

New Territory For Rice Industry

President And CEO US Rice Producers Association Prepare

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President and CEO, US Rice Producers Association, Dwight Roberts, was asked about issues facing rice producers in the Bootheel and North Arkansas. “As the Bootheel and North Arkansas approach the rice harvest we still have 2010 hanging over our heads. I like to call it 2010 quality hangover issue. We had a year like we’ve never had before in the rice industry because of heat stress which caused a lot of milling yield problems, trashy rice and chalky rice; being a big effect on the market. Moving into this harvest, this affect coupled with the low acreage planted this year, planted acreage low because of prices in other commodities and then along came the big floods that further reduced it, we find ourselves with a relatively small long grain crop.”

Roberts said the long grain crop is the lowest in 15 years. “The market is turning inward in the United States. There is going to be a little bit of a tug of war from the export market to the domestic market. This translates into firm prices.”

Roberts says as long as growers have been creative in keeping their costs down, have a quality crop and good yield, they will have some opportunities to make money. “These next two WASDE (World Agricultural Supply and Demand Estimates) reports from USDA, will tell the tale.”

Unknown factors could have an impact according to Roberts. “There is still rice in the bins but no one knows what the quality of it is. We know there is some very low milling yield rice out there. What percentage of it is from 2010? No one knows, or if they do they are not saying because the market is nervous enough as it is. Farmers need to keep an eye on these next two WASDE reports that will come out in the fall and at the end of the year. I don’t think they have to be as concerned about the Asian prices and outside influence, whether India comes strong into the export market or not, I think the finds are going to be right here at home.”

Robert urges famers to prepare to make tough decisions. “The farm bill process is gradually heating up. We’re going to go down a road we’ve never been on before with regard to the economic condition of the country, the deficit and so forth and how that will affect agriculture policy. Farmers are going to be faced with some tough decisions. The leadership is going to be faced with some tough decisions. When I say leadership I’m talking about the various state organizations and my board of directors, as they meet with the Senate and House Ag Committee staff and look for alternatives; ways to keep a safety net for price support to farmers in times of very low prices. We know that the cost of a tractor and a combine is something you can’t have sit out for a year and wait for prices to come back. Bankers won’t let them. We’re going to have to be creative. We’re going to have to

look at some different alternatives and I think this fall, when Congress comes back into session, there are going to be some very specific tough questions asked and very difficult questions to answer. We have no alternative but to go down that road.”

Roberts has been busy preparing for the challenges. “We’ve formed what we call the US Rice Producers Farm Bill Super Committee. We meet once a week or more frequently by conference



Dwight Roberts, President and CEO, US Rice Producers Association, discusses the how problems of the 2010 rice crop and issues of this years harvest combine to produce the lowest long grain crop in 15 years.

Photo by John LaRose, Jr.

call. We are also talking with the folks over at the USA Rice Federation so that the rice industry goes forward in one voice and does something with farmer’s interest in mind.”

Roberts believes free trade agreements with Columbia and Panama will be passed before the end of the year. “Both sides, both Republicans and Democrats are saying all the right things. If we do not pass, which would surprise me, I’m scared to think what that will lead to in a 2012 election year.”

The US Rice Producers Association has an on-line newsletter available to rice growers. “The Rice Advocate is free to rice farmers in any of the states. Growers can contact our office in Houston or go to our website, www.usriceproducers.com, and sign up. It will keep you updated on developments in Washington. There is a market update in every issue about our activities in Mexico and Central America and promotional activities. We look forward to being the co-sponsor with Cotton Incorporated for the 15th Annual National Conservation Systems Cotton & Rice Conference scheduled for January 31 and February 1, 2012. This is going to be a great opportunity for farmers trying to learn how to cut the cost of production. We are having a major rice conference in Miami that targets issues affecting the rice trade throughout the Western Hemisphere. We expect 30 or more different countries will be represented. Millers, producers, allied industries, trading, research, government officials and others will be participating. That will be June 5-7, 2012 in Miami.” Δ

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