

The Rice Advocate



US RICE PRODUCERS ASSOCIATION

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House Ag. Committee to Release Farm Bill Draft—Markup Scheduled for July 17

As we write this, the House Agriculture Committee staff are putting the finishing touches on their first complete draft of the 2007 Farm Bill that is still scheduled to be made public today. The bill will extend and amend the traditional commodity, conservation, nutrition, and other Farm Bill programs, and will be completely funded to meet the Congressional “pay go” rules. While advance information about the bill reveals that there may be changes made toward the “rebalancing” of the loan rates and target prices for some program crops, the loan rates and target prices for rice are expected to remain the same as under current law. It is also expected that the bill will continue current policies regarding payment limits and most other farm program administrative provisions. Additional costs from some of the changes in the draft bill will be offset primarily by changes in the federal crop insurance program and by the repeal, for the 2011 and 2012 crops, of advance payments made on counter-cyclical payments and direct payments, respectively. Further details and the actual bill language for the draft are expected to be released by the House Agriculture Committee some time today – and should be accessible through the Committee on Agriculture’s web site at:

<http://agriculture.house.gov/inside/2007FarmBill.html>.

In addition, the House Agriculture this week announced the following schedule for Full Committee consideration of the Farm Bill:

- Tuesday July 17 – Full Agriculture Committee “markup”.
- Wednesday July 18 – Full Agriculture Committee “markup”.
- Thursday July 19 – Full Agriculture Committee “markup”.

House Floor consideration of the bill is targeted for sometime in late July or early August, before the House begins its August recess on Friday, August 3. These dates are of course subject to change. USRPA grower leaders and staff continue to be engaged on a daily basis with the Chairman, other Committee Members, and staff in working through the complicated details of this legislation. We will continue to do so in an effort to gain the best possible legislation for rice producers in the weeks and months ahead. 🌿

EU Trade Commissioner Talks GMOs

"We must be under no illusion that Europe's interests are served by being outside a global market that is steadily working its way through the issues raised by GM food. They are not," said Peter Mandelson, EU Trade Commissioner in Brussels at the European Biotechnology Open in Brussels earlier this week. Mandelson came out in strong support of an open EU approach to biotechnology which prioritizes strict science-based health and safety testing, while recognizing that safe biotechnology has a role to play in agriculture in Europe and the developing world. Mandelson argues that the EU should take the lead in shaping "a global system of clear rules that allow exporters and importers to trade GM crops and feed in confidence." He maintained the importance of standards and testing throughout his presentation, describing strong safety standards as legitimate principles of international law. "The best defense of

consumer and corporate interests is a regime that is open to new technologies but ensures they are tested in a way that keeps public safety and health paramount." He cited a recent European Commission that suggested Europe may find it increasingly difficult to find animal feed that is approved under EU rules, thus putting a heavy strain on the EU livestock sector. "Isolation from international trade in agricultural biotech products that have passed credible safety standards simply may not be a viable option for the EU." While it is encouraging that EU officials are considering an increased GM acceptance, words need to be put into action. The current EU policy on accepted GM crops is as outdated as it is harmful; and the sooner the EU wakes up regarding this issue, the better for everyone. "When it comes to getting things done, we need fewer architects and more bricklayers." – Colleen Barrett. 🌿

Rice Fact

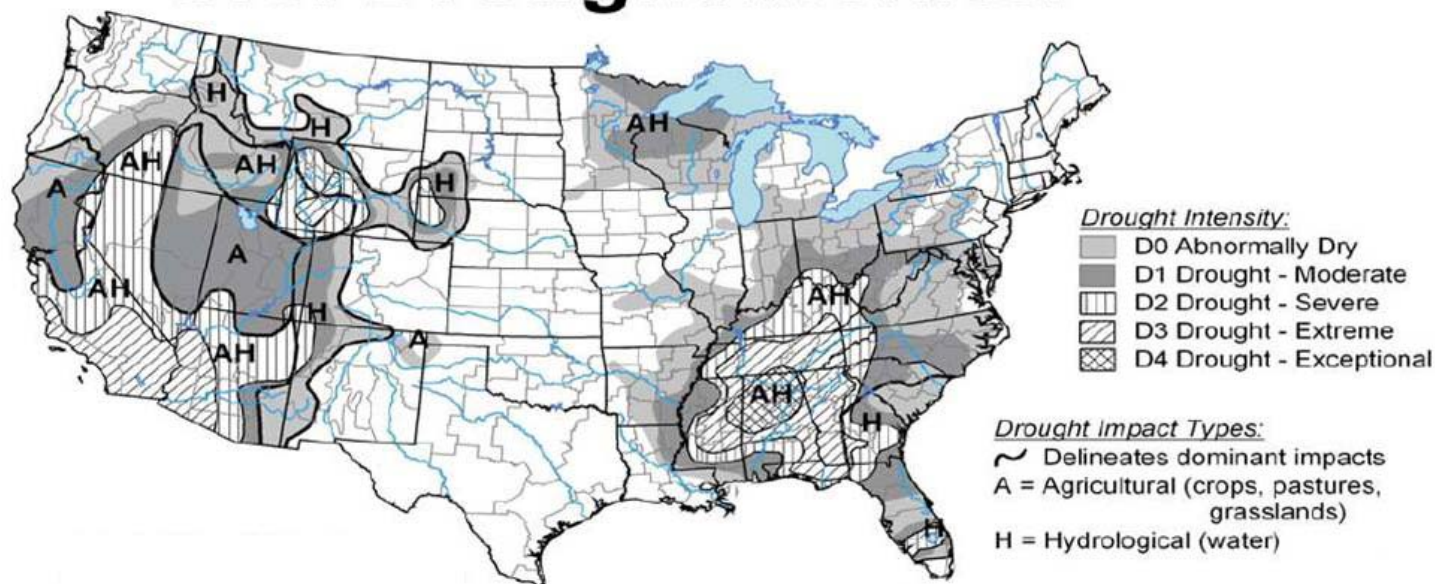
Rice delivers 4X the food energy as the same serving of pasta or potatoes.

Wacky Weather...Flooding, Drought Continue

The national weather picture continues to look bleak throughout much of the US rice farming regions. Much of Texas and southwestern Louisiana have been inundated with uncharacteristically high rainfall for much of the summer thus far. Points along the coast have witnessed rain totals that are 50% above their yearly norm. With harvesting imminent, there is considerable worry about the timing of it all. "Our problem is that [the rain] is hitting us during flowering," remarked Andy Anderson, a Texas rice farmer. Many are concerned about the adverse effects on yield that may come as a result of the poorly timed rain. "The milo south of El Campo is already sprouting.

The northern crops will be devastated if this continues," said Ray Stoesser, a farmer in Liberty County, Texas. Daniel Berglund, also a Texas rice farmer, continued the sentiment: "this much water is also devastating to our soybean crop." Much of the Delta and California, on the other hand, would love to have some of the moisture sent their way. Southern California and Mississippi remain under extreme drought conditions, while much of eastern Louisiana, Arkansas and southeastern Missouri are well under their annual totals as well. Many areas within these regions have only received 50-60% of their normal rainfall since the beginning of the year. 🌱

U.S. Drought Monitor



<http://drought.unl.edu/dm>

Author: Douglas Le Comte, CPC/NOAA

General Market Update

The trade and general activity in the US rice business has been slow again this week; so much so that the 4th of July holiday on Wednesday was hardly noticed. The rains have not let up, particularly in Texas, and that is starting to become a real worry for both the quality and timeliness of the harvest. Last week's acreage report is still being talked about with no one accepting the numbers estimated by USDA, but the milled long grain export market is so slow that those numbers are barely a consideration just now. On the brighter side was the weekly physical tonnage export report showing 79,900 metric tons shipped with nearly 50,000 tons being paddy to Mexico and Central America, a good slug of California milled to Japan, and a little milled long

grain making its way back to the EU (no doubt after a good bit of testing). The weekly export sales report figures were even better at a net of 146,000 metric tons, well over half of which was long grain paddy to Mexico and various destinations in Central America, with long grain milled and long grain brown making up nearly all of the balance. Although these weekly report figures were very good and certainly welcome, they had no positive effect on either trade attitudes or the futures market, which was actually off slightly in Friday's session. Without large milled sales to Iraq and/or Cuba, the market will remain weak. Sales to these countries are a must for the south Louisiana and Texas mills. WMP was left [Continued on Page 3]

General Market Update—Continued From Page 3

unchanged again this week, and there was little change in the rough rice market as well. Bids in Texas remain at \$4.00 over for mid August shipments with only about 300,000 cwts remaining in first hands. There is nothing to speak of left of the old crop in south Louisiana, and there are no bids reported there. Prices in the Delta/Arkansas area remain at the \$9.00/9.25 delivered level. The schedule for the start of harvest in Texas is on hold while waiting for the rain to break. Thai 100% Grade B

remains firm in the mid \$330's per ton fob vessel, and Viet 5% is quoted at \$302 per ton. Vietnam is well sold at this point. The Chicago rice futures have had a fairly slow week dotted by the holiday on Wednesday. Basis the electronic September contract, the week's range was only \$0.18 as the trade awaits something to put some life into the market. September settled down \$0.015 near the middle of the range at \$10.585 after a very dull session. 🌿

The Rice Advocate is now accepting letters to the editor. If you have a topic you would like to address, please email your submission to thomas@usriceproducers.com with "Letter to the Editor" as the subject. Letters should be 200 words or less and address a specific issue. Submissions will not be published unless signed by the original author. USRPA reserves the right to edit all letters.

Chicago Rice Futures for the Week Ending July 6, 2007						
Closing Price	Jul-07	Sep-07	Nov-07	Jan-08	Mar-08	Open Int.
29-Jun	10.390	10.675	11.000	11.270	11.540	15,670
6-Jul	10.310	10.585	10.900	11.190	11.470	14,891
Weekly Change	-0.77%	-0.84%	-0.91%	-0.71%	-0.61%	-4.97%
5 Day Average Volume			854.6 ↓		Source: Chicago Board of Trade	



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Upcoming Events

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| July 12, 2007 | 60th Beaumont Field Day—Beaumont, TX |
| July 19, 2007 | Mississippi Delta Research Field Day—Stoneville, MS |
| Aug 9, 2007 | RiceTec Field Day—Jonesboro, AR |
| Aug 15, 2007 | Cache River Valley Seed Field Day—Cash, AR |
| Aug 22, 2007 | University of Missouri Field Day—Glennonville, MO |
| Aug 29, 2007 | California Rice Field Day—Biggs, CA |

USDA Reports Next Week

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| Crop Progress | Monday, July 9, 4:00 pm |
| Weather - Crop Summary | Tuesday, July 10, 12:00 pm |
| U.S. Export Sales | Thursday, July 12, 8:30 am |
| World Agricultural Supply and Demand Estimates | Thursday, July 12, 8:30 am |
| Crop Production | Thursday, July 12, 8:30 am |
| World Agricultural Production | Thursday, July 12, 9:30 am |
| Rice Outlook | Friday, July 13, 4:00 pm |

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