



# The Rice Advocate

US Rice Producers Association

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## “Trade, Travel with Cuba the Right Policy, Right now”

By Rep. Collin Peterson (D-Minn.) - 07/29/10

As reported in the Hill Online:

It isn't every day a coalition of more than 140 organizations including Human Rights Watch, the U.S.

Chamber of Commerce, the U.S.

Conference of Catholic Bishops

and the American Farm Bureau

Federation all agree on a bill

before Congress. But, in the

case of the Travel Restriction

Reform and Export Enhance-

ment Act, H.R. 4645, these

groups and many more agree

this is the right policy at the

right time for the people of

Cuba and the United States.

For more than 50

years, the United States has

maintained a failed policy that

does nothing to help the Cuban

people and has only hamstrung

our own national interests. Now

is the time for that to change.

Earlier this year, Reps.

Jerry Moran (R-Kan.), Rosa L.

DeLauro (D-Conn.) and Jo Ann

Emerson (R-Mo.) joined me in

introducing legislation to ex-

pand U.S. agricultural trade

with Cuba and to allow U.S.

citizens the right to travel freely to Cuba. This legislation

has more than 70 co-sponsors and was approved by the

House Agriculture Committee last month.

This bill is essential and timely because Cuba re-

lies on agricultural imports for the majority of its food

needs. Between 2000 and 2006, these imports almost

doubled.

U.S. producers can reach Cuban ports in one day

or less, compared to the more than 25 days it takes Bra-

zil, whose exports to Cuba have nearly tripled since

2005, and European countries. Exports from Canada and New Zealand have each doubled. It is time we get out of our own way and boost the U.S. economy with new markets for the agricultural products we produce best.

A recent Texas A&M

University study found we can export more than \$350 million in additional commodities, creating more than 6,000 new jobs in the process.

Turning away these jobs is irresponsible in today's economy.

To be clear, H.R. 4645 does not end the embargo on Cuba; it only facilitates agricultural trade and opens the door for Americans to travel to Cuba. This bill maintains a cash-only policy and does not allow our banks to extend credit to Cuba. Additionally, payments would be made when products reach Cuban ports and the buyers confirm the cargo. The bill makes our agriculture trade policy toward Cuba more consistent with our practices toward other countries.

The bill's travel provisions will enable producers, exporters and everyday Americans to travel to Cuba just as they do when traveling to any other nation.

The Texas A&M study found that agricultural exports to Cuba would be almost \$100 million higher if the travel restrictions were lifted compared to only removing finance and trade restrictions.

Opening travel will increase the overall economic impact for the entire economy. In 2009, a study by the U.S. International Trade Commission (ITC) estimated U.S.

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Voice of America News ([www.voanews.com](http://www.voanews.com)) reports on the USRPA push for opening trade with Cuba.



[US Rice Farmers Push For Cuba Trade Opening | Americas | English\\*](#)

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exports to Cuba will increase by as much as \$500 million if restrictions on transactions and travel are lifted.

Opening travel helps the Cuban people. Americans traveling to Cuba can freely share news, ideas and information without the filter of state-controlled media.

This bill has the strong support of many anti-Castro dissidents in Cuba, including independent journalists, former political prisoners and members of the Ladies in White. These advocates support this legislation, saying, "We share the opinion that the isolation of the people of Cuba benefits the most inflexible interests of its government, while any opening serves to inform and empower the Cuban people and helps to further strengthen our civil society."

Opponents of this legislation have tried to change the debate by complaining about delayed passage of pending free trade agreements. This bill can be passed while the work on free trade agreements continues. We can and must focus on more than one thing if we are going to expand and improve the U.S. economy.

## Texas Receives \$5 Million for Migrating Birds

Jul 27, 2010 9:49 AM, By Dee Ann Littlefield, USDA

With two weeks to go before the scheduled August 1 cutoff date for Fiscal Year 2010 funding, Texas landowners have shown vast interest in participating Migratory Bird Habitat Initiative (MBHI). Texas Natural Resources Conservation Service (NRCS) State Conservationist Don Gohmert provided an update recently.

NRCS in Texas originally received \$750,000 for the initiative, but due to landowner interest, an additional \$5 million in funding has been made available to landowners through the Environmental Quality Incentives Program (EQIP) and the Wildlife Habitat Incentive Program (WHIP).

"We are grateful and proud of Texas farmers and landowners for stepping up to help with this issue that is of such importance to the state and nation," said Gohmert.

Through the initiative, NRCS will partner with producers to manage portions of their land to provide additional food and habitat for migrating birds. It is estimated that 40-50 million birds migrate annually down the Mississippi Alluvial Valley southern climates. Texas is mainly in the Central Flyway and on the western edge of the Mississippi Flyway.

To date Texas has received 98 applications for the initiative bringing the number of potentially affected acres of land in Texas to 34,000.

"The application period will remain open until August 1 to ensure everyone interested in participating has a chance to be part of this initiative under the 2010 funding year and to make certain all available land has been identified so we can make the right ranking decisions," said Gohmert.

This is in no way a reward for the Castro regime. Increasing our agriculture business with Cuba, increasing American travel to Cuba and exporting our democratic philosophy will no longer allow the Castro brothers to blame America for conditions in their failed regime.

We need to end these failed policies. As the Los Angeles Times wrote on July 10, "we need to pass this legislation not because Cuba deserves it or has earned it, but because our own policies have failed to bring about democratic change in more than a half-century." The Cuban people who need our agricultural products and U.S. farmers who have a ready-made market just 90 miles off our coast in Cuba, are being punished by these failed policies. 🌿

Rep. Peterson is chairman of the House Agriculture Committee.

Source:

<http://thehill.com/opinion/op-ed/111741-trade-travel-with-cuba-the-right-policy-right-now>

Through the agricultural lands component, NRCS will provide payment incentives for flooding existing farmed wetlands, prior-converted croplands, or other lands that can provide immediate habitat. EQIP and the WHIP help producers enhance habitat by flooding fields and establishing or maintaining vegetation for cover and food.

Priority areas in Texas are in Brazoria, Calhoun, Chambers, Colorado, Fort Bend, Galveston, Harris, Hardin, Jackson, Jefferson, Liberty, Matagorda, Orange, Waller, and Wharton counties with secondary priority given to the adjacent counties that include Aransas, Austin, Fayette, Grimes, Jasper, Lavaca, Montgomery, Newton, Polk, Refugio, San Jacinto, Tyler, Victoria and Washington counties.

Eligible lands include wetlands farmed under natural conditions, existing farmed wetlands and prior converted croplands. Rice fields are particularly suited for this initiative, as are aquaculture farms no longer in production.

NRCS is working with several conservation partners including the U.S. Fish and Wildlife Service, the National Fish and Wildlife Foundation, Ducks Unlimited, USA Rice, National Cotton Council, Texas Parks and Wildlife, and the Soil and Water Conservation Districts.

On June 22, NRCS announced the initiative to try to minimize the likelihood of southward migrating birds coming into contact with or using oil affected areas. The initiative will also try to ensure adequate food sources are available to compensate for food resources that may be reduced, contaminated or eliminated because of the oil spill. 🌿 [http://www.nrcs.usda.gov/news/nrcs\\_migratory\\_birds.html](http://www.nrcs.usda.gov/news/nrcs_migratory_birds.html).

## USRPA in Veracruz, Mexico



The USRPA was in Veracruz, Mexico this week for several activities and upon invitation from Pedro Diaz Hartz, President of Mexico's National Council of Rice Producers attended a special promotion event of AGCO, the parent company of Massey Ferguson. The event provided an excellent opportunity to meet with area farmers, government officials and related agri-business representatives. Pictured left to right are Miguel Layun, Stuart Hoetger, Pedro Diaz Hartz, Dwight Roberts and Ricardo Maggio of Massey Ferguson-Mexico ([www.agco.com.mx](http://www.agco.com.mx)). Robert Crain, Senior Vice President & General Manager for North America of AGCO Corporation (Massey Ferguson) in Duluth, Georgia also attended.



Rice mill members of the Board of Directors for the Consejo Mexicano del Arroz (CMA or Mexican Rice Council) met with the USRPA this week in Cordoba, Veracruz to discuss the current market conditions, the status of the U.S. rice crop & approaching harvest, joint promotional activities along with a joint work plan for 2010-2012. Luis Bueno, a rice farmer, miller and President of the CMA expressed his gratitude to the US Rice Producers Association for their successful efforts in working with Mexico's rice industry.

**The August 2010 LSU AgCenter Rice Research Station Newsletter is attached. To comment or subscribe, please contact Steve Linscombe [slinscombe@agcenter.lsu.edu](mailto:slinscombe@agcenter.lsu.edu) .**

## Senate Agriculture Chairman and Administration Promise Disaster Assistance

USRPA applauds Senate Agriculture Committee Chairman Blanche Lincoln and the Obama Administration for committing to step up and provide 2009 disaster assistance to hurting farmers.

As reported late this week, Senator Lincoln (D-AR) agreed to let Senate Majority Leader Harry Reid (D-NV) remove her disaster aid package from a small business bill that Republicans voted in unison to block. White House chief of staff Rahm Emanuel called Chairman Lincoln on Thursday morning to announce the Obama Administration would throw a \$1.5B life preserver to farmers through an administrative action to help farmers in Arkansas and around the country who are coping with natural disasters.

"I agreed to allow my agriculture disaster legislation to be removed from the Small Business bill. While I firmly believe agricultural producers are rural small businesses - it was clear the Republicans pulled out all the stops to block my legislation. In exchange for pulling ag disaster from the small business bill, I have secured an

agreement from both Majority Leader Reid and White House Chief of Staff Rahm Emanuel and have their commitment to deliver critical agriculture disaster assistance administratively in the next two weeks," observed the Chairman.

Lincoln's \$1.5 billion nationwide ag disaster provision included \$50 million for farmers and ranchers. The funds will help farms stay in business while USDA fully implements 2008 Farm Bill disaster relief programs. The provision included \$300 million for specialty crop growers, \$75 million for poultry farmers, \$25 million for aquaculture and \$42 million for cotton seed. Producers who suffered crop losses in USDA-declared "primary" disaster counties would receive \$1.1 billion in payments. The aid package also earmarks \$75 million for Arkansas poultry producers and provides \$20 million in aid to Hawaiian sugar producers.

The Administration's promise to Senator Lincoln will help American farmers who are coping with natural disasters stay in business. 🌱

## General Market Update July 30, 2010

USDA started its weekly reporting by leaving WMP factors undisturbed and then posted export sales for the week ended July 22nd at a big 81,700 metric tons with long grain rough for Venezuela, Mexico, and Central America totaling 60,400 tons and long grain milled tacking on another 18,800 tons destined mostly for Haiti, Panama, Canada, and Mexico. On top of the long grain milled figures, a 6,000 ton sale to Ghana for the new crop was posted – particularly good news seeing our only steady West African customer taking more. Medium grain milled rounded out the report with 2,400 tons being registered for Canada, Saudi Arabia, Mexico, and various other countries. At just under 30,000 tons, it was a light week for exports – there was probably a good bit of loading delay due to rain. Combined long grain rough, brown, and milled liftings were just shy of 8,000 tons. Medium/short grain exports were a bit over 20,000 tons with the biggest parcel (12,500 tons) going to Japan from California followed by smaller quantities to Jordan, Canada, and Saudi Arabia. As the marketing year draws to a close, these are great export sales figures, especially for long grain. As good as they are, though, we have to have more long grain milled rice exports to keep the industry healthy. After missing out on the last Iraqi business, there is talk of another tender in the next week or so along with comments by some that our prices

have to be even lower than those talked about two weeks ago. Lower prices would probably be a help, but low prices are not what is winning the Iraq business – if that were the case, no one would sell to Iraq but the Viets and Burmese and any other cheap sellers in the market. No Thai rice would sell there if price were strictly the determining factor. The exact formula for selling in Iraq is a mystery – at least to some. Help from Washington in selling the Iraqis would be very welcome and very reasonable. We need that now more than ever. The Cuba travel legislation is slowly making its way through Congress – passage of this is critical to the US rice export business.

After rain daily for the last week or two, it looks like Texas will finally get some sunny, dry weather. Some producers who were trying to take advantage of any break in the weather to get some cutting done have now decided to wait in hope of the fields drying out enough to avoid rutting up paddies to be second cropped. With prices so low at the present time, more talk of second crop helping growers to just make out this season is being heard. The seemingly incessant rains during late June and a good bit of July are said to have severely affected both quality and field yields. We are told that the \$10.60 green delivered Freeport is still in the market in

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In China a typical greeting, instead of "How are you?" is "Have you had your rice today?" A greeting to which one is expected always to reply, "Yes."

## General Market Update (cont'd)

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Texas – otherwise it's quiet. South Louisiana is in the very early stages of its harvest with bids being heard at \$15 per bbl – a level which is too low to provide a positive return to farmers or their bankers. Bids in the Delta/Arkansas area continue to be reported at a dollar under futures – also too low for a workable return to producers. Without considerable improvement in demand and prices, this will be a very tough year.

Prices in Asia appear to have either found a footing or firmed a little during the week in response to some demand showing up as well as some government paddy support schemes. Thai 100% Grade B is quoted in the \$445 to \$450 area per metric ton fob vessel with Thai parboiled up to \$465 per ton. Regarding the purported 6 million tons of Thai government stocks, there is talk of several countries being interested in large portions on a government-to-government platform. Viet 5% long grain is now at the \$360 level, and Pakistani 5% remains at \$405 per ton. The monsoon rains in India are reported as having caught up a good bit this week and are now behind by only 7% of the expected amount at this time of the growing season.

Even though severe flooding has been seen in some parts of China, it has only added to the damage caused by earlier dry conditions – some government warnings against hoard-

ing have been issued. In other grains, Russia as well as well as some large European producers are warning of fairly sharp losses particularly in this year's wheat crops.

Rough rice futures have mystified those in the cash market by continuing to show considerable strength relative to current cash bids. At least technically, the market is pushing values into an up-trending mode. Given all the new influences in markets today (the huge hedge fund traders), it is difficult to decide whether or not to get long the futures, but going net short seems to be a very dangerous consideration. After a sharp drop from Monday's high of 10.39 to Tuesday's low of 9.745, the nearby September contract recovered steadily into Friday where it shot up to a new high for the month to settle up 41.5 cents at 10.555 – which was 81 cents off the week's low. Friday's action gave a short term sell signal while at the same time establishing a firmer up trend – this seems to be paradoxical, but this is the rice market. On a Thursday to Thursday basis, open interest rose 1,151 contracts to 16,564 which has to be read as positive. Volume for the week was solid showing a daily average of about 2,000 contracts. In other markets, December wheat futures were up 34.25 cents on Friday at 6.9375, the stock market was virtually unchanged for the week, the Euro was just over 1.30 to the Dollar, and nearby crude futures were approaching \$79 per bbl.



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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/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)

**Texas A&M AgriLIFE Research Center:** The latest Texas Rice Crop Survey reports are available through the [Beaumont Center web-site](#)

**University of Arkansas Division of Agriculture, Cooperative Extension Service:** [Arkansas Rice \(07/20\)](#)

**RiceFax:** Midsouth/Texas; 07/22 Coastal Harvest, Delta Index, [Full Report](#)

### Upcoming Events

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 2, 2010	University of Missouri Delta Center Field Day, Portageville 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, August 2, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, August 3, 12:00 pm
U.S. Export Sales (FAS)	Thursday, August 5, 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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