



# The Rice Advocate

US Rice Producers Association

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## Food Safety, Climate Change Legislation Loom Over Production Agriculture

This week, the U.S. Congress is out of session while members enjoy a 4th of July “district work period.” Before leaving last Friday, the House of Representatives approved “cap and trade” legislation to cap and reduce greenhouse gas emissions over the coming decades. The bill passed with 219 yes votes, which is one more than the 218 required to achieve a majority of the 435 House members.

The agriculture sector is exempt from the overall emissions cap, and improvements were made in the bill by an amendment negotiated by House Agriculture Committee Chairman Collin Peterson. However, the bill is still expected (some would say, is designed) to increase the costs of energy based inputs important to agriculture, including diesel fuel, fertilizers, electricity, herbicides and other inputs. The bill will now be considered by the Senate, where reaching consensus on a bill that can achieve passage is expected to be difficult and time consuming.

In the mean time, the US Rice Producers Association

participated in a meeting with Agriculture Secretary Tom Vilsack this week to discuss if and how, the agriculture community can work together with the USDA, the Environmental Protection Agency, and other interested groups to craft a climate change bill that will reduce greenhouse gas emissions without unduly burdening agriculture.

Amid the frantic bargaining on the climate change bill last week, work also began on a “food safety” bill approved by the House Energy and Commerce Committee (H.R. 2749). Among other broadly drafted regulatory authorities, the bill would give the Food and Drug Administration oversight of many on-farm production activities, most of which fall under the jurisdiction of the U.S. Department of Agriculture and the Congressional Agriculture Committees. Some of the problems presented by the [Continued on Page 2]

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## US Rice Producers Continue Pushing for Rice Access to China

One of the primary difficulties in getting U.S. rice into China is market access. According to preliminary results from consumer surveys, US Rice Producers Association’s

Emerging Market Program in China is making significant progress in this regard. Last week, promotions and surveys were conducted in Shanghai with preliminary results demonstrating not only a positive taste acceptance, but also a higher willingness to pay for the high quality, U.S. product.

More than 70 percent of those surveyed responded they like the taste of U.S. rice while 68 percent said they would be willing to pay more for it. The surveys also asked for monthly consumption amounts by individual households as well as package size preferences in addition to other questions. The promotions and surveys took place at city shop stores and Lianhua Supermarket stores, the largest chain in Shanghai.

The first surveys were conducted using long grain rice, although later surveys will utilize U.S. medium grain “Jupiter” and “Neptune” varieties [Continued on Page 2]



Pictured: Promotional surveys conducted in Shanghai last week.



Rice is low in the amino acid lysine, which is found in beans - making the classic combination of rice and beans a particularly healthy dish.

Baldo's Rice Facts

## Food Safety, Climate Change Legislation—Continued from Page 1

bill are detailed in a brief paper, which is available to read by visiting [http://usriceproducers.com/files/173\\_WaxmanDingellOnFarm1PagerCongress62609.pdf](http://usriceproducers.com/files/173_WaxmanDingellOnFarm1PagerCongress62609.pdf). USRPA is actively participating in a broad coalition of farm and food groups working to ensure this bill does not create costly, burdensome or duplicative regulatory requirements for production agriculture. We sent a letter in this regard to the House Agriculture Committee this week asking the committee to work to improve the legislation. You may read the entire letter by visiting <http://>

[usriceproducers.com/files/173\\_foodsafety-ag09%200625.pdf](http://usriceproducers.com/files/173_foodsafety-ag09%200625.pdf).

These food safety and climate change bills are just two of the initiatives pending in Washington that could be detrimental to rice producers. Fortunately, it does not appear that they will move too quickly, as Congress during July will turn its focus to health care reform. In the mean time, USRPA will continue to work to ensure that this and other legislation does not burden rice producers with extra costs and regulatory threats. 🌱

## Pushing for Rice Access to China—Continued from Page 1

as samples for Chinese consumers. We will report on the outcome of these surveys along with the final results in the next report.

USRPA representative Greg Yielding also met with Wayne A. Batwin and Leanne Wang, the director and agriculture marketing assistant for importers at the Agriculture Trade Office in Shanghai, to discuss strategies to gain market access for U.S. rice in China.

Following his meetings in Shanghai, Yielding traveled to Beijing for meetings with Fred Thomas of APHIS, Agriculture Attaché Jorge Sanchez, ATO Director Eric Trachtenberg, Agricultural Attaché Chanda Beckman and Wang Tong, marketing assistant. They were happy to report that market access for U.S. rice in China is at the top of the list of issues to be discussed at the bilateral trade meeting to be held in two weeks in Shanghai. USRPA has worked hard to get this issue on the table to provide U.S. producers an additional market for their rice. USRPA would like to thank all of those in FAS whose efforts have brought the program this far. 🌱



Pictured [L-R]: Greg Yielding, USRPA; Mary Hall, Windmill Rice; Tiphany Hall, Arkansas World Trade Center; Boon Tan, Arkansas World Trade Center; Will Floyd, Windmill rice; and Jorge Sanchez, U.S. Agricultural Attache, discuss market Access for U.S. rice in China at a meeting held at the U.S. Embassy this week in Beijing.

## USRPA Looks for New Markets in Middle East



Pictured: A women in Yemen learns how to cook rice.

As reported last week, the US Rice Producers Association has initiated culinary workshops in the Republic of Yemen in an effort to pursue new markets for U.S. milled rice. 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. Thanks to funding from the Foreign Agricultural Service who approved the project, USRPA activities in Yemen are conducted by AMFI (Arab Marketing & Finance, Inc.), a public relations company with many years of experience in the Middle East rice market.

Based in Beirut, Lebanon, AMFI has conducted rice promotional and educational activities over the years in the markets of Jordan, Saudi Arabia, UAE, Kuwait, Iraq and Iran. With an excellent [Continued on Page 3]

## USRPA Looks for New Markets in Middle East—Continued from Page 2



knowledge of U.S. rice due to its many years of relationship with the U.S. Rice Council and the USA Rice Federation, AMFI began working with the USRPA several years ago (by organizing a seminar in Jordan for Middle East rice importers) in an effort to give attention to markets that need servicing. AMFI, who also represents the U.S. Meat Export Federation and the USA Poultry & Egg Export Council in the area, will continue to work with USRPA to locate new opportunities throughout the region.

Pictured: Women at the culinary workshop in Yemen last week.

## LSU Ag-Center Rice Research Station Celebrates 100th Anniversary

The Louisiana rice industry along with a number of visitors from other rice states and from outside of the country gathered at the LSU Rice Research Station near Crowley, La., this week for the annual rice field day. This year's event recognized and celebrated the center's 100 years of research.

The center, established in the spring of 1909 by the U.S. Department of Agriculture, assists farmers with growing rice in the Gulf Coast regional conditions. With commercial rice farming expanding as early as the late 19th century, the demand to develop new varieties resulted in an impressive growth for many years to come. According to historians, the 1890 rice crop was a record breaker at 80 million pounds, making Louisiana the Number 1 rice-producing state, surpassing the former leader, South Carolina.

Research conducted over the years has produced 42 varieties of both long and medium grain at the station. Many of these varieties have enabled rice farmers to in-

crease profitability through quality and yield. (All 42 varieties are currently grown on the station.) Clearfield technology was developed at the station in the late 1990s, allowing farmers to control red rice.

The 2009 Centennial Field Day featured a number of tours focused on variety development and production, insect & disease control, hybrid development, fertilization & agronomics and weed control. The program was highlighted by comments from Dr. Mike Strain, Commissioner for the Louisiana Department of Agriculture and Forestry, who congratulated the station for their service to agriculture, which is Louisiana's most important industry. The Louisiana Independent Rice Producers Association and the US Rice Producers Association hosted a booth at the field day, which provided an excellent opportunity to network with area rice farmers. For more information, please visit [http://www.lsuagcenter.com/en/our\\_offices/research\\_stations/Rice/](http://www.lsuagcenter.com/en/our_offices/research_stations/Rice/).

## 35th Annual Eagle Lake Field Day Draws a Crowd

"100 Years...and Beyond!" was the theme for the annual field day at the David R. Wintermann Rice Research Station in Eagle Lake, Texas, this week. Field tours at the research station included recent research updates on topics such as weed management and herbicide, seeding rates and plant growth regulators, varietal improvement, insect management and pests.

The evening program at the Eagle Lake Community Center began with an award presented to the David R. and Eula Wintermann Foundation for their continued support of the station at Eagle Lake. Without the Foundation, explained Dr. Ted Wilson, the rice research station at Eagle Lake would not be possible. Foundation Chairman Jack Johnson accepted the award. To close out the event, speaker Bob Papanos, discussed why there will be rice farming in Texas in 2029. He also covered current market conditions and projections for the upcoming months.

The US Rice Producers helped to sponsor the event



Pictured (L-R): Dr. Ted Wilson, Jack Johnson, Steve Balas and Dr. Bill Dugas, Interim Director of Agrilife Research and Associate Vice-Chancellor College of Agriculture and Life Sciences, Texas A&M University.

along with many other industry businesses. For more information on the Texas rice crop, please visit <http://beaumont.tamu.edu/CropSurvey/>.

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## General Market Update

The world rice market has remained very quiet again over the past week. Market performance seems to be picking up with a stronger export number as well as a surge in the futures market. Additional news and business is necessary to generate stronger price movement and sales, but this is a good start.

Weekly sales were reported at 90,800 MT for the week, a 16 percent increase from last week. Buyers included Haiti with 33,600 MT of long grain milled, Mexico with 16,500 MT of mostly paddy, Honduras with 11,300 MT of long grain rough, Costa Rica with 8,700 MT of long grain rough, the Dominican Republic with 5,700 MT of long grain milled, and Canada with 4,300 MT of long grain milled. Sales decreases were reported for Lebanon (100 MT of long grain milled.). Vessel loadings for the week were reported at 139,200 MT up by about 67 percent from last week. The primary destinations were Iraq (61,900 MT of long grain milled), Haiti (27,400 MT of long grain milled), Mexico (22,100 MT of mostly paddy), El Salvador (4,200 MT of paddy), and Canada (3,600 MT of long grain milled).

There was no change in the USDA's World Market Price estimate for the week. Current price estimates by class are \$11.53 per hundredweight for long grain rough and \$11.58 per hundredweight for medium/short grain rough.

Local cash prices have been unchanged for the week. Bids in Texas are reported at \$11.50 per hundredweight (\$5.00 premiums) with no trading reported. In Louisiana, remain at around \$11.50 per hundredweight as well (\$18.64 per barrel) with some light trading at this level. In the Delta, cash prices are still around the \$12.00 per hundredweight (\$5.63 per bushel) level.

The Asian market continues to remain very sideways with virtually no price changes in the past several weeks. Currently, Thai 100%B is bid at \$575 per MT while Vietnamese 5% is bid at \$410 per MT, both fob vessel. As usual, there has not been much additional news from this region, but the bullish tone is still there. Aside from some G2G business, there is not much change anticipated in the

area until prices have moved enough to generate some buying interest.

In the futures market, the week started rather poorly but rallied nicely before going into the July 4 holiday weekend. On Monday, the market saw the nearby September '09 contract trade at \$12.17 per hundredweight before falling \$0.06 per hundredweight to close at \$12.11 per hundredweight. Tuesday saw the market rally by \$0.24 per hundredweight to close at \$12.34 per hundredweight. Wednesday saw similar gains of \$0.19 to close at \$12.53 per hundredweight while Thursday's action saw the market increase by \$0.37 to close at \$12.89 per hundredweight. The daily average volume was 902.8 contracts on a weekly range of \$1.04.

There is very little to report in the market at this point. The exports sales figures continue to be a source of positive news as they have been staying within the respectable range over the last several weeks. There are still a lot of buyers in need of rice but none seem to be surfacing as of yet. Decent price moves must be made in order to generate some sales. In the cash markets, nothing has changed since the last report or for that matter, the last several. This segment is heavily dependent on milling needs as well as the futures market so it will take substantial change in both of these areas before the cash price begin to make a move. Asian markets are also quiet with a lot of pent up demand, but nothing apparent. Supply is still anticipated to be tight in the region and it is likely from here that we will see the first of the market moves to break the stalemate. Futures seems to have hit a rally after testing the downside numbers and as contracts are rolled from July into September. The next several days should see some modest gains following which there will likely be a market retraction. This pattern will probably persist until the market finally begins to move to the upside at which time it may enter into a more permanent longer-term uptrend. Overall, the market is neutral at this time, but has very strong bullish long-term fundamentals, which we believe, will be the final arbiter in the current rice market.

| Chicago Rice Futures for the Week Ending July 3, 2009 |              |              |                |              |                                |               |
|---|--------------|--------------|----------------|--------------|--------------------------------|---------------|
| Closing Price   | Jul-09       | Sep-09       | Nov-09         | Jan-10       | Mar-10                         | Open Int.     |
| 26-Jun  | 12.130       | 12.230       | 12.315         | 12.520       | 12.680                         | 8,297         |
| 2-Jul   | 12.775       | 12.890       | 12.920         | 13.085       | 13.250                         | 8,031         |
| <b>Weekly Change</b>                                  | <b>5.32%</b> | <b>5.40%</b> | <b>4.91%</b>   | <b>4.51%</b> | <b>4.50%</b>                   | <b>-3.21%</b> |
| <b>Average Daily Volume</b>                           |              |              | <b>902.8</b> ↑ |              | Source: Chicago Board of Trade |               |

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](mailto: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.

## Upcoming Events

|                       |   |
|-----------------------|---|
| 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, July 6, 4:00 pm   |
| Weather-Crop Summary                           | Tuesday, July 7, 12:00 pm |
| U.S. Export Sales                              | Thursday, July 9, 8:30 am |
| World Agricultural Supply and Demand Estimates | Friday, July 10, 8:30 am  |

All USDA reports are available by visiting [http://www.usda.gov/wps/portal/?navid=AGENCY\\_REPORTS=RT](http://www.usda.gov/wps/portal/?navid=AGENCY_REPORTS=RT).