



The Rice Advocate

US Rice Producers Association

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Senate Agriculture Committee Announces Farm Bill Hearings

On Wednesday, February 1, Chairwoman Stabenow announced that the Senate Agriculture Committee would be holding hearings in February and March. The Chairwoman noted that the Committee intends to continue examining Farm Bill principles and evaluating policy solutions in order to develop a 2012 Farm Bill. The topics and scheduled hearing dates are as follows:

Wednesday, February 15

Title: *Energy and Economic Growth for Rural America*

A hearing to evaluate policies that make investments in jobs and opportunities for farmers and rural businesses through new markets, entrepreneurship, regional strategies and energy innovation.

Wednesday, February 29

Title: *Strengthening Conservation through the 2012 Farm Bill*

A hearing to explore the Conservation title's important investment in America – the nation's fundamental resources of our water, soils and other natural resource infrastructure – through policies that help farmers maintain

soil health, keep our water clean and available, our food abundant and safe and our wildlife plentiful so as to protect the basic principles of farming and our way of life for future generations.

Wednesday, March 14

Title: *Healthy Food Initiatives, Local Production and Nutrition*

A hearing to explore innovative opportunities in agriculture through policies that assist the development of local markets for farmers – connecting them to the growing consumer demand for locally-produced, healthy food options.

Wednesday, March 21

Title: *Risk Management and Commodities in the 2012 Farm Bill*

A hearing to evaluate the need for and cost effectiveness of risk management tools available to farmers who continue to face increasingly volatile crop prices, input costs and the threat of natural disasters; and how the federal government can provide appropriate risk-management tools while making the best use of limited resources.

U.S. Department of Labor to Re-Propose Regulation on Child Labor in Agriculture

Widespread public reaction to a proposal tightening child labor rules led the U.S. Department of Labor (DOL) to announce this week that it will re-propose its "parental exemption" to child labor in agriculture. The recent [DOL press release](#) explains that the parental exemption allows children of any age who are employed by their parent to perform any job on a farm owned by their parent (or a person standing in place of their parent).

DOL proposed the tighter child labor rule in September 2011, citing the high number of agricultural work-related deaths as the main reason for tightening restrictions. Among the provisions in the rule are restrictions prohibiting children under 15 from operating farm machinery.

In response to the DOL announcement to reconsider the parental exemption, Agriculture Secretary Tom Vilsack said, "I want to applaud Secretary Solis and the Department of Labor for their decision to re-propose this portion of the rule to ensure kids across the nation have the opportunity to learn the value and reward of good

old-fashioned farm work, while still providing protection to children from the most dangerous aspects of farming. The Labor Department listened to farmers and ranchers across the country. This announcement and the additional opportunity for comment represent a common-sense approach to strengthen our agricultural economy while keeping farm kids safe. It reflects the Obama administration's commitment to the American values that will keep our rural and agricultural economies growing, and keep rural communities and families prosperous."

USRPA will continue to report on developments in the rulemaking process.

For Texas rice farmers or those interested in following the developments regarding drought and lake water levels, check out the interactive website of <http://hydromet.lcra.org>

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General Market Update

USDA decided to leave the rice World Market Price alone this week, and that kept the on-farm value of long grain rough at \$12.27 per cwt.

Export sales registered for the week with USDA netted out at 33,100 tons after showing some cancellations of both long grain rough and milled to Mexico, Honduras, and Guatemala, all possibly due to double reporting in previous reports. Long grain milled and brown sold for the week totaled 26,700 tons and showed particularly good activity to Haiti, Saudi Arabia (parboiled), Canada, and Mexico. Medium/short grain rough showed Mexico buying 5,300 tons, and medium/short milled added 10,900 tons to buyers like Jordan, Syria, Canada, and Japan. The total numbers are certainly considerably lower than we like to see, but less rice overall is going to give us less exports overall, too.

Postings of tonnage actually exported for the week was a substantial 68,000 tons, out to which 23,000 tons of long grain paddy was shipped to Mexico and Honduras. Long grain milled and brown came up to 5,200 tons moved to Mexico, Canada, and Saudi Arabia. Medium/short grain milled was the big leader for the week with 36,600 tons lifting for Japan (27,800 tons) along with smaller quantities to Taiwan, Jordan, Canada, and South Korea. Another 3,200 tons of medium/short brown and rough went to Taiwan and Mexico.

Long grain rough activity came to a halt in Texas and south Louisiana early in the week as the futures took a big hit. Buyers have reacted to the big fall off in Chicago in their usual manner – pulling out of the market until the dust settles. There were no sales in Texas, but last week's \$7.25 and \$6.50 premium bids for package and hybrid qualities respectively got no takers at all. With the ongoing lack of rain in Texas, no one is feeling the pressure to sell at these low prices. The last bid seen in south Louisiana was \$20.50 per bbl, but that was last week – this week the bidders pulled their bids as the futures took a big dive. Milling is still slow, and the Iraqi business going in directions other than the U.S. is making life hard on everybody – farmer, miller, exporter, et al.

It's still quiet in the Delta/Arkansas area. We understand that a bid of \$5.50 per bu is still being quoted, even after the big futures drop during the week. We also hear the basis bid is still out there but now at \$1.50 per cwt under March and May futures instead of \$1.80 under. Comments we continue to hear say the rice acreage for next year is simply disappearing in the face of such low, uncompetitive (with other crops) prices. We also hear from a number of directions that some big domestic seller is drastically dropping prices on milled rice. Good marketing should instead be putting prices up in the

domestic market. Let's hope the rice producing infrastructure is not beyond the point of no return before this fact is realized and acted upon accordingly.

Asian prices are little changed this week. Thai 100% Grade B is called \$535 per ton fob vessel, and Thai parboiled is up a touch at \$550 per ton. There's a lot of chatter about the rice subsidy scheme – some saying it isn't working as it should and others trying to get it extended and expanded. Viet 5% long grain milled closed the week at \$445 per ton, and even though it is up from a sag earlier in the week, the Viet 5% is still well under the quoted price of the Indian 5% long grain milled. Vietnam must be desperate (at least to some degree) to move rice. Pakistani 5% long grain is called \$435 per ton, and Pakistani parboiled is noted at \$450 per ton. Indian 5% long grain held at the \$460 per ton, but Indian parboiled slipped off by \$20 per ton to end the week a \$460 per ton.

Rice futures started the week calmly enough on Monday, and then all hell cut loose on Tuesday and Wednesday with a little respite on Thursday and finally a bounce on Friday. As if right out of the blue, massive selling hit rice on Tuesday and Wednesday for no apparent reason that anyone could put his finger on. There was a strong feeling that the hedge funds just decided to push rice down, and down it went, hard. The action of the first three days of the week saw a \$1.18 range in the nearby March from a high of 14.68 on Monday to a low 13.50 on Wednesday. This action was some sort of concerted attack on rice futures only from the looks of it. Some said it was longs bailing out of the market before the meeting in Chicago that was discussing changes in the delivery/settlement process. There was a big pick up in open interest, however, and relatively heavy volume was traded. It would be very interesting to see a breakdown of the actual short sellers this week. As Thursday and Friday came around, a little calm had come to the market, and the March contract settled at 13.875 which was 37.5 cents off the low for the week. Two technical observations: the last remaining gap on the continuation chart was closed by this action, and the recent low held. Now we see if the market can rally. After week of such shocking action, this market can do anything. Keep the seatbelts buckled and the powder dry. In other markets, the Dow settled at 12862.23; the Euro was off slightly at 1.3154 against the Dollar; and nearby crude futures were 97.77 per bbl. Grains and cotton finished the week with Mar corn settling at 6.44-1/2, Mar beans at 12.32-1/2, Mar wheat at 6.60-3/4, and Mar cotton at 96.34. 🌱



Rice triggers the neurotransmitter Serotonin in the brain that help regulate and improve mood

Baldo's Rice Facts

National Cotton & Rice Conference in Tunica Draws Record Crowd

More than 700 farmers gathered in Tunica, Mississippi this week to attend the 15th Annual National Conservation Systems Cotton & Rice Conference. Sponsored by the US Rice Producers Association, Cotton Incorporated and the United Soybean Board, the event is a production of Mid-America Farm Publications. In addition, a long list of corporate, academic and technical sponsors have contributed to make the event the most unique and largest of its kind. The US Rice Producers Association would like to congratulate John LaRose, President & Publisher of Mid-America Farm Publications for his great contribution in bringing together the largest number of agricultural commodity leaders with farmers since the conference was founded in 1998. "What a great event to share knowledge and experiences for farmers and we are proud to be a partner in this great annual conference... and we will see you next year," says Dwight Roberts, President & CEP of the USRPA.



Congratulations (left to right) for Tim Walker of Mississippi State as Rice Researcher of 2012, pictured with John LaRose (Publisher/Editor of Mid America Farmer Grower) and the Rice Farmers of 2012 Wayne and Justin Dulaney of Clarksville, Mississippi.



Travis Satterfield, a rice farmer from Benoit, Ms and Bobby Hadskey of Great Plains Mfg., Inc in Memphis visit during the conference reception



Fred Clark (left) from Cornerstone Government Affairs in Washington, DC visits with Gonzalo Zorrilla from Uruguay. Mr. Clark was the luncheon speaker for this year's conference.



John LaRose (left) of Mid-America Farm Publications and opening keynote speaker Bob Stallman, President of the American Farm Bureau.



Jose Gonzalez Valencia from Puebla, Mexico, Brenda Martinez Strawn of San Diego, California and Mark Pousson, a rice farmer from Jeff Davis Parish, Louisiana get a chance to talk about the new South Louisiana Rail Facility currently under construction near Lacassine, LA. The new facility will give area farmers access to Mexico's rough rice market, the number one destination for U.S. long grain rice.



Gonzalo Zorrilla, Executive Director for the Latin America Fund for Irrigated Rice from Montevideo, Uruguay visits with Leo Espinoza, Soil Scientist for the University of Arkansas during the conference reception sponsored by the US Rice Producers Association.

Guatemalan Rice Association - ARROZGUA - Elected New President



Mr. Everardo Sandoval, a miller and rice producer from the small town of El Progreso, Jutiapa in Guatemala, was elected by a general assembly last year, as the new president for the Guatemalan Rice Association, ARROZGUA. Mr. Sandoval will serve as president for a two year term, replacing a well known producer Mr. Alvaro Padilla. ARROZGUA's organization represents the farmers and the millers in Guatemala and position of president alternates between a producer and the a miller every two years.

Everardo Sandoval's story in the rice business began as a child. As a member of a farming family, he learned not only how to produce rice, but also how to trade goods from his town to other places. He began his love for rice as a "broker", buying paddy rice from other farmers and selling it to the mills. He then began contacting mills to mill his rice and then trade the milled rice to other towns. As the new millennium started, he bought his own mill named "Tempisque Las Flores".

Mr. Sandoval's love for farming has never died, as part of integrating his business vertically, he farms over 800 hectares in three farms and works in a partnership with other small farmers to produce an extra 2,400 hectares of rice every season. His industry, now under the name of "Central American Rice Industry" or INCA, not only trades rice, but also beans and corn. He has over 80 employees in Guatemala and other Central American countries.



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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

61st Annual Texas Rice Council Meeting

Rice farmers, rice mills and agri-businesses affiliated with the Texas rice industry are encouraged to attend the 61st Annual Texas Rice Council Meeting scheduled for Thursday, **February 9th at the El Campo Civic Center in El Campo, Texas. Registration for the meeting will open at 2:15 pm and the program begins at 3:00 pm.**

This year's special guest speaker is Mr. Luis Bueno Torio, the current president of the Consejo Mexicano del Arroz (Mexican Rice Council). Mr. Bueno is a rice farmer, miller and seedsman and has many years of experience in the rice industry in both the marketplace and in his country's agricultural political process. With Mexico being the number one market in the world for U.S. long grain rice (800,000 tons per year), the Texas rice industry will be interested in learning the current state of affairs in a country with a population of 110 million, and still a low rate of per capita rice consumption. Robby Cook, former six-term state representative and mayor of Eagle Lake, now Partner in the Cook family farming operation, a governmental affairs consultant, will be giving an update and report on current Texas water issues.

Also scheduled to speak are: Dennis DeLaughter from Progressive Futures who will give a Rice Market Outlook & Update, Vernie Hubert of Cornerstone Government Affairs in Washington, DC will speak on Farm Policy and Bryan Daniels, Senior Administrator for Trade & Business for the Texas Department of Agriculture in Austin will talk about Texas agricultural issues. Dr. Ted Wilson from the Texas A&M Beaumont Rice Research Station and Dwight Roberts of the USRPA will also give reports.

Ray Stoesser, President of the Texas Rice Council encourages all aspects of the Texas rice industry to attend stating, "We are thrilled that Mr. Luis Bueno is able to take the time to visit with us from Mexico and give us some insight into this key market and the current difficulties that country is facing."

The program will end with a chicken fried steak dinner catered by Vincek's.

Upcoming Events

February 8, 2012	Arkansas State University Agribusiness Conference; Jonesboro, AR
February 8, 2012	3rd Annual Louisiana Independent Rice Producers Assn.; Welsh, LA
February 9, 2012	61st Annual Texas Rice Council Meeting; El Campo, TX
February 16, 2012	MO Rice Producers Conference; Dexter, MO
February 21-23, 2012	Middle East Grains Congress 2012; Dubai, United Arab Emirates
February 23, 2012	MS Rice Council Annual Meeting; Cleveland, MS
Feb. 27 – March 3, 2012	Rice Technical Working Group; Hot Springs, AR
June 5-7, 2012	Convencion Arroz de las Americas 2012; Miami, FL

For more information visit USRPA's online calendar at: www.usriceproducers.com/calendar

USDA Reports Next Week

U.S. Export Sales (FAS)	Thursday, February 9, 8:30am
Rice Outlook (ERS)	Friday, February 10; 4:00pm

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

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