



The Rice Advocate

US Rice Producers Association

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USRPA Applauds Increased Research Funding and Authorities

Earlier this week, the House cleared by vote of 263 to 162 and the Senate cleared by vote of 76 to 22 the conference report (H.Rept. 111-279) on the FY 2010 Agriculture Appropriations bill (H.R. 2997). As reported earlier, the legislation includes a \$10 million increase in funding for the National Agricultural Statistics Service (to a total of \$161.830 million), full funding of \$200 million for the Market Access Program (MAP), and \$262.482 million for the USDA's Agriculture and Food Research Initiative. The increased funding for agricultural research—which is vital to the lives of citizens and the economic well-being of US farmers and our nation at large—provides an important base on which to build toward USDA's strategic goal of doubling science funding at USDA in the next 5 years. H.R. 2997 now goes to President Obama's desk for his signature.

On a related note, this week Agriculture Secretary Tom Vilsack and Under Secretary for Research, Education and Economics Dr. Rajiv Shah launched the National

Institute of Food and Agriculture (NIFA). At an event at the National Press Club with John Holdren, Assistant to the President for Science and Technology, Vilsack outlined his vision for addressing some of the world's major challenges over the coming decades.

Vilsack said, "The opportunity to truly transform a field of science happens at best once a generation. Right now, I am convinced, is USDA's opportunity to work with the Congress, the other science agencies, and with our partners in industry, academia, and the nonprofit sector, to bring about transformative change."

USRPA President Dwight Roberts agreed with USDA, "Rice Producers applaud the leadership of Secretary Tom Vilsack and Under Secretary Rajiv Shah in implementing the Research Title of the 2008 Farm Bill. We concur with Dr. Shah that right now is our opportunity to bring about transformative change in the way we do sci-

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Bill Introduced in House Would Ease Travel to Cuba

Proponents of easing travel and trade restrictions against Cuba continue to make progress in the 111th Congress. Rep. William Delahunt (D-MA) has introduced H.R. 874, a bill to allow Americans to travel between the United States and Cuba. In the past 10 days alone, the legislation has added 19 additional cosponsors for a total of 180; pushing closer to the 218 votes the a bill needs for House passage. To facilitate the sale of US agriculture products to Cuba, Rep. Jerry Moran (R-KS) has introduced H.R. 1737. The Cuba ag trade bill has a total of 21 cosponsors to date.

Highlighting the economic effects of removing restrictions for travel and the sale of ag products, a recent report by the US International Trade Commission estimates that removing the agricultural financing restrictions will lower Cuba's cost of purchasing US agricultural products and lead to increased sales. Similarly, if travel restrictions were lifted, not just on Cuban-Americans, but on all US citizens as the Delahunt Bill promotes, the influx of US tourists would be huge. These tourists would boost the

demand for imported agricultural products, particularly higher-valued products from the United States, and bring more hard currency into the country, allowing Alimport (Cuba's ag product purchasing agency) to buy more U.S. agricultural products for the domestic Cuban population, a one-two punch for US rice producers.

The report goes on to show the figures: "In 2008, Cuba imported roughly \$1.8 billion in agricultural products, of which \$708 million came from the United States. With restrictions lifted, U.S. exports would have been approximately \$924 million to \$1.2 billion, an increase of \$216-478 million. In terms of share, the actual U.S. share [of Cuban agricultural imports] was 38 percent. Absent the restrictions, the [U.S.] share would have been 49-64%."

Last month President Barack Obama extended the U.S. trade embargo on Cuba for one year. The extension has been the practice of all U.S. presidents dating to the 1970s under a section of the so-called "Trading

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ence at USDA.” A chart showing the growth of funding for the National Institute of Food and Agriculture and the Agriculture and Food Research Initiative can be seen here: [INSERT CHART OR LINK].

Roberts went on to say, “We are pleased that this week Congress approved increased funding for the Agriculture and Food Research Initiative in Fiscal Year 2010 by more than \$60 million – from \$201 million in FY 2009 to \$262 million in FY 2010.”

“We are particularly pleased that Congress was able to make increased agricultural research and NASS funding a priority in FY 2010 without reducing funding to other important agricultural research, commodity, export promotion, and discretionary programs. It is important that such current mandatory funding commitments and annual discretionary needs continue to be met while providing a net increase to USDA and agricultural research funding.”

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With the Enemy Act.” Obama extended the embargo even though he has made reaching out to old U.S. foes a key plank in his foreign policy. Hopefully, as part of this policy of engagement for which President Obama today received the Nobel Peace Prize, the United States will turn soon to rationalizing our failed policy toward Cuba.

On a related note we feel our readers will be interested in reading a report supplied by the Cuban Interests Section regarding the impact of the U.S. embargo on Cuba. This important report was presented at the recent General Annual Meeting of the United Nations.

General Market Update

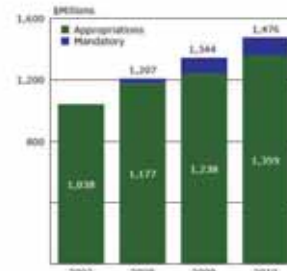


Congratulations to Virgil “Buddy” Holbrook from Dayton, Texas upon being selected the “Rice Farmer of the Year” The picture includes his wife, Linda, 2009 Texas Rice Festival President Troy Dow, and Board Member John Gaulding.

Rice producers agree with Secretary Vilsack’s comments on Thursday asking for a commitment of will and energy to bring about our generation’s new era of agricultural science. The Agriculture Secretary also hopes to accelerate the pace of scientific discovery in the agricultural sciences, speed the application of new knowledge to address challenges facing US and global food and agriculture, and translate new knowledge into tangible benefits for the American people and the world.

Roberts concluded, “This new agency will only reach its full potential through greatly enhanced funding, and we pledge to work with Secretary Vilsack and President Obama toward that goal.”

NIFA (CSREES) Growth Since F.Y. 2002 = \$438 Million



Congratulations to Neal Stoesser on being named “Young Rice Farmer of the Year” at the Winnie Rice Festival this year along with his son Nate and his wife Meredith. Winnie Rice Festival President Troy Dow and Board member John Gaulding (right) presented the award during last weekend’s festivities.

There was virtually no change in the rice market this week, with the biggest news being the supply and demand report issued today. In the report, the revisions are as follows. Production was increased by 1% to 220.6 million hundredweights due to an increase in the yield estimate to 7,115 pounds per acre (64 pounds per acre increase). Long grain exports were increased by 1 million metric tons, while medium grain was decreased by the same amount to a net effect of zero. As a result of these revisions, the ending stocks figure was increased by 5% to 46.6 million hundredweights. This report, which was bearish in nature, was very out of line with what the trade and market was expecting (as demonstrated by the strong

futures performance over the week. This report is considered to be highly inaccurate and most traders have reached the point of discounting the USDA figures in their trading strategies. In the futures market this week, Monday's trading opened at \$13.10 per hundredweight in the nearby November '09 contract, before climbing \$0.03 by the end of the day. On Tuesday, the market climbed \$0.04 to close at \$13.15 per hundredweight, and on Wednesday saw gains of \$0.08 to close at \$13.23. Thursday's action moved the market up \$0.23 to close at \$13.48, while Friday saw the market move down \$0.08 to \$13.40 as it gave in to the bearish pressure of the WASDE. In the cash markets, virtually nothing has changed with cash prices ranging from \$11.50 per hundredweight to \$12.50 per hundredweight and very little selling interest reported. Asian prices firmed up slightly

this week, with benchmark Thai 100%B quoted at \$525 per MT. The spread between Thai 100%B and Vietnamese 5% is still over \$100 per MT, demonstrating the need for buying interest, but otherwise the market remains quiet. Export sales were up by several percentage points this week, while vessel loadings were reported down from last week. This is not surprising as the buying pattern we have been witnessing for the past several months continues to dominate the market. Longer term, we look to see prices improve as the trade begins to realize the overall size of the U.S. crop and prices reflect accordingly. We expect this to occur in the latter part of 2009 through the first half of 2010. Those producers who can hold their crop in the bins should be in good position as we move into the next crop year. Until then, we do not anticipate any major market moves. 🌱

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 jessica@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.



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Upcoming Events	
September 16-19, 2009	12th European Rice Millers' Convention—Venice, Italy
September 18, 2009	Annual Delta Rice Promotion, Inc. Rice Luncheon—Cleveland, MS
October 8-10, 2009	World Rice Commerce 2009—Nusa Dua, Bali, Indonesia
October 27-29, 2009	World Rice Conference—Cebu, Philippines
January 11-13, 2010	13th Annual NCS Cotton & Rice Conference—Tunica, MS

USDA Reports Next Week	
Crop Progress	Tuesday, Sept 8, 4:00 pm
Weather-Crop Summary	Wednesday, Sept 9, 12:00 pm
U.S. Export Sales	Friday, Sept 11, 8:30 am
World Agricultural Supply and Demand Estimates	Friday, Sept 11, 8:30 am

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

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