



The Rice Advocate

US Rice Producers Association

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Rice Producers Applaud Introduction of Cuba Trade and Travel Bill



This week House Agriculture Committee Chairman Collin C. Peterson of Minnesota introduced legislation to expand U.S. agriculture exports to Cuba. This bipartisan bill, H.R. 4645, the Travel Restriction Reform and Export Enhancement Act, is co-sponsored by 30 other Members of Congress, including Representatives Jerry Moran of Kansas, Rosa L. DeLauro of Connecticut, and Jo Ann Emerson of Missouri.

Dwight Roberts, CEO of the US Rice Producers Association, said "Rice producers applaud the introduction of this legislation by Chairman Peterson and several other Congressional agriculture leaders. The bill will provide for personal and economic engagement between U.S. farmers, citizens, and the Cuban people—while opening markets for U.S. rice."

"Helping feed Cuba is good for the U.S. economy and for the Cuban people. This bill increases the ability of our farmers to sell their products to Cuba just like they do with our other trading partners," Chairman Peterson said.

"U.S. producers are the closest suppliers that can help meet the food and ag-

riculture needs of the Cuban people. Opportunities to sell to paying customers in Cuba have been hindered by bureaucratic red tape and by arbitrary prohibitions on the ability of U.S. citizens to travel to Cuba. This bill cuts the red tape and allows that trade and travel to happen," Chairman Peterson said.

The Travel Restriction Reform and Export Enhancement Act would eliminate both the need to go through banks in other countries to conduct agricultural trades and the accompanying fees those banks charge.

The bill would also require agricultural exports to Cuba to meet the same payment requirements as exports to other countries, which means payment would be required when the title of the shipment changes hands, not in advance.

Finally, the bill would allow U.S. citizens to travel to Cuba, reducing the bureaucratic red tape currently required for individuals to travel to Cuba to facilitate new agriculture sales.

The House Agriculture Committee will hold a hearing to review U.S. agricultural sales to Cuba on March 11, 2010. US Rice Producers Association Board Member Mike Wagner of Mississippi is scheduled to testify at the hearing in Washington, DC on behalf of the US rice industry.

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Congratulations to Texas rice farmer Jack Wendt upon being awarded the Friend of Extension from the Epsilon Sigma Phi Alpha Zeta Chapter for his outstanding contribution to the Texas AgriLife Extension Service of the Texas A&M University System at a recent meeting of the Fort Bend County Rice Producers.



Left to Right: Joe W. Mask, County Extension Agent Fort Bend County; Dr. Dale Fritz, District 9 Extension Administrator; Mr. Jack Wendt; Mr. Vince Mannino, County Extension Director Fort Bend County.

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Missouri's Director of Agriculture Tells Rice Farmers: "We Can Never Outsource Our Food Supply..."

A large crowd of rice farmers gathered in Dexter, Missouri last night to attend the 26th Annual Meeting of the Missouri Rice Research and Merchandising Council highlighted by the keynote speaker Dr. Jon Haglar, Director of the Missouri Department of Agriculture in the state capitol of Jefferson City. "When farmers do well, our economy does well and we must fight for agriculture because if agriculture loses then America

loses," Haglar told the crowd.

Appointed by Missouri Governor Jay Nixon in January of 2009, Haglar went on to say, "we must make every opportunity to educate consumers on the value farming brings to their lives particularly due to the fact that agriculture is Missouri's number one industry."

Scott Wheeler, President of the Missouri Rice Council welcomed the crowd and gave introductions. B.J.

Campbell, Secretary-Treasurer presented the organization's financial report while Greg Yielding updated the audience on state legislative efforts. Dwight Roberts, President & CEO of the US Rice Producers Association reviewed the past year with an emphasis on the Western Hemisphere market and activities. Jeremy Zwinger, President & CEO of Farm & Trade, Inc., enlightened farmers on the current status of the world rice market and the outlook for the year ahead. The evening also included one of those famous Bootheel dinners of barbeque ribs with all the trimmings thanks to the Hickory Log Restaurant. The meeting was attended also by a long list of local officials including local resident and State Senator Rob Mayer, Chairman of the State Appropriations Committee, who took the opportunity to tell the crowd what a good job the leadership of the Missouri Rice Council does in representing the rice farmers' interest in the state capitol.



Officers of the Missouri Rice Council with keynote speaker are left to right: Justin Landers (Vice-President), Scott Wheeler (President), B.J. Campbell (Secretary-Treasurer) and Dr. Jon Haglar, Director of Agriculture for the State of Missouri.

General Market Update

In spite of lower quotes out of Asia, there was no change made to WMP by USDA this week, and in some ways that is a reflection of this seemingly paradoxical market. The weekly export sales report was decent at just over 74,000 metric tons, and while the 33,000 tons of medium paddy sold to Turkey and the nearly 6,000 tons of California milled and rough sold to Japan were certainly welcome, long grain sales were a bit lighter than we would have liked to see. The largest portion of long grain was paddy to Mexico and Central America, trailed by small tonnages of brown and milled to various buyers. Weekly exports were substantial at 112,600 tons with Mexico, Panama and other Central American countries lifting nearly 79,000 tons of long grain rough. Japan and Taiwan had the biggest shipments of California rice at over 17,000 tons for the week. More long grain milled exports are needed to keep this market healthy. Iraq is in

the midst of a tender, but there is no guarantee that US long grain will be bought. Something should be heard on that tender in the next week or two. Talk continues of more KCCO rice to Haiti to help the recovery effort there, but there was no announcement this week.

Nothing particularly new came out of Asia this week. Reports of water problems continue to come from big producers and users such as the Philippines, India, and Thailand. It looks like the Philippines is on track for another 800,000 tons of imports in the near future – no doubt Vietnam is already lining up for that business even though the Thais are working hard to get in on the action with a Philippine import duty break for Thai rice. There are signs that the political fur is starting to fly in India as questions about production shortfalls are being aimed at various government ministers who are responsible for ag

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More than 90% of the rice eaten in the United States is grown by U.S. farmers.

General Market Update- Continued

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production and food supply. When high level politicians enter the debate in any country, it becomes difficult to separate fiction from truth. Only India's actions in buying or not buying rice from the outside will tell how severe the problems (be they political, physical, or both) really are. Regardless of the supposedly high emergency stocks of wheat and rice in India, it is difficult to see how a 14 million to 19 million ton rice production shortfall is efficiently addressed, particularly in light of potential continued water problems. Add in reports of depleted soil conditions and a population that is moving from farms to the cities, a second shortfall would truly be a catastrophe for both the government and the people.

Rough rice bids slipped this week in Texas to \$6.50 premiums for conventional long grain varieties and no current bid for hybrids. There are less than 2 million cwts of paddy still in first hands in Texas which is considerably less than normal for this time period, and the story is similar in other parts of the southern long grain areas. South Louisiana is at \$21.00 per bbl after seeing buyers make purchases at the \$22.00 level while awaiting new milled business to develop. The Delta and Arkansas are quiet, with some buying interest noted in the low \$13.00 range with seller's more interested at the \$13.60/\$13.70 area. It seems that the market has just steadily moved along for the last several months and now finds itself at a resting point, waiting for new business to surface.

Buyers in the global markets seem to be taking a rest as well. Asian price quotes, though off a bit, seemed to find some support this week after the Thai government indicated that its stocks would not be allowed to come to market. Indications

for Thai 100% Grade B were \$535 per ton fob vessel and for parboiled \$545 per ton. Vietnam is talking about the minimum export price of \$440 per ton again, but the market is indicating prices closer to \$400 per ton for 5% long grain. Pakistani 5% is believed to be at the \$440 level, but there were no quotes at the week's end.

Rice futures continued to roil this week as the March contract moved into delivery status. Both the high and low for the week were made in Monday's session, leaving the balance of the week inside a 69 cent range. The bias for the week was decidedly weak as March longs scrambled to get out of deliverable positions with most moving into the May contract. Even though the March finished on Friday down 20 cents for the week at 13.43, there were signs of market support as the last session of the week came to a close. Volume was heavier than normal, almost certainly due to the March becoming the spot month at an average of nearly 3,500 contracts a day. Open interest eased a bit, dropping a little under 16,000 through Thursday, but there was no major liquidation. 🌾



2825 Wilcrest Drive, Suite 505
Houston, Texas 77042
Phone: 713-974-RICE
Fax: 713-974-7696

rice_advocate@usriceproducers.com
www.usriceproducers.com
www.riceromp.com

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

Upcoming Events

March 3, 2010	Missouri Rice Producers Conference, Dexter, MO
March 22-26, 2010	Africa Rice Congress, Bamako, Mali
March 30, 2010	Export Letter of Credit Documentation Training; Houston, TX
April 21-22, 2010	Rice Americas Conference; Cartagena, Colombia
May 11-13, 2010	Food Marketing Institute (FMI) Show; Las Vegas, NV

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

USDA Reports Next Week

Weather Crop-Summary (NASS)	Tuesday, March 2, 12:00 pm
U.S. Export Sales (FAS)	Thursday, Mar. 4, 8:30 am

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

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