



The Rice Advocate

US Rice Producers Association

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Climate Change Bill to Pass in House of Representatives; Peterson Champions Cause of Agriculture

As of this writing, the House of Representatives was debating the American Clean Energy and Security Act of 2009 – commonly known as the Climate Change Bill. The bill is expected to pass, in many respects thanks to the hard-line negotiations of Agriculture Committee Chairman Collin Peterson (D-MN). Peterson’s amendment, included late in the game as part of a deal he struck with the bill’s sponsors, brought agriculture into the proposed cap-and-trade system and brought several Democratic votes to support the bill. Votes that were necessary to win majority passage of the bill.

After weeks of opposing the climate bill because of its failure to define a program for agriculture in the cap-and-trade system, Chairman Peterson this week won provisions directing USDA to use its extensive network of specialists and field offices to establish and carry out the agricultural offsets program. This is a key improvement in the

bill that otherwise would have left the administration of any agriculture offset program to the Environmental Protection Agency.

Agriculture Chairman Peterson issued the following statement earlier this week:

"We have reached an agreement that works for agriculture and contributes to the reduction of greenhouse gas emissions in the United States. The climate change bill will include a strong agriculture offset program run by the U.S. Department of Agriculture that will allow [Continued on Page 2]

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USRPA Women Culinary Workshops Debut in Yemen

The quality, versatility and wholesome image of U.S. rice is expected to gain wider visibility and interest in the Republic of Yemen with the debut of US Rice Producers Association (USRPA) Women Culinary Workshops.

USRPA is reaching out to a big group of Yemeni key influencers to help spread the message that U.S. rice is a high quality product, available in different forms and types, has versatile cooking applications and plays an important role in a well-balanced, healthy diet. The target audiences are women active in vocational institutions, welfare associations, social workers and members of educational and health organizations involved in family planning and well-being.

These one-day culinary workshops include presentation from a nutritionist or food economist, live cooking demonstrations by a professional chef, cooking contest based on a hands-on approach where attending ladies actively participate in the cooking process and compete

for the best U.S. rice recipe preparation applying what they have learned.

The presenter and key note speaker in the workshops, who has studied and lived in the United States, is talking about U.S. rice types, forms, storage and handling, cooking methods, and how it can ideally fit into traditional Yemeni dishes. The nutritional values of U.S. rice as a complex carbohydrate free from fat, cholesterol, sodium and gluten are highlighted in conjunction with a tasting session of the freshly prepared U.S. rice dishes.

Workshop venues are decorated with USRPA roll-up banners and every attendant is a recipient of an all-comprehensive Arabic brochure, [Continued on Page 2]



Pictured: Signs displayed to promote the cooking demonstrations in Yemen.



Rice is one of the few foods in the world which is entirely non-allergenic and gluten-free.

Climate Change Bill—Continued from Page 1

farmers, ranchers and forestland owners to participate fully in a market-based carbon offset program. This agreement also addresses concerns about international indirect land use provisions that unfairly restricted U.S. biofuels producers and exempts agriculture and forestry from the definition of a capped sector."

Among other provisions, the Peterson amendment requires the Agriculture Secretary to exempt the agriculture and forestry sectors from the bill's emission caps; it redefines "biomass" for purposes of the bill; and requires the Secretary of Agriculture to establish a list of domestic agricultural and forestry practices that result in reductions or avoidance of greenhouse gas emissions. The practices mentioned in the bill include "agricultural sequestration and management practices, including reduction in the frequency and duration of flooding of rice paddies."

It is still not clear to what extent, if any, rice producers

may be eligible to participate in the offset program as currently defined.

The US Rice Producers Association released a statement today acknowledging their appreciation for Chairman Collin Peterson's leadership in negotiating improvements on behalf of the agriculture sector in climate change legislation. The statement also recognized that USRPA remains "very concerned regarding the significantly increased costs that will be imposed on rice producers by the bill." USRPA cannot support legislation that drives up production costs for rice producers without offering an opportunity to compensate farmers for those costs, which result in a competitive disadvantage. To read the full statement, please visit http://usriceproducers.com/files/171_062609%20Rice%20Producers%20Statement%20on%20Climate%20Change%20Legislation.pdf.

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which includes a variety of recipes featuring U.S. par-boiled rice in Yemeni popular main courses, soup, salad, stuffing and dessert.

The information and the educational materials are welcomed by the audience whose knowledge about U.S. rice improved and their interest to buy U.S. rice and cook it in their households was elicited.

USRPA is continuing the implementation of its activity in Yemen and will continue to provide activity updates

and pictures.

The campaign is consistent with USRPA's goal of increasing the sales of U.S. rice in Yemen. Imports of U.S. rice in Yemen have grown from 4,860 MT in 2004 to 7,867 MT in 2008 worth U.S. \$ 6.1 million. Compared with 2004 this is an increase of 61 percent in volume and 290 percent in value terms. Yemen is a potential growth market for U.S. rice with a market size close to 350,000 MT of rice and a per capita consumption of 11 kg.

Central American School Nutrition Program: Guatemala and Honduras

Immediately following the USDA/FAS appropriations of funding at the end of March, the School Nutrition Program in Guatemala and Honduras began activities for the 2009 year. Guatemala began promotions March 31 and Honduras

began May 7. As of May 28, the promotion has been conducted in 163 schools and 4,061 school cooks have been trained in the benefits of rice, how to properly store and handle rice and how to



Pictured: The program in Central America has increased the use of rice and average of 23 to 66 percent in schools where the trainings were conducted. Surveys conducted in 2008 showed the home use of rice also increased significantly.

use it to prepare more nutritious meals for less money. 48,181 students were fed a protein rich meal of rice and beans.

The School Nutrition Program promotes the use of rice by training school cooks, who are volunteer mothers from the villages, to prepare low cost, protein-rich meals for the students. The program has been conducted in Central America since 2003. During this time, surveys have shown the use of rice in schools where the trainings were conducted increased an average of 23 to 66 percent in the countries of Guatemala, Honduras, El Salvador, Costa Rica and Nicaragua. In addition, surveys conducted in 2008 showed home use of rice also increased significantly. In Guatemala, the number of people who served five or more pounds per week increased from 6.67 percent to 56.67 percent. In Honduras, the number of people who served five or more pounds of rice per week increased to 57.89 percent from 34.21 percent. Funding is now available for El Salvador, Nicaragua and Costa Rica and activities will start in these countries on July 1.

Promotional Campaign to Increase Rice Consumption in Mexico

In the US Rice Producers Association's program, Consume Arroz Mas Por Menos, mothers learn the benefits of using rice daily. The key message is that rice is tasty, inexpensive and nutritious.

With Un Kilo de Ayuda we reach rural communities fighting against malnutrition. We visit 15 communities on a monthly basis, with more than 500 families and reach

more than 2,500 people per state.

With USRPA's School Lunch Program, we teach mothers the value of including rice in their daily meal and encourage the consumption habits of children, who are our present and future consumer. In this program we have trained more than 10,000 people, impacting over 75,000 children in seven states.



Louisiana Crop Update

It has now become hot and dry now after being cold and wet early this season in Louisiana. The crop is behind due to the early cold and wet weather delaying what was planted early and preventing dry planting from mid March until the second week of April and in some areas even later.

The crop has fared well and most fields are being scouted for disease pressure. Some blast and narrow brown leaf spot is being found. The early rice is being scouted for stink bug pressure. Pumps are running nonstop to keep up with evaporation and there are some areas that are beginning to have salt-water problems.

General Market Update

USDA's weekly export sales numbers were a healthy 78,000 metric tons. Japan was a big chunk of it at 39,000 tons, but the rest was long grain milled to Nigeria, Haiti, and Saudi Arabia and paddy to Mexico and Jamaica. Of particular interest are the sales to Nigeria and Haiti, with this being the second sale posted to Nigeria in recent months after a long (with few exceptions) absence of US parboiled long grain from that market. Hopefully more sales to Nigeria will be seen – it is a huge importer of parboiled long grain from Asia, and it would be a boon to US exports if more attention could be garnered for American long grain. Haiti has seen a good bit of South American long grain competing with US this year, but there are some signs that supplies from the Southern Hemisphere are dwindling which could be good for US long grain milled exports. Actual shipments for last week reported by USDA totaled 83,200 metric tons and were made up primarily of the above noted sale to Japan from California as well as paddy to Mexico and Costa Rica totaling a bit over 25,000 tons. Parboiled milled to Saudi Arabia and medium grain milled to Jordan were also notable.

These sale and export quantities are especially interesting since this is the time of year many overseas buyers seem to hibernate, afraid to buy what they perceive as higher priced old crop in hopes of getting lower priced new crop in just a few weeks. A case can certainly be made for that position in many of the past years. The market, however, doesn't seem to be as confident of that phenomenon playing out this year. Continuing global demand appears to be intact, but at the same time things are a bit slow. The market still seems to be adjusting to last year's big price swings and availability shock and

continues to be wary of potential crude/chemical values with an upward bias. Paddy is still being sought on a subdued but regular basis by mills, with buying interest in Texas around the \$5.00 premium level against not much appeal to sellers at that level. There is paddy available though not in substantial quantities, and concern about farmer holding when the new harvest comes in is a theme being seen with buyers. South Louisiana continues to indicate buyers at \$18.64 per bbl, and Delta prices are noted at \$12.90 loaded barge with some small quantities reported as trading 20 or so cents higher. Questions about about the weather's effect on new crop in the Arkansas area as well as just how much long grain acreage may have been lost to medium grain (south Louisiana is a question mark on that subject, too).

Asian prices are being called at \$580 per metric ton fob vessel for Thai 100% Grade B, while Viet 5% is being indicated at \$410 per ton fob vessel. India and Pakistan are question marks at this time, but there is continued expectation of exports from those origins in the near future.

All futures, be they financial, interest rate, energy, or grain, continue to be challenging and baffling to many in the trade and in the pits. Rice futures are no exception to this observation. July in particular has been all over the board perhaps in anticipation of options expiration today. Especially problematic has been just how to play the spread between July and the new crop months as it has moved back-and-forth from inverse to carry several times. This week's 40 cent range on the continuation chart from 12.50 to 12.10 on volume that can be described as "nothing special" to "a bit light." July closed at 12.13, Sep at 12.23, and Nov at 12.31½.

Chicago Rice Futures for the Week Ending June 12, 2009						
Closing Price	Jul-09	Sep-09	Nov-09	Jan-10	Mar-10	Open Int.
19-Jun	12.300	12.390	12.450	12.650	12.795	8,455
26-Jun	12.130	12.230	12.315	12.520	12.680	8,322
Weekly Change	-1.38%	-1.29%	-1.08%	-1.03%	-0.90%	-1.57%
5 Day Average Volume			789.6 ↑		Source: Chicago Board of Trade	

The Horizon Ag Summer 2009 newsletter is now available to view on their website at http://horizonseed.com/docs/newsletterarchive/Newsletter_summer_09.pdf

To read more about the Southern Researchers Field Crop Alliance article from last week's Rice Advocate, please visit http://usriceproducers.com/files/170_sfcacnewsreleasecolor.pdf.

Upcoming Events

June 29, 2009	RiceTec Alvin Field Day—Contact Chad Duckworth, 870-919-1777, for info
June 30, 2009	RiceTec Eagle Lake Field Day—Contact Chad Duckworth, 870-919-1777, for info
June 30, 2009	Eagle Lake Field Day—Eagle Lake, TX
July 1, 2009	LSU AgCenter Rice Research Station Field Day—Crowley, LA
July 2, 2009	Horizon Ag Field Day—Eunice, LA
July 7, 2009	RiceTec Wharton & Jackson County Field Day—Contact Chad Duckworth, 870-919-1777, for info
July 9, 2009	MFBF Region One Young Farmer Leadership Meeting—Cleveland, MS
July 9, 2009	Beaumont Field Day—Beaumont, TX
July 10, 2009	First Annual Range, Water and Wildlife Workshop—Mentz, TX
July 13-14, 2009	USRPA Annual Summer Board Meeting—Tunica, MS
July 14, 2009	RiceTec Chambers & Jefferson County Field Day—Contact Chad Duckworth, 870-919-1777, for more info
July 15-17, 2009	Postharvest 2009 Rice Conference—Bangkok, Thailand
July 16, 2009	Mississippi Rice Field Day—Stoneville, MS
July 17, 2009	MFBF Summer Rice Grower Meeting—Cleveland, MS
August 12, 2009	University of Arkansas Rice Field Day—Stuttgart, AR
August 19, 2009	Cache River Valley Seed Rice and Soybean Field Day—Cash, AR
August 27, 2009	Missouri Rice Research Farm Field Day—Glennonville, MO
September 2, 2009	48th Annual Delta Center Field Day—Portageville, MO
September 16-19, 2009	12th European Rice Millers' Convention—Venice, Italy
October 27-29, 2009	World Rice Conference—Cebu, Philippines
January 11-13, 2010	13th Annual NCS Cotton & Rice Conference—Tunica, MS



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USDA Reports Next Week

Crop Progress	Monday, June 29, 4:00 pm
Acreage	Tuesday, June 30, 8:30 am
Rice Stocks	Tuesday, June 30, 8:30 am
Weather-Crop Summary	Tuesday, June 30, 12:00 pm
U.S. Export Sales	Thursday, July 2, 8:30 am

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