

To begin is the most important part of any quest, and by far the most courageous.
-- Plato

RICE PRODUCERS



Founded 1997

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At a distance, a flock of Great Northern Geese appears to be guided by a single lead bird winging courageously through the oncoming elements. When lead bird tires, however, it rotates back into the formation and another bird flies at the point position. LESSON: Shared burdens are diminished. Rain or shine, it pays to take turns doing the hard tasks in life and sharing both the leadership and the load. - Great Northern Geese, Lesson V

RPC Testifies in Support of AB 541 'The Food and Farm Protection Act'

On April 26, RPC Co-Chairman Greg Massa testified before the California State Legislature Assembly Agriculture Committee. His testimony was in support of Assembly Bill 541, The Food and Farm Protection Act.

The bill sponsored by Assembly member Jared Huffman establishes California's only state laws related to genetic engineering (GE) in agriculture. It protects California farmers and the food supply in four ways:

- Establishes the right of farmers and landowners to compensation for economic losses due to genetic contamination of their crops.
- Protects farmers from liability if they unknowingly grow contaminated crops.
- Establishes a GE crop notification process so that farmers can trace contamination to the GE manufacturer.
- Protects the food supply by prohibiting the open-field cultivation of drug-producing food crops.

RPC strongly believes that AB 541 provides some of the essential safeguards needed for rice producers in California with regard to the GM contamination issue. AB 541 is consistent with the RPC biotechnology position statement. Specifically, RPC supports the need for the legal liability for contamination events to be clearly established.

AB 541 was held over (tabled) in the Agriculture Committee, and will next be heard in January 2008. Enclosed in this newsletter is a background sheet on AB 541 and a copy of the RPC letter of support to the Agriculture Committee.

RPC Celebrates 10-year Anniversary

RPC held its annual meeting on March 5 in Yuba City at the Refuge Restaurant. There was special significance to the event because 2007 is RPC's 10-year anniversary.

The meeting featured James Christie from Bryant Christie who presented the results of a GMO rice survey of California's primary export markets. Additionally, Nolen Canon from U S Rice Producers Association talked about the 07 Farm Bill process. Lynne McBride from the California's Farmer Union provided remarks on their growing organization and there was a combine equipment leasing presentation.

RPC continues to be the only organization that speaks solely for the interests of the California rice producer. RPC promotes the economic viability of rice farming in California.

Special points of interest:

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Production Costs, Crop and Marketing News, CRC Assessments

*Credentials are not
the same as
accomplishments --
Robert Half*

Crop Update, Production Costs and Marketing News:

The good spring weather is probably going to result in a rice crop of 550,000 acres plus. Growing conditions have been excellent with some reports of algae (scum) issues. Weed spraying is commencing.

The University of California (UC) puts the 2007 production cost at a whopping \$1279 per acre. The UC report is available at http://coststudies.ucdavis.edu/outreach/new_cost_returns/ricesv07.pdf. This is an increase of over \$300 in two years! At a projected yield of 80 cwt/ac for 2007, a grower must receive \$7.99 over loan to just cover costs. Returns paid out over the last several years have not kept pace with the 15-20% annual inflation rate we are seeing.

Farm and Trade Inc., announced a slogan campaign last week **“Why not \$7 in ‘7”**. This campaign is wholeheartedly supported by RPC. RPC hopes other marketers step up and announce their plans for increasing the returns for California rice. Recently there has been some 06 cash market activity in the \$6 range after a rather long stagnant state.

CRC Assessments:

The California Rice Commission (CRC) is very likely to raise your check off assessment rate for next marketing year. The CRC presently has a budget of \$3.5 million. Evaluate the development of new markets, federal and state policy engagement, and the overall economic health of the industry to measure the return on your assessment dollars. The CRC Board will vote on the assessment rate issue in August.

Don't hesitate to contact us with any questions or comments.



CRC Call For GM Moratorium Ignored

On April 4th, the AB2622 Advisory Committee, whose members are appointed by the California Rice Commission, voted to approve the planting of two genetically rice varieties in California's Riverside County.

This action was taken three weeks after the CRC Board voted unanimously to support a moratorium on all such field trials (March 14). The action followed the February release of the RPC market survey report, which warned of concerns that contamination of rice supplies with even a tiny amount of genetically engineered material could devastate sales to export markets such as Japan and South Korea. As much as 40 percent of California's \$500 million rice harvest is exported.

Although the experimental rice, produced by Arcadia Biosciences, will be restricted to Riverside County in an attempt to limit the possibility of contamination, the decision conflicts with the will of the CRC Board. Asian export markets are very sensitive to any threat of genetic contamination.

Additionally, Bayer CropScience was approved to conduct a greenhouse field trial for one of their GM Liberty Link rice varieties. Bayer is also conducting a 15-acre open field trial for a 'conventional' rice variety.

The approval of the experimental plantings of genetically engineered rice is a grave disappointment, and a signal that the current regulatory oversight provided by the California Rice Certification Act (AB2622) needs changes. According to CRC staff, AB2622 does not allow for the rejection of any GM rice, commercial or experimental, but can only restrict it in certain ways.

Rice Producers of California (RPC) continues to advocate for adequate safeguards for the rice industry, and views this latest development as a failure of the industry to effectively self-regulate. RPC will have more to say on this issue in the near future.

RPC has engaged the GM issue for the past three years. It began with the Ventria pharmaceutical rice. RPC was the first rice group to call for a moratorium on all open-air GM rice production and restrictive testing in the state. Potential benefits for genetically engineered rice have yet to be proven and the economic risks are simply too great.



*Difficulty is the
excuse history
never accepts. --
Edward R.
Murrow*



Board Member Profile:

Ron Phelps ...

A man of experiences that can span several lifetimes

Ron Phelps recently wrapped up his first year as an RPC board member. His rice farm is in Pleasant Grove and borders Sutter and Placer County. He lives there with his wife Phyllis.

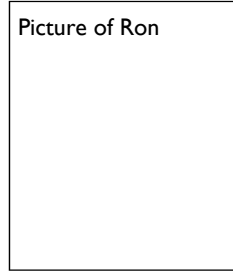
Ron spent his youth in Nevada on ranches breaking horses and in California milking cows on dairies. He had an illustrious career in the military as crew chief, flight mechanic and boom operator on numerous experimental aircraft. Additionally he served as chief flight mechanic on Air Force One and Air Force One back up.

After the military Ron worked for Air Cal and American Air Lines. During that time he purchased a ranch in the Fremont Hills and raised horses and cattle. Eventually the surrounding area became too developed and he relocated to Pleasant Grove. He has been raising rice, beef cattle and draft horses for almost twenty years.

He got involved with RPC because he recognized the importance of the issues and work that was being done. "Someone needs to speak out on behalf of the average rice farmer. RPC is an inclusive organization that tells it as is."

Ron water skis and has competed in national and regional water ski championships. He has won several events and has a water ski lake on his farm.

Picture of Ron



A thick skin is a gift from God. --

Konrad Adenauer



RPC Dismayed With USDA Approval Of Pharmaceutical Rice Permits

RPC is frustrated with the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) approval of permits to Ventria Bioscience to grow up to 3,200 acres of genetically engineered rice to produce pharmaceutical compounds that the U.S. Food and Drug Administration (FDA) has refused to approve.

Developed by Sacramento-based Ventria Bioscience, the rice is engineered with modified human genes to serve as a biofactory for production of synthetic milk proteins that have antimicrobial and other drug-like properties. Ventria has proposed using the rice-extracted protein drugs to treat infants with diarrhea, and as additives in infant formulas, yogurt, granola bars, and sports drinks, among other uses.

"We have concluded that these field releases (for the genetically engineered rice) will not present a risk of introducing or disseminating a plant pest", says a notice published in the May 17 edition of the Federal Register.

The decision came a week after tornadoes in the Kansas River Valley and heavy rains caused severe flooding in east-central Kansas, including floodwaters in an area which passes just a mile from one of the proposed planting sites. USDA had concluded in its environmental assessment that: Extreme weather events are rare

(Continued on page 4)

Seven national crimes: I don't think. I don't know. I don't care. I am too busy. I leave well enough alone. I have no time to read and find out. I am not interested. -- William Boetcker



RPC Dismayed ...

(Continued from page 3)

and unlikely to occur in the area of the field trial.

“Based on the finding of no significant impact, (APHIS) has determined that an environmental impact statement need not be prepared for these field releases,” the notice says.

The U.S. rice industry is still feeling the effects from the release of Bayer CropScience’s genetically engineered Liberty Link rice into several rice growing areas in the South. Pharmaceutical crops such as the Ventria rice varieties are the most controversial genetically engineered crops.

RPC submitted comments to the USDA opposing approval of the permits. Only 29 of the 20,034 comments APHIS received supported Ventria’s rice biopharming in Kansas.

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GMO Rice News!

RPC Gives Testimony
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