



Rice Producers of California

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**Rice Producers
of California**
Founded 1997

RPC 2006 Board

Co-Chairs:

Greg Massa
Chip Struckmeyer

Secretary and

Treasurer:
Bart Scofield

Board Members:

Kelly Ornbau
Steve Jones
Ron Phelps
Brian Gibbs
Joe Kaye
Chris Capaul

***RPC is the only
organization that
speaks solely for
the interests of
the California
Rice Farmer.***

President's Message

by Chip Struckmeyer & Greg Massa

It's 'Deja Vu' or 'Ground Hog Day' all over again. Unfortunately, we are not playing baseball and Yogi Berra isn't the manager of the rice industry. The unrelenting rain has visited us again for the second straight year and farmers are chomping at the bit to get into their fields. The weather has also muddied up the rice markets and left the rice industry in a philosophical dichotomy...with the potential scenario of less rice and acres planted why isn't the price of our commodity rising?

The Rice Producers of California (RPC) has been transitioning the past year, from a grassroots producer group that was focused on issues specific to growing the crop, to an organization that allows producers to envision the possibility that they could take back the essence of their industry by arguing that the price of rice is more important than many other challenges. Price can allow us to more effectively address many of those other issues confronting our industry.

As of January 2006, the transition period has ended. The new RPC Board of Directors was seated in February and we've begun in earnest to carry forward the work that was initiated last year. The focus of the board is to educate, communicate, and stimulate producers to realize that they need to take control and command a fair and reasonable price for their product. The 'first hand' approach to marketing is of taking responsibility. The marketing establishment simply does what it does best...sell rice. The critical responsibility of price discovery lies in the hands of the producer! If producers give their rice to someone else and allows them to set the price sometime in the future, then hasn't the producer abdicated his right to complain?

If the RPC does nothing else this year, we will endeavor to establish for the producers, the understanding that they alone must take advantage of opportunities to make a difference. Producers need to make marketing decisions that will empower them to have greater control over their finances. Producer economic empowerment will benefit all sectors of our rural communities.

So, let's ask the question again. Why is the price of rice so low? It just might be because too many producers have given their rice to others who don't necessarily have their best interests in mind! Profitability for the producer is not necessarily a factor in establishing price. Producers have also given California rice marketers the luxury of waiting 18 months before they decide what they will ultimately pay for your crop.

This is something that we should all be seriously thinking about in this period of trade and farm bill discussions, rising energy costs, and extreme weather patterns within the growing season. We fear that time may be running out.

All the best this year,

Chip & Greg

2006 Planting Report by Greg Massa

If it rains anymore we will be planting rice like they do in other parts of the world, by hand.



The sun is out and temperatures are rising, but equipment is at a standstill. After the wettest March on record (only 7 days without rain), and an almost equally wet April, farmers are growing weary of looking at soggy fields. In an average year, farmers are starting to plant the earliest fields by mid-April. This year, it is unlikely that anyone will start working ground until the first of May, and in some cases it may even be weeks after that. Worse yet, when it does finally dry out and crunch time happens, California's labor shortage may prevent some farmers from getting enough drivers to keep their tractors running.

Farmers will surely cut corners to get the crop planted more quickly, but the state's irrigation system can only flood this valley at a certain rate, so long wait times for water are anticipated. Late planting plus cut corners equals low acreage and low yields for California.

This "perfect storm" of rainfall, low rice prices, and skyrocketing input costs is causing many farmers to look seriously at their crop insurance. Insurance payments, combined with the direct subsidy and certain Conservation Security Program practices, mean that farmers could make \$400/ac, more than they could make farming rice. Farmers taking the drivers seat in their 05-06 crop marketing is key in creating a positive outcome.

RPC Biotechnology Position by Greg Massa

"Our markets are highly sensitive to the presence of GM rice, and we cannot afford to lose any markets for California rice."

Most of our efforts at RPC are focused on the economic plight of rice farmers, and related critical issues. One of these is the potential introduction of genetically modified rice to California. After the Ventria pharmaceutical rice episode of two years ago, which raised the possibility of contamination of food grade rice with an unapproved drug-producing variety; we felt that the rice industry was caught unprepared on several important issues. Our markets are highly sensitive to the presence of GM rice, and we cannot afford to lose any markets for California rice. The underlying rationale for RPC's position on biotechnology is simple: if we go down the road to growing genetically modified rice in California, we must make sure that farmer's interests are protected first.

As such, RPC has adopted the following policy regarding genetically modified rice. We welcome your comments.

New Office Location & Website

Check out our new website
www.calriceproducers.org

RPC has a new office located in the Refuge Executive Suites above the Refuge Restaurant in Colusa. Any correspondence can be mailed to us at 258 Main Street, Suite 206 Colusa, CA 95932. If you want to reach us directly you can e-mail us at rpcnews@yahoo.com or leave a message on our voice mail at 530-458-RICE.

RPC Annual Meeting by Chris Capaul

The Rice Producers of California (RPC) held their Ninth Annual Meeting on February 27th at the Refuge Restaurant and Lounge in Yuba City. Nearly 100 members and guests attended.

The highlight of the meeting was President Kelly Ornbaun introducing the newly elected RPC board of directors and officers. The RPC board members for 2006 are Kelly Ornbaun, Chip Struckmeyer, Bart Scofield (Colusa County); Ron Phelps, Chris Capaul (Sutter County); Joe Kay, Brain Gibbs (Butte County); and Steve Jones, Greg Massa (Glenn County). The officers are Chip Struckmeyer (Co-President), Greg Massa (Co-Presidents) and Bart Scofield (Secretary-Treasurer).

Greg Massa gave a presentation on the cost of rice production and illustrated it with a cost of production calculator he developed that will allow farmers to analyze their net profit, based on their personal expenses and income. This calculator allows growers to determine their price requirements and will better allow them to make marketing decisions. He also introduced the audience to RPC's position on biotechnology, commenting that if the rice industry goes down the road to growing genetically modified rice in California, it is imperative that farmer interests are protected first.

Eric Larrabee, Chairman of the California Rice Research Board (RRB) presented the findings of a three-year study that analyzed the difference between the California and Southern states rice grading procedures for medium grade. The RRB examined whether the grading system should be consistent for all states. Larrabee requested that RPC support the presentation of these findings to the California Rice Commission (CRC) for action. The CRC is being asked to support these findings and request USDA to adopt the changes.

Greg Yielding, field representative for the U S Rice Producers Association (USRPA) in Houston Texas reported on activities of the organization. He also reported on what was happening in the other rice producing states.

Chip Struckmeyer provided closing thoughts. He conveyed the RPC's desire for creating new industry paradigms because the world is changing. The primary goal is that growers must be profitable. He emphasized that producers need to recognize that they are "stewards of the marketing of their crops as well as their land". He encouraged rice producers to become involved in all aspects of the industry and join with the RPC in creating an environment in which all can succeed economically.

The American farmer is the only man in our economy who buys everything at retail, sells everything wholesale, and pays the freight both ways."

-John F. Kennedy

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