The Rice Advocate

US Rice Producers Association

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Texas Heat Raise Panicle Blight Concerns

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Weather in the Texas Rice Belt has been extremely dry and hot the past 2 weeks which has allowed harvest operations to proceed. Some yield information is coming in to my office. So far, this information suggests yields of early planted rice are less than last year. I have received several calls from farmers and crop consultants recently. Most of these calls concern panicle blight which is a disease associated with certain varieties, planting date and high temperatures during flowering (95 degrees and higher). High night time temperatures at this time are also associated with increased incidence of this disease. Panicle blight can be caused by the bacteria---Burkholderia glumae and B. gladioli. Symptoms include unfilled grains, discolored glumes (often individual grains are "bicolored"---tan and dark brown), branches bearing grains remain green at maturity and ratoon tillers often begin developing earlier than normal. A severe outbreak of panicle blight occurred in Texas in 1995. Cypress was especially hard hit. For instance, in my large research plots planted to Cypress in 1995, yields were about ½ of expected. As far as I know, I don't think a main crop field infected with panicle blight will affect the ratoon crop. Drs. Shane Zhou, Texas AgriLife Research Rice Pathologist, and Young-Ki Jo, Texas AgriLife Extension Rice/Turf/Soybean Pathologist, are conducting research on panicle blight. Shane is now able to detect panicle blight lesions on rice foliage. He is also evaluating varieties for susceptibility to bacterial panicle blight. In addition, he is assessing some promising antibiotics for control of this bacterial disease. Fungicides will not control bacterial panicle blight because the causative agent is not a fungus.

The Beaumont Center held its annual field day on July 8, 2010. Rain the previous days prevented the field tour, so the "field tour" and morning program were held in our auditorium. We had 3 great morning speakers---Dr. Rick Norman (University of Arkansas Soil/Rice Nutrient Scientist), Dr. Eric Webster (Louisiana State University Weed Scientist), and Dennis Delaughter (Private Industry Economist/Marketing Specialist). In addition, Dwight Roberts, CEO of US Rice Producers Association, gave an update on the Cuban rice market situation. We thank all the sponsors and donors for their assistance. If you have suggestions for improving our field day, please contact me (409-658-2186 or moway@aesrg.tamu.edu).

Dr. Gene Reagan (Louisiana State University Sugarcane Entomologist) and I are planning a "mini field day" at the Beaumont Center on September 28, 2010. We will discuss our recent sugarcane/rice research on stalk borers. We will take participants to our research plots to observe first-hand our work. If you are interested in attending, contact me and I will provide more details.

Senate Ag Committee Update

The US Rice Producers Association submitted joint testimony this week with the USA Rice Federation for the Senate Agriculture Committee's hearing to review the farm bill trade title and U.S. agriculture policy. Market promotion funding, export credit guarantee, food aid, Cuba, Iraq and trade agreements highlight the document.

For a complete copy visit the USRPA News Page

Administration Committed to Providing Crop Disaster Assistance

As highlighted in last week's issue of the Rice Advocate, Senate Agriculture Chairman Blanche Lincoln, has been in contact with the Administration regarding 2009 agriculture disaster assistance. The Administration has agreed to deliver on a promise this month, to aid farmers who sustained crop losses in 2009.

To read a letter on the topic from the Office of Management and Budget's Acting Deputy Director to Senator Lincoln, Click Here. "I want to assure you that the Administration is committed to providing assistance consistent with your legislative proposal by the end of this month," the letter states.

OMB and USDA are currently reviewing the most appropriate manner to provide the assistance.

Inside this issue:

BASF Group from Dominican Republic, Guatemala, El Salvador and Costa Rica Hosted by USRPA

The group enjoyed a visit to the LSU Rice Research Station in Crowley, Louisiana and thoroughly enjoyed their discussions with research specialists Don Groth and Xueyan Sha.

A group of rice mills, seed companies and ag-chemical representatives from several Central America companies and the Dominican Republic were in Houston and Louisiana this week to get a better understanding of the U.S. rice farming industry production, quality and market process. The group included a number of buyers of U.S. rice including Mr. Miguel De Moya, President of the Dominican Republic Rice Millers Association. Pictured taken during a meeting at the USRPA offices.

Miguel E. De Moya, President of the Dominican Republic Rice Millers Association and Dwight Roberts of the USRPA visit during the trip to Louisiana. Mr. Moya who is also owner and President of AgroMolinos de Moya rice mill in the D.R. expressed his sincere thanks on behalf of the group stating the meetings & visits conducted far exceeded his expectations. "I am very impressed with the work of the USRPA and its associated members, particularly their indepth knowledge and activities throughout Latin America. This has been a highlight of our trip," said Moya.

Dr. Jose Re, hybrid research director for Rice Tec, Inc. in Alvin, Texas explains details of the company's hybrid seed program during a tour of the facilities. A special thanks to Rice Tec for providing some excellent local Texas barbeque for lunch.

Thomas Kock, Director of Sales, Cereal Grains Processing-Latin America for Satake USA Inc explains the company's milling equipment advancements during a tour of the facility in Stafford, Texas. Mr. Junjiro "J.J." Naoki, President & CEO of Satake USA is also pictured (blue shirt in background). Satake is represented in the Dominican Republic by Rafael Hernandez, President of Agro Los Samanes, S.A.

Rice Research Leadership of Latin America Headed to Cali, Colombia

Scientists, technicians, producers involved with research, extension and production will travel to Cali, Colombia next month to participate in the "Rice Challenges for XXI Century" conference September 22-24.

Organized by the Latin American Fund for Irrigated Rice (FLAR), the International Center for Tropical Agriculture (CIAT), the Rice Growers Federation of Colombia (FEDEARROZ) and the International Rice Research Institute (IRRI), the program will focus on innovation and development, breeding and biotechnology expectations and realities along with production trends outlook. The event, to be held at the Intercontinental Hotel in Cali, is also celebrating the 15th anniversary of FLAR and the 50th anniversary of the founding of IRRI.

This conference has a long history going back to 1976 when CIAT, with support from IRRI, organized a germplasm exchange network called INGER-LAC. This network was the vehicle for the expansion of the Green Revolution in Latin American and the Caribbean.

For more information and how to register for this important event, go to www.conferenciaarroz2010.com.

General Market Update

This week's WMP announcement was the first of the 2010/2011 crop year, and USDA lowered values. The factors still remain far away from any level that might generate an LDP, but this does say that USDA is expecting a weaker year for US and global rice prices. Without some substantial changes in the Cuban and/or Iraqi situations, that expectation will most likely become reality. This week's export sales report was also disappointing – not surprising, but disappointing just the same. With end of year adjustments and reductions, the 2009/2010 marketing year closed with a net weekly posting of 2,200 metric tons sold. Something like this was to be expected as the year closed and as new crop harvest got underway accompanied by the very low cash prices being indicated in the country now. USDA also reported export sales for the new marketing year at a net of 11,200 metric tons total which included a change from long grain paddy to long grain milled to Brazil. This is a very welcome change since it gives us additional much needed milled long grain business and makes the original paddy sale net higher on the tonnage. The largest buyers of both the old and new crops were Mexico, Nicaragua, and El Salvador for long grain rough (13,800 tons) and the switched sale to Brazil for long grain milled (37,800 tons). Jordan picked up 2,700 tons of medium/short milled for the new crop. Exports reported for the week were substantial at 54,100 tons, with Mexico being responsible for 27,500 tons of rough long grain and Haiti, Saudi Arabia, Canada, and Mexico taking nearly 13,000 tons of long grain milled. Medium/short grain brown to Taiwan and milled primarily to Jordan, Israel, Canada, and Syria finished out the tonnage for the week. The new marketing year is off to a bit of a slow start, but once the harvest is complete and the market has stabilized, sales will pick up, particularly in the long grain paddy column. Iraq is in the market again, and with the current lower quotes on US long grain, there is at least some possibility of selling there this time around. The Cuba travel restriction legislation is still working its way through Congress, passage of which would eventually have a big effect on Southern long grain prices.

The sun finally came out along I-10 and allowed producers to get in the fields and start harvesting which is well underway and expected to be completed over a very short time period. Many are expressing disappointment with yields and in some cases quality, saying that the rains at the end of June/early July during the pollination stage did the damage that had been feared. One producer said that from what he was seeing, the crop would just be "average." Texas is quiet except for the $10.60 green delivered Freeport which is now seeing a good bit of volume and is variety specific. One small lot of old crop did trade at $2.75 over loan during the week. Bids of $15 per bbl are being heard in south Louisiana, but the only rice selling at that level is storage distressed – this price is too low for producers and their financiers to accept under normal circumstances. Bids in the Delta/Arkansas area are noted at $9.00 delivered barge but are drawing no interest – too low to make any sense for sellers. There will certainly be some distressed long grain throughout the South as the harvest comes along, but once the crop is in and bedded down, selling will stop until more realistic price levels are seen. At least at this point in the crop year, the demand does not appear to be shaping up to be enough to efficiently address the large amount of long grain that will be harvested. Big paddy demand out of Brazil and milled sales to Iraq and Cuba could change this picture.

Asian prices firmed again this week, even in the face of extra supply predictions being made by some in the trade. Thai 100% Grade B was up to $455 to $460 per metric ton fob vessel with Thai parboiled coming along with an increase to $475 to $480 per ton. Viet 5% long grain made a decent move up to the $375/$380 range per ton, but Pakistani 5% held at the $405 per ton level noted last week. Speculation among traders in Asia centers on whether India will allow general rice exports again. In the meantime, two large rice producing states in India have declared a drought, while the Indian govern-

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ment continues to insist that the predicted 100 million ton crop is still to happen. A wide range of estimates of the effects of dryness in China are being heard, with some believing that China will have to import sizable tonnages from both Thailand and Vietnam this year – other parts of southeast Asia are starting to show concern due to the hot and dry conditions as well. Another big rice exporter, Pakistan, is reeling from major flooding which has displaced millions of people and reportedly damaged a large amount of rice production. Questions are also being raised as to the ultimate effects of Russia's and Europe's well publicized weather related wheat problems and how they may influence consumption changes to rice from wheat.

What a wild ride for all the grain futures this week as the Russians suspended the export of wheat for the foreseeable future in the midst of severe dry conditions in that country and in agriculturally important areas of Europe as well. The very comfortable (some were saying excess) wheat supplies of only four or five weeks ago have disappeared in the face of current production problems and speculation about next year's supplies if the dry conditions persist for a longer period of time. Since rice and wheat are seen to some degree as "interchangeable" for consumers, rice futures also made a big run to the upside during the week. From last Friday's nearby September close of 10.555, prices soared to a high of 11.485 on Thursday. Friday's close, however, pulled ideas back down to earth at 10.61, down 32 for the day but up a slight 5.5 cents on the week. Though off a good bit from the highs, performance in the rice was not all that bad considering wheat was down the 60 cent limit on Friday; corn and soybean futures were up 1.5 cents and 4.5 cents respectively on the day. The huge swings in all ag futures, however, are making it very difficult to use the futures market with any success, but a little more softness in rice futures from this point until the harvest is complete would not be surprising. Average daily volume in the rice pit for the week was over 2,400, and open interest jumped 1,626 to a total of 18,190 contracts as of Thursday's session. In other markets, the Dow was up about 180 points for the week, the Euro was approaching 1.33 to the Dollar, and nearby crude futures were trading around $80.90 per bbl.

Crop Reports & State Newsletters

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 (08/05)

LSU Ag Center: Rice Research Station News, 08/01 (Vol. 7, Issue 3)

RiceFax: Midsouth/Texas; 08/04 Midsouth Harvest Starts, No Good News Down South (Full Report)

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Upcoming Events

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 2, 2010	University of Missouri Delta Center Field Day, Portageville MO
September 21 - 24,2010	Rice Challenges in the 21st Century, Cali, Colombia
September 28, 2010	Mini Field Day, Texas A&M Rice Research Center, Beaumont, TX
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

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

USDA Reports Next Week

Crop Progress (NASS)	Monday, August 9, 4:00 pm
Weather Crop-Summary (NASS)	Tuesday, August 10, 12:00 pm
Latest U.S. Agricultural Trade Data (ERS)	Wednesday, August 11, 4:00 pm
U.S. Export Sales (FAS)	Thursday, August 12, 8:30 am
World Agricultural Supply and Demand Estimates (ERS)	Thursday, August 12, 8:30 am
Crop Production (NASS)	Thursday, August 12, 8:30 am
Grains: World Markets and Trade (FAS)	Thursday, August 12, 10:00 am
World Agricultural Production (FAS)	Thursday, August 12, 10:00 am
Season-Average Price Forecasts (ERS)	Thursday, August 12, 4:00 pm
U.S. Agricultural Trade Data Update	Thursday, August 12, 4:00 pm

All USDA reports are available by visiting http://www.usda.gov/wps/portal/?navid=AGENCY_REPORTS=RT.