane spoke about his discovery of a newly reported rice disease in Texas---white leaf streak. According to Shane, most currently planted rice varieties are susceptible to this disease. He also spoke about the benefits of the seed treatment CruiserMaxx which contains an insecticide and 3 fungicides. I spoke about new insect pest management tools and registration issues. Jack Vawter and his crew have done an excellent job planting and maintaining all the research plots at Eagle Lake and Ganado.

The evening program speakers were Dwight Roberts (President of US Rice Producers Association), L. G. Raun (rice producer involved with rice legislative issues) and Ron Gertson (rice producer involved with rice water issues). Dwight spoke about the current situation regarding rice sales to Cuba and easing of travel restrictions to Cuba. L. G. spoke about HR 4645 and the importance of contacting legislators on the House Ag Committee in support of this bill. Ron spoke about water issues relating to the Colorado River and its importance to the Texas rice industry. Kara Matheney, the new Colorado Co. extension agent, and Davis Waddell (Colorado Co. Ag Committee) introduced the evening speakers. An excellent dinner prepared by Austin's Barbecue and paid for by B U Growers was enjoyed by all. Remember, the Beaumont Center 2010 Field Day will be held July 8.

Most rice in the Texas Rice Belt is beginning to head, so this is the time to look for sheath blight, rice stink bug and stalk borers. Keep inspecting your fields for dis-

eases and insects. Pathologists and entomologists have shown controlling diseases and insects in the main crop can carry over to the ratoon crop. For instance, my project last year found controlling stalk borers on the main crop (Cocodrie) increased yield over 500 and 1000 lb/acre on the main and ratoon crop, respectively. Grasshoppers continue to show up in rice fields in relatively high numbers. Usually, these critters do not warrant an insecticide application, but now that rice is heading, these pests can cause partial blanking of heads by biting the small stems upon which the grains are attached. This damage results in white, unfilled grains. I have recently observed some fields with heavy rice water weevil damage; these fields were at about panicle differentiation, so not much can be done at this time except to drain the fields which is not a recommended practice.



Finally, I have been involved in teaching K-12 science teachers how to get youth excited about math and science using agriculture (rice and soybean production) and entomology as a model. I have used instructional materials kindly provided by Haskell Simon (Lower Colorado River Authority), US Rice Producers Association and the Texas Soybean Board. In addition, I have helped put on an annual Rice Education Contest involving local SE Texas FFA chapters. The contest emphasizes knowledge of Texas rice production practices. Winners are presented awards in Winnie at the Texas Rice Festival which sponsors this youth contest. If you are interested in these youth activities, please contact me (409-658-2186 or [moway@aesrg.tamu.edu](mailto:moway@aesrg.tamu.edu)). We need to educate our youth (and adults) about the importance of agriculture in our daily lives!!! 



Rice is still sometimes used to pay debts, wages and rent in some Asian rural areas.

## Rice Farmers Gather at Area Field Days



South Texas rice farmers and hybrid rice experts gathered at Rice Tec's Eagle Lake Facility and Kevin Hoffman's farm this week to learn about hybrid rice production and developments in water management & efficiency. Of particular interest was the new overhead sprinkler irrigation option as well as seed quality, weed & disease management and nitrogen fertilizer management in regards to hybrid rice production.



Ronald Gertson, a rice farmer from Lissie, Texas and Chairman of the Colorado Water Issues Committee updates farmers on water related issues that affect rice farming while encouraging farmers to become active participants in the process during a program at the Eagle Lake Community Center in connection with the 36th Annual Eagle Lake Field Day.



Ray Stoesser (right), rice farmer from Dayton, Texas and President of the Texas Rice Council catches up on water issues with Haskell Simon, a rice farmer and long time advocate for interests in the Colorado River during dinner at the 36th Annual Eagle Lake Field Day this week.



Louisiana and neighboring state rice farmers gathered at the LSU Ag Center Rice Research Station in Crowley as Dr. Steve Linscombe introduced the program regarding the field day's theme of "Rice Research: Meeting the Challenges for the Future of the Louisiana Rice Industry".

Speakers included Dr. Michael Salassi (LSU), Dwight Roberts (USRPA), Jackie Loewer (La Research Board), Frank Rehmann (Producers Group), Dr. William Richardson (LSU AgCenter Chancellor), Dr. David Boethel (Director of La Ag Experiment Station), Dr. Paul Coreil (Director La Coop Extension Service) and Mike Strain (La Commissioner of Agriculture).



Ernest Girouard (left), area agent for the LSU Research Station and Michael Hensgens of G&H Seed Company Inc in Crowley, Louisiana talk about the weather and the price of rice during activities at the LSU rice field day. Field tours subjects included variety development and production (Drs Linscombe and Xueyan Sha), weed/disease/insect control, hybrid development & production and fertilization/agronomics.

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Mike Worthington (left) from Rice Tec and Chris Krielew, a rice farmer from Welsh, Louisiana and a board member of the Louisiana Independent Rice Producers Association (LIRPA) exchange information about the current rice crop during the LSU rice field day this week. Mr. Krielew and the other LIRPA board members have played an instrumental role with regards to plans for a new rail loading facility at Lacassine. On Monday of this week the Louisiana state legislature approved \$1.8 million of capital outlay funds for the proposed facility as part of House Bill 2. The Louisiana Senate voted 35-0 in favor of the project while the Louisiana House voted 87-7. The bill has now gone to Governor Bobby Jindal for final approval. What is impressive about this grass roots effort by local rice farmers is their raising of some \$785,000 as a matching fund for the project or double the amount of the original goal needed. Officials are confident that Governor Jindal will approve the allocation, as it was his office that embraced the project over the last few weeks. Jindal's administration added the amendment to the state Senate's version of the bill. The new facility would give the Southwest Louisiana agricultural industry and particularly area rice farmers a new alternative for accessing the growing export market in Mexico.



## General Market Update

There was a small bump up in WMP factors this week to the tune of 12 cents per cwt for both long grain and medium/short grain. This is the first time in quite a while that USDA has seen fit to increase factor values, and it may be a very small signal that world prices are trying to stabilize. It was another good week for exports sales, reported by USDA to be 32,500 metric tons out of the current crop – a decent number at any time of the year but especially so at the end of the August 1 to July 31 marketing year. Long grain paddy was the big seller at 24,600 tons registered for Mexico. Milled rice sales came in at 2,000 tons of long grain, half of which was for Canada, and 5,800 tons of medium/short mostly for Israel, Jordan, and Canada. Exports for the week came in at 61,400 tons. Right at half was long grain rough loaded for Mexico and Honduras. Haiti, Canada, Panama, and Chile were the major destinations for the 20,100 tons of long grain milled. Of the medium/short grain tonnage lifted, Taiwan and Israel took 2,100 tons of brown between them, and just over 7,000 tons of milled were sent on their way primarily to South Korea, Japan, Canada, Israel, and Jordan. While all paddy exports are running ahead of what was expected for the current year (currently at 99% with five reportable weeks left in the marketing year), there is no question that milled exports are lagging. Something needs to be done to help the export of more US long grain milled rice. Regardless of all the “no subsidy” talk throughout the world, the fact is that nearly every country supports, helps, or outright subsidizes their rice farmers in some form – the Europeans and Japanese subsidize their producers outright, while even the Thai and Viet governments “buy” rice from their farmers to help keep prices high. With Iraq being one of the largest importers of long grain rice in the world, it is past time for our government to insist that a major portion of those imports consist of US long grain. One possible plus for US rice is the current consideration of finally removing travel and financial obstacles that have kept

Cuba far, too far, in the background for years.

In spite of the larger than expected stocks number USDA reported this week in its June 30 report, old crop rice seems to be practically gone or at least well out of first hands. With the old crop winding down and the new crop harvest now in sight, the paddy markets across the south are very quiet. Texas bids remain at \$4.00 over for traditional varieties and at a weak \$3.50 for hybrids with little interest in selling at such low prices. No bids are reported at this time in south Louisiana, and bids in the Delta/Arkansas area are said to be tied to the low futures prices and therefore drawing no interest from potential sellers. New crop prices are said to be in the same state – bids low, selling interest “no.” While many in the trade are disagreeing with or are ignoring the old crop stocks figures put out by USDA, the planted acres figures reported on the same day are being considered with more credibility. Long grain acreage is called to be up by 21% over last year, and even though that figure may or may not be completely accurate, no one in the industry questions the fact that there is a big crop of long grain coming very soon now. Lots of farmer and drier activity in planning for drying and storage has already been seen, and buyers are looking for an opportunity to take advantage of the harvest crush to get some cheap rice. Buyers seem to acknowledge the idea, however, that once the harvest pressure subsides, producers will not give their rice up easily.

Overall the tone in Asia was a little firmer this week, even though the summer Viet harvest is causing some nervousness in the market there with talk of the government buying as much as a million tons from farmers to keep downward price pressure to a minimum. At the same time there is continued dryness in Thailand and China, and the monsoon in India was reported to be 16% below average in June with respect to rice – even more with other crops. No one seems to expect these conditions to help international prices, but overall exports are still

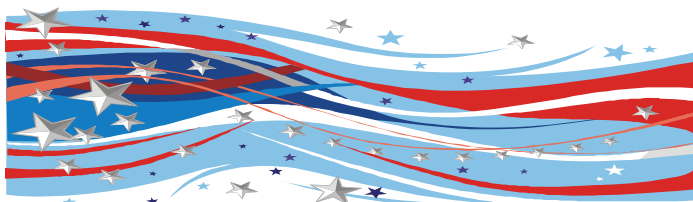
## General Market Update (continued)

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predicted to be substantial. Thai 100% Grade B quotes were a touch firmer in the \$465 to \$470 per ton area fob vessel, with Thai parboiled up at \$480 to \$485 this week. Viet 5% was quoted at \$360 per ton, and Pakistani 5% was noted in the \$420 to \$430 range.

Rice futures took another hit this week on heavy volume brought on by the rolling from July to other months as well as the USDA stocks and acreage reports on Wednesday morning. New lows were made during the week at 9.55 basis the July contract. Tuesday night saw prices rally a bit in anticipation of positive news in Wednesday's USDA stocks report only to be followed by a near limit down print in the July contract in the wake of the negative estimates. The September contract settled at 9.81 on Friday, down 25 cents for the week basis the continuation data. Speculation abounds as to where futures prices will go from here, but all agree that current levels being seen on the CBOT are well below the cost of production. Volume was very high Monday, Tuesday, and Wednesday at a daily average of 4,219 contracts – in front of the first July delivery day; by comparison, Thursday and Friday volume averaged only 645 contracts per day. Open interest dropped by a substantial 1,537 contracts on the Thursday to

Thursday count. Rice futures continue to be very oversold, but there is little activity to give them any real direction at this time. In other areas, the stock market is weak, the Euro currency is a little stronger in the mid 1.20's, and nearby crude futures are in the \$72 per bbl area. General concerns about Western (US, Europe, Japan) and Chinese economic strength are being quietly but broadly expressed, with many observers thinking that we will not have a good picture of the condition of the global economy until early 2011. 🇺🇸



The US Rice Producers Association's office will be closed on Monday, July 5th in observance of Independence Day. USRPA wishes you and your family a happy and safe 4th of July!!!

"We must all hang together, or assuredly we shall all hang separately."

-Benjamin Franklin



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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

July 8, 2010	Beaumont Field Day; Beaumont, TX
July 12 - 14, 2010	USRPA Board Meeting, Branson, MO
July 12 - 13, 2010	Six States Rice Farming Industry 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

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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