



# The Rice Advocate

US Rice Producers Association

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## USRPA Participates in Costa Rica's National Rice Congress

A large crowd of rice farmers and millers gathered at the Hotel Crowne Plaza Corobici in San Jose, Costa Rica last week for the 2010 National Rice Congress. The overflow crowd listened to specialists from the USA, Brazil and Colombia in addition to an impressive list of local speakers highlighted by the participation of Gloria Abrahams Peralta, the Secretary of Agriculture for Costa Rica. Thomas Wynn, a member of the US Rice Producers Association's Market Advisory Team presented an updated view of the world rice market with an emphasis on the relationship between the rice markets of Central America and the United States. Typical of markets throughout the Western Hemisphere, importing countries such as Costa Rica are always interested in knowing the status of the U.S. rice



Honorable Gloria Abrahams Peralta, Secretary of Agriculture for Costa Rica and members of Costa Rica's national banking system conduct a panel discussion during the country's Annual Rice Congress.

crop including acreage, conditions and progress. The theme of this year's program "Rice Towards 2020" enabled participants to evaluate the current obstacles and economics for future rice production. Congratulations to Eduardo Rojas, President of the National Rice Corporation of Costa Rica and Oscar Campos Chavarria, President of the National Rice Congress on a successful event.



Thomas Wynn  
Member, USRPA  
Market Advisory Team

For more information about the conference and Conarroz, go to [www.conarroz.com](http://www.conarroz.com).

## Update on H.R. 4645 Regarding Cuba Legislation

The Cuba Agriculture Sales and Travel bill (H.R. 4645), approved by the House Agriculture Committee, is pending to be considered further in the House as soon as this month. It is not clear whether the bill will go straight to the House Floor or first be considered by other concerned House Committees.

But the task for rice farmers who want to increase export sales is clear: strongly encourage all Members of the House to support H.R. 4645 whenever the opportunity arises. Those Members who have yet to cosponsor the bill should do so. Regardless, all Members should be made aware that H.R. 4645 will likely be the only agricultural export legislation on which they will have the opportunity to support rice farmers this year, and USRPA and their farmer-members strongly urge them to support them by doing so. Stay tuned to the Rice Advocate for new developments.

If you need additional information or phone numbers for Members please contact the USRPA office or refer to the past Rice Advocate posted on our website [www.usriceproducers.com](http://www.usriceproducers.com).



Oscar Campos Chavarria, President of the National Rice Congress addressing the standing room only crowd of the Costa Rica rice industry.

### Inside this issue:

USRPA Participates in Costa Rica's Nat'l Rice Congress . p. 1  
 Update on H.R. 4645 Regarding Cuba Legislation.....pg. 1  
 Congratulations to The New BOD for ANAR.....pg. 2  
 63rd Annual Beaumont Rice Field Day.....pg. 3

Rice and Beans Program Supports Schools.....pg. 2  
 Louisiana Rail Facility Receives State Funding .....pg. 2  
 General Market Update .....pg. 3

## Rice and Beans program continues to support schools in Guatemala

After assisting and delivering nutritious rice based meals to the communities affected by the Pacaya Volcano and the tropical storm Agatha, the US Rice and Beans' training team continues with its work of educating mothers and members of the school meetings, to cook a nutritious meal for their children. So far this year, the program has already visited more than 225 schools, touching almost 5,000 mothers and caretakers and provided highly nutritious rice and beans meals to almost 85,000 children attending the country's public schools.

This program will continue during the remaining school year and depends on the support of the Guatemalan Rice Council and the US Rice Producers Association. 🌱



## Congratulations to The New Board of Directors for Nicaragua's National Rice Producers Association (ANAR)



(Left to Right) Lizandro Lau León, (Vocal), Fernando Jose Chamorro Padilla (President), Alvaro Leiva Orochena (Vice-president), Manuel Evenor Valdivia (Secretary), Rafael Lindo Flores (Treasurer), Carolina Vargas (Vocal), Leonel Samayoa (Fiscal). Manuel Alvarez (President of UPANIC) who swore the group into office. ANAR has been a strong partner with the US Rice Producers Association in a joint effort to promote rice consumption and address market issues.

Thank you to Wilfredo Bejarano, Executive Director of ANAR for this update. 🌱

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

**FAO Rice Price Update** gives export quotations of selected rice types and qualities

**RiceFax: Midsouth/Texas; 07/08** - Looking for early Delta harvest, rains dogging coastal crop

## Louisiana Rail Facility Receives State Funding

Last Friday, Louisiana Governor Bobby Jindal signed into law Louisiana HB2; the bill with the amendment for a \$1.8 million rail loading facility to be constructed at the Lacassine Agri-Industrial park in Lacassine, Louisiana located in the southwest area of the state. A Louisiana Senate vote of 35-0 and a House vote of 87-7 indicated strong support for a project initiated by area rice farmers under the endorsement of the Louisiana Independent Rice Producers Association. Area producers raised an astounding \$785,000 as matching funds, far higher than the original goal of \$400,000. Along with \$200,000 from the local Parish Police Jury, the necessary funding has been committed to build the facility which will be the most efficient one

of its kind along the gulf coast.

The goal of the project for rice farmers in Southwest Louisiana is to provide better access to the growing export market in Mexico. The next step will be for the Parish Police Jury to go before the Bond Commission in the August/September timeframe to secure the bonds to fund the project. Then the project will go forward to begin the bidding and permitting process. Louisiana rice farmers are hopeful that construction will begin before the end of 2010. 🌱



## 63rd Annual Beaumont Rice Field Day Stresses Maximizing Profits & Minimizing Risk

Southeast Texas rice farmers and supporting industry side stepped the mud and rain this week in order to participate in the annual Texas A&M University System and USDA-ARS rice field day conducted at the Southern Plains Area Rice Research Unit near Beaumont. Research specialists addressed the topics of hybrid heterosis/photosynthesis, genetics/breeding, nutrient management/physiology and entomology/pathology as part of the field tour activities. A wide variety of research and extension displays were also set up for participants. After the annual meeting of the Texas Rice Improvement Association, Dr. Ted Wilson, Professor and Center Director



Dr. Ted Wilson (left), Director of the Texas AgriLife Research & Extension Center at Beaumont visits with Jim Stansel (past director) and Richard Norman from the University of Arkansas during the annual Texas rice field day.



Mike Doguet, President of the Texas Rice Improvement Association conducts the annual membership meeting.

introduced Dwight Roberts of the USRPA who updated folks on the current status of the Cuba related bill in Congress while Dennis DeLaughter discussed the current market outlook for rice and the surrounding economics. Dr. Eric Webster, from the LSU AG Center talked on resistance management and Dr. Richard Norman, Professor of Crop, Soil and Environmental Sciences from the University of Arkansas in Fayetteville talked about nitrogen fertilizing management. The field day was not complete without a Texas barbeque catered by Austin's BBQ. After lunch there was a discussion held on weed management, organic rice and biofuels.

## General Market Update

In another small sign that global prices may be at least stabilizing, USDA left the world market price factors undisturbed this week. There is little price activity in Asia, so this is not a surprise. Weekly export sales posted with USDA for the week totaled a very big 122,400 metric tons for the current marketing year, of which 68,000 tons were long grain paddy for Central America and Mexico along with another very interesting 14,000 tons sold to Turkey – also long grain rough. In addition to the long grain purchase, Turkey also bought 14,000 tons of medium grain paddy. Haiti was the big buyer of long grain milled at 8,900 tons, with smaller sales to others to bring the total up to 12,900 tons. Medium/short grain milled sales totaled 13,400 tons with the majority of the tonnage going to Canada, Jordan, Israel, Saudi Arabia, and Australia. Exports for the week totaled 116,100 tons – another big number – split mostly between long grain rough to Venezuela and Mexico totaling almost 51,000 tons and long grain milled made up primarily of 30,400 tons loaded for Iraq, almost 7,000 tons for Haiti, 3,500 tons for the United Kingdom, 1,900 tons to Canada, and small tonnages to a variety of other destinations. The final item

of interest for the week with regard to USDA reports was the monthly Supply/Demand Report which came out on Friday, and it was a doozie. Comments were broadly heard in the trade of never having seen the monthly figures as negative as these. After the stocks report of June 30th, most were expecting an increase in long grain carry over (which was there), but the drop in expected usage (consumption) along with the addition of much bigger production against last month's figures resulted in raising the predicted 2011 carry over by 29 million cwts to a massive 54 million cwts. Either the trade expects a lot more business in the coming year or it just doesn't believe the USDA figures (probably a combination of both), because the futures, after a momentary drop at the beginning of Friday's day session held off sellers all day and even came within a penny-and-a-half of going positive on the day. One day does not a market make, but at the same time, the response to the report was as surprising, perhaps even more so, than the information in the report itself.

Rough rice throughout the South is quiet, as is the norm for this time of year. There remains a bid at \$4

*(Continued on page 4)*

## General Market Update (cont'd)

(Continued from page 3)

over loan for traditional varieties in Texas. Harvesting should get underway very shortly now, and many continue to look for quite a large crop. Some concern has been expressed with regard to the very heavy Texas rains last week coinciding with peak pollination times, but nothing will be known until the fields are actually cut. Other than for late shipping, there is almost no other discussion of old crop, and buyers' new crop price ideas are so far below production cost that they are hardly being considered by producers. The level of drying and storage pressure during the harvest will be the deciding factor in that contest, but once the crush of the harvest is past, most in the trade are looking for farmers to stop selling. Price indications for the crop yet to have one acre cut are so low that there is already talk of a large production cutback for the 2011/2012 crop. Producers and their bankers are realizing just how much they are on their own now, with little, or in some cases, no help from Washington.

Prices in Asia were a mixed bag this week. Thai 100% Grade B remained in the \$460 to \$470 per ton range fob vessel with Thai parboiled being quoted between \$470 and \$480. Dryness persists in Thailand, but the government stockpile also hangs over the market as the Thai bureaucrats try to come up with a way to dispose of the nearly 6 million ton surplus without disturbing (driving down) the market. Vietnam is feeling pressure from its current

summer harvest as is quoting \$345 to \$350 per ton for 5% long grain. Pakistani 5% is noted at \$420 per ton this week. Though not yet as strong as it was predicted to be, the monsoon in India appears to be sufficient to at least assure no big failure this year – the Indian government continues to predict a record or near record crop.

Thanks to the 4th of July holiday, rice futures enjoyed an abbreviated trading week which saw an attempt to recover higher ground on Tuesday and Wednesday only to be followed by a minor technical reversal during Thursday's session. Friday's early action trying to push the market further down got clobbered in good volume by buyers who nearly took the September contract into the positive as the session came to a close. This was particularly impressive in the face of the mega-tonnage of bad news dished out to long grain in the monthly USDA Supply/Demand report released Friday morning. It will be interesting to see how the market develops as harvest begins, but cash sales potential looks to be good for now. Settlement for the week in the nearby September contract was 9.985, well inside the upper half of the week's 52 cent range. Daily futures volume averaged a little over 1,100 contracts for the 4-day week. Open interest was 13,921 as of Thursday night, compared to 13,558 for the previous Thursday, a pickup of 363 on the week. In other areas, the U.S. stock market had a strong week, the Euro was just over 1.26 to the Dollar, and nearby crude futures were near \$76 per bbl, up over \$5 for the week. 🌾



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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 12 - 14, 2010	USRPA Board Meeting, Branson, MO
July 12 - 13, 2010	Six State 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

Crop Progress (NASS)	Monday, July 12, 4:00 pm
Rice Outlook (ERS)	Monday, July 12, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, July 13, 12:00 pm
Latest U.S. Agricultural Trade Data Update (ERS)	Tuesday, July 13, 4:00 pm
U.S. Export Sales (FAS)	Thursday, July 15, 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).

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