



# Texas Rice

Texas A&M University System Agricultural  
Research and Extension Center  
Beaumont, Texas

September 2002 Volume II Number 7

## U.S. Government Price Supports: Leveling the Playing Field

Agricultural production is a year round business from planting in spring, to protecting the crop from insects, diseases, and weeds during the spring and summer, to feeding the plants the right amount of nutrients at the right time to insure a bountiful harvest of high quality food, fiber, and animal feed, to harvesting the crop in late summer and early fall, to preparing the fields in the fall and early spring for the following season's production.

But agriculture is much more than this. Although rarely seen by most in our society, agriculture is a business like any other business involved with production, sales, and marketing. Agriculture entails developing viable business plans so banks will realize profit in providing credit to allow equipment purchases, seed, fertilizer, and pesticide purchases, and a bank draft of sufficient size to allow payment for fuel and equipment repairs, and funds to cover the salaries of the tractor drivers, irrigators, mechanics, crop consultants, aerial applicators, and combine operators. To be successful, a farmer must develop contracts that insure top dollar on sales. As with almost all busi-

*Given the relatively high economic contribution of the agriculture sector to US society (15% of US GNP), the money spent on the Farm Bill (ca. 0.75% to 1.14% of the Federal budget) is considerably less than one would expect.*

nesses in today's world, success as an agribusiness is often a matter of timing of sales to maximize product value, consistently delivering a high quality product to generate brand recognition, and controlling production costs while maintaining crop productivity.



U.S. families spend a little more than 10% of their disposable income on food, which is the lowest of any country in the world. We also have the highest caloric intake, at 3900 calories per person per day.

Our government, as with almost all governments around the world, supports business. The US federal budget will reach an all time high of \$2.128 trillion in 2003. Over the next 10 years, the US federal budget is expected to total \$24.087 trillion. During this same period of time, expenditures on the Farm Bill are expected to reach between \$180 billion (2002 House Agriculture Committee Report) and \$275 billion (USDA FAS web site).

A question often raised, is the Farm Bill money well spent, depends on ones perspective. Unlike many sectors of our economy, US agriculture provides a trade surplus estimated at \$18 billion for 2002. US agriculture creates 25 million jobs, which represents 17% of the US workforce, and produces \$3.5 trillion in output each year, accounting for 15% of US gross domestic annual output (2002 House Agriculture Committee Report). US agriculture insures a safe and secure food supply. The cost of food in the US is the lowest of any country in the world. Given the relatively high economic contribution of the agriculture sector to US society (15% of US GNP), the money

continued on page 4

## From the Editor...

### What's Happening Around the Rice Industry

September is a month of meetings for the rice industry. Over the past few weeks, members of the Texas rice industry have been meeting to develop a rice-industry driven visioning plan. The process is being led by Arthur Anderson, Jay Davis, Cliff Mock, and Jim Stansel, with participation from all aspects of the rice industry from producers and millers, to researchers and consultants. The goal of the visioning process is to position the industry for the future. Five committees are planned, one each for Rice Production, Marketing, Legislative Needs, Environmental Resource Management, with a Vision committee having the responsibility of integrating the information provided by the other four committees. Representatives of the Texas Rice Improvement Association, the Texas Rice Research Foundation, the Texas Agriculture Experiment Station, and the Texas Cooperative Extension met in College Station to formalize the Visioning Committee, with the other four committees already pretty much in shape. If you are asked to serve on one of these committees or to provide input, please do so. The rice industry, working with the Texas A&M University System and the USDA/ARS, has time and again together shown itself able to effectively partner together. Let's give Arthur, Cliff, and Jim a hand in getting this current activity off the ground.

Last week, the Texas Rice Improvement Association met. A major focus was a discussion on developing a brochure to highlight the capabilities of the Foundation Seed Program located at the Beaumont Center. Considerable discussion was also directed at developing ways for rice producers to partner more effectively with rice millers. When conventional long grain varieties are developed at the Beaumont Center, their fate is primarily determined by their yield and milling quality. They either make it or they don't. When a specialty-rice is developed, its fate can be determined by how well it is accepted and marketed by millers.

Last week, the Texas Council on Agricultural Research, Extension, and Teaching (Texas CARET) met



with administrators from the Texas A&M University System. It was good to see the amount of unity for agriculture around the tables. Representing the rice industry were Jack Wendt and Loy Snear.

Last week, our County Extension Agents met with the District Nine Texas Cooperative Extension Director and with the Soils and Crop Sciences Associate Head for Extension to discuss the need for filling Dr. Arlen Klosterboer's position. Dr. Mo Way returned from the meeting impressed with the uniform support shown by our Extension Agents for an individual whose major responsibility will be rice. A committee chaired by Garry McCauley is looking at the research needs for Arlen's replacement.

On Friday of this week, the Texas Rice Research Foundation and the Texas Rice Producers Board will also meet. The TRRF continues to work closely with the University and with USDA to insure the quality of research developed at the Beaumont/Eagle Lake Center.

If this schedule has not been busy enough, please plan on attending the upcoming Texas Rice Festival that will be held in Winnie Texas on October 4-5. Hope you enjoy this issue of Texas Rice. Please continue to send us your suggestions.

Sincerely,

A handwritten signature in black ink that reads "T. T. Wilson".

Ted Wilson

Professor and Center Director

### Inside This Issue

*Cover Story:*

*U.S. Government Price Supports*

Mexican Rice Borer .....	3
Grower Profile: David LeCompte .....	8
Researcher in the News: AFPC .....	11
State, National and International News .....	15
2002 Rice Crop Update .....	16
Stain Issue Resolved .....	16

*Texas Rice* is published 9 times a year by The Texas A&M University System Research and Extension Center at Beaumont. Interviews, writing and layout by Jay Cockrell and Joel Pace. Editing by Ted Wilson, Jay Cockrell and Tammy Tindel. Technical support by Jim Medley. Information is taken from sources believed to be reliable, but we cannot guarantee accuracy or completeness. Story ideas and comments are encouraged.

# Farming Rice

## a monthly guide for Texas growers

*Providing useful information to Texas rice growers, so that they may increase productivity and profitability on their farms.*

### Mexican Rice Borer - A Growing Threat to Rice and Sugarcane

Since its introduction from Mexico around 1980, the Mexican rice borer (MRB) has been under the watchful eyes of entomologists throughout the rice belt. In the late 1980's, Dr. Harold Browning developed an interest in the northern movement of this insect and its wide range of hosts.

Dr. Mo Way began working with Dr. Browning at Weslaco, and in the late 1980's a formal tracking program began. The first MRBs were found in the southern tier of the Texas rice belt in 1989, caught with pheromone traps in Calhoun County. Dr. Way continued monitoring MRB movement after that and discovered more cases in Matagorda and Jackson Counties. In the early 1990's, farmers started to notice more rice borer damage in their fields and notified Dr. Way. The first reports were primarily of damage to ratoon rice, but damage to the main crop started to occur as well.

In 1998, Dr. Way resumed the MRB trapping program with Dr. Gene Reagan from Louisiana State University, to gain more information about this insect's life cycle and movement. Dr. Reagan is concerned with tracking the MRB, due to the fact that sugar cane is extremely susceptible to borer damage. An infestation in Louisiana by the insect could cause irreparable damage to the industry in that state.

With funding from the Texas Rice Research Foundation, a 3-year grant from the United States Department of Agriculture, and donations from agricultural chemical companies, Drs. Way and Reagan began conducting studies in Ganado. With the rice borer problem growing, many farmers lent their support with

the trapping program and placed traps in their fields. The traps give excellent insight into the movement of the borer throughout the state. By 2001, trapping revealed the presence of MRBs in most rice producing counties west of Harris County.

MRBs are a threat to rice plants due to the way that the insects feed. Adult moths lay eggs in a loose mass primarily on dead or senescent foliage. The larvae that hatch from the eggs move to the junction of the sheath and the leaf blade of the rice plant. They crawl into the sheath and bore into the stem to feed, producing whiteheads or dead panicles. In addition to whiteheads, Dr. Way found that the insects can bore into the boot and feed on florets resulting in damage to panicles. This can result in yield loss, while damage to plants at earlier stages of maturity can result in decreased vigor.

The experimental plots in Ganado, grown in cooperation with Jack Vawter, Marvin Lesikar, and Dr. Way's support staff, composed of Glenn Wallace, Mark Nunez, and Hance Harper, were established to conduct pesticide application timing studies on rice at various developmental stages during the growing season. The

varieties tested included Cocodrie, Jefferson, Priscilla, CL121, and the hybrids XL7 and XL8. These varieties were grown in 16-foot rows and planted 6 to 10 rows wide to allow for sampling and monitoring of the plants. The plots were grown with and without the seed treatment Icon 6.2FS, and each plot was sprayed at a different time. Treatments included fo-



Mexican rice borer pheromone trap located on David LeCompte's land in Galveston County. Growers throughout the rice belt assist in entomology research by maintaining MRB traps in their fields.

*continued on next page*

## MRB continued...

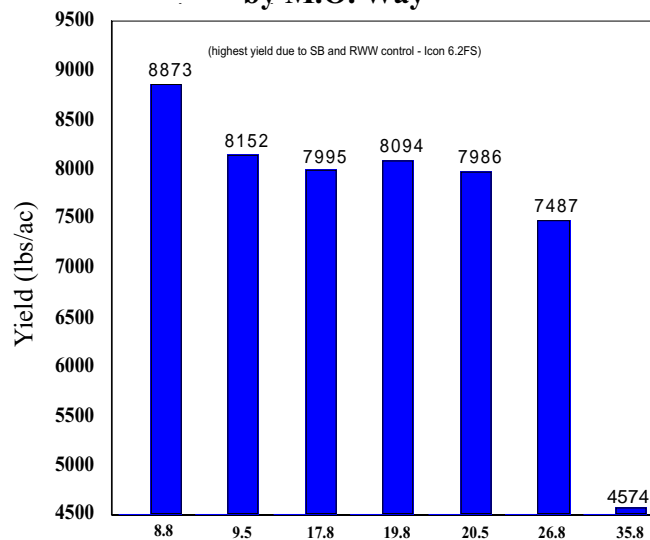
lar applications of Karate Z at 2 weeks post-flood, at panicle differentiation, 2-4 inch panicle, at boot, and at heading. Control plots were left untreated and whiteheads were counted in 4 of the 10 rows in each experimental plot. Some of the untreated plots had as many as 100 whiteheads in the 4 rows counted. This type of experiment provides data on stem borer control and the sensitivity of rice to MRB damage at different stages of rice development.

According to Dr. Way, post-flood applications of Karate at early to late boot appear to be the best time to achieve optimum control due to an increase in rice borer activity after the flood. The seed treatment Icon 6.2FS led to increased yields due to partial stem borer and excellent rice water weevil control. In the untreated plots, research revealed that Jefferson and the hybrids XL7 and XL8 had significantly fewer whiteheads than did Priscilla and Cocodrie.

In the future Dr. Way plans to continue to track MRB movement, explore experimental pesticides for their effectiveness in controlling the pest, and further evaluate the yield loss due to MRB infestation - in both the main and ratoon crop. \*

*Article by Joel Pace*

### Yield Response to Stem Borer and Rice Water Weevil Control Ganado, TX 1999 by M.O. Way



Number of whiteheads in 4 rows of 16 ft plot

The bar on the far left shows the highest yield achieved (8873 lbs/ac), which was due to partial control of stem borers and excellent rice water weevil control using Icon 6.2FS. The five bars in the middle represent the yield response when other pesticides were used to control only stem borers, and the bar on the far right represents yields from untreated plots.

## Government Price Supports continued..



American consumers eat out more frequently than consumers in most other countries, with 50% of our food budget spent in restaurants. This may be due to the high number of single parent families, or the large number of households where both parents work outside the home.

spent on the Farm Bill (ca. 0.75% to 1.14% of the Federal budget) is considerably less than one would expect.

The new Farm Bill as some have indicated provides a safety net for many farm commodities, including rice. Although falling far short of what many sought, without this support, many commodities could no longer be economically produced in the US. Some argue that government price support is the reason US consumers pay so little for food.

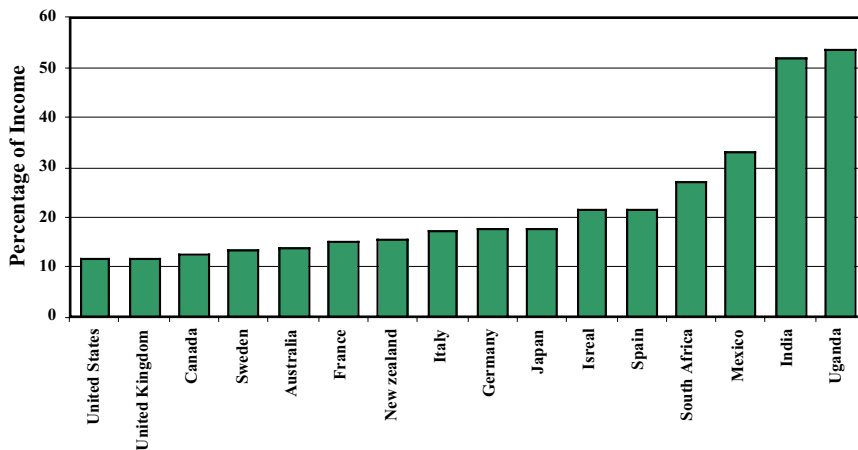
Some also argue that if we add the cost of the price support to the weekly food bill that US families would actually pay far more to put food on the table.

Examination of the numbers presents a very different story. The Farm Bill will cost the average US family \$17.81 per month or \$213.78 per year in 2003. This cost represents 0.51% of the average annual income of an American family. These numbers suggest that the average American family is spending 10.5% of their income on food instead of the 10.0% estimated by the latest statistics from the USDA Economic Research Service. However, as with most federal legislation, these numbers are somewhat misleading. Our farmers will not receive all of the money earmarked for the Farm Bill. In fact, they will receive only about 29% of the funds earmarked for the Farm Bill. The remaining 71% provides support for the Food Stamp Program, the Children Nutrition Programs, the Women, Infant, and Children Care Pro-

*continued on next page*

## Government Price Supports continued...

**Percentage of Disposable Income Spent on Food by Nation, 1998**



gram, and a range of USDA Programs. The bottom-line is that funding provided to producers through the Farm Bill costs the average US family \$5.21 per month or \$62.53 per year in 2003. This cost represents 0.15% of the average annual income of an American family. Or looking at it a little differently, that's about \$0.17 per family per day. Not much of an increase, and still far less than is paid for food in all other countries of the world.

### Costs of Food Internationally

In 1998, R. L. Kohls with Purdue University presented some interesting food price statistics for a few countries around the world. At the time of the report, the average Canadian family spent 12.4% of their disposable income on food. Food cost statistics for Great Britain (17.5%), Germany (17.7%), and Japan (17.8%) were all considerably higher than food costs in the US. Many other countries spend an even greater amount of their income on food. An average family in Mexico spends 33.2% of their income on food. Further down the ladder, India (52%) and Uganda (53.7%) spend five times as much of their income on food than we do in the US (See the preceding figure derived from Kohl 1998 and Martz and Moellenbeck 2000).

Why do families in other countries pay more for food? Part of the increased cost can be explained by lower production efficiencies. The large scale farming that is so prevalent in the US and in a few other countries such as Australia, Brazil, and Chile offers an economy of scale that is not possible for smaller farming operations. Part of the increased cost is due to price supports and tariffs. In Japan, the govern-

ment subsidizes rice farmers US \$2,500 for each ton of rough rice they produce. On top of this, if the US exports more than 660,000 tons of rice to Japan, an import tariff of \$3,250 per ton is imposed on the excess. In the European Union, the general import tariff for a metric ton of milled long grain US rice is US \$405.18. In contrast, the US imposes a \$14 per metric ton general import tariff on semi-milled or wholly milled long grain rice.

Are these import restrictions justified? Japan's price supports for rice are structured to maintain agricultural production

by providing an incentive to growers to not sell their land to developers. The European Union similarly has a goal of maintaining their nation's agricultural infrastructure.

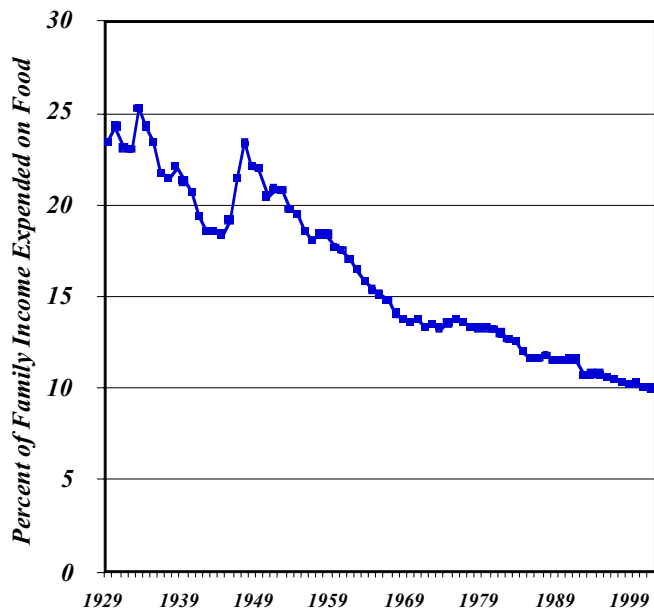
By US standards, agricultural commodity price supports and tariffs imposed by US trading partners in Europe and Japan (and many other countries) are astronomical. This inequity presents major problems for US agricultural producers. You could equate tariff/price support differences of this magnitude to playing a football game where the opposing team is spotted four touchdowns. Although US agricultural producers are highly competitive, it is amazing that they are able to export as much as they do to some countries. While families in many developed countries pay for



In many European countries, especially Italy and France, wine is traditionally served at every meal and the annual consumption of rice is 8.5 lbs/person. Compare that with Myanmar, the Asian country believed to be the origin of rice cultivation, where the annual consumption of rice 469 lbs/person.

continued on next page

## Government Price Supports continued...



the government support through increased food costs, these countries reap the benefits of a strengthened agricultural infrastructure. In contrast, the low level of subsidies in the US provides only a limited amount of protection for US agriculture.

### Historic Trends in US Food Costs

It was not that many years ago when US families paid a far greater part of their income for food than they do now, as is illustrated by the preceding figure (derived from USDA/ERS 2002 report). At the time of the great depression, an average American family spent 23% of their income of food. With the exception of a brief rise during the years immediately following WWII, the cost of food in the US has steadily decreased since the early 1930's.

What is also interesting is the percent of market



In the Phillipines rice is often served on banana stalk sheaths, especially when feeding large groups of people.

shelf price for food that is received by farmers. A producer receives about 20% of the shelf price of milled rice. In contrast, a farmer receives about 3% or 4 cents for each loaf of bread that is sold at the market. The remaining \$1.26 - \$1.46 is paid to the middlemen involved with the production, distribution, and marketing of the bread.



Robb Kendrick

It has been argued that if price supports and tariffs were abolished in the US and in our trading countries, this would result in a slight increase in the cost of food to both US and foreign consumers. Burfisher et al., in a February 2001 USDA Economic Research Service Report, shows that while US agricultural tariffs and price supports represent on average about 12% of the import value of agricultural commodities, the global average is 62%, or five times that of US agricultural tariffs and price supports. US combined agricultural commodity tariffs and price supports are low compared to many of our trading partners; 21% for the European Union, 24% for Canada, 33% for Japan, and 152% for Norway are examples. Quoting from the February 2001 USDA/ERS report, "High import tariffs imposed by U.S. trade partners are a significant impediment to U.S. agricultural export growth." Global relaxing or eliminating of tariff directed at agricultural commodities would increase world trade and US agricultural exports. Citing from this same report, "Distortions from agricultural tariffs, domestic support, and export subsidies cause world agricultural prices to be 12 percent below the level they would otherwise be." A 12% increase in a producer's gross revenue would equate to an even greater impact on net income. But, history suggests that a unilateral relaxing of trade tariffs by a single country, such as the US, would not have the desired impact. At worst, it would seriously jeopardize

continued on next page

## Government Price Supports continued...

dize US agricultural production and ultimately US food security. For world agricultural trade barriers to come down will require the concerted effort of a large number of countries. Or if an argument is made that agricultural trade barriers are necessary for countries to maintain their agricultural infrastructure, then the US would need to follow suit by imposing matching agricultural trade barriers. If this is not done, the inevitable outcome is that US agriculture will continue to suffer.

Many countries and a significant number of our US politicians place the blame for agricultural price distortions on US price support and US agricultural commodity import tariffs. The figure on the right reproduced from the February 2001 ERS report shows that US policies contribute some to world price distortions. Still, the US is the larger exporter of agricultural goods, and we only contribute 15% to the overall global agricultural price distortions. The reason US producers would benefit from relaxing world price supports and tariffs is because US tariff and subsidy distortions are less than imposed by most other countries.

### Trends in US Agricultural Acreage

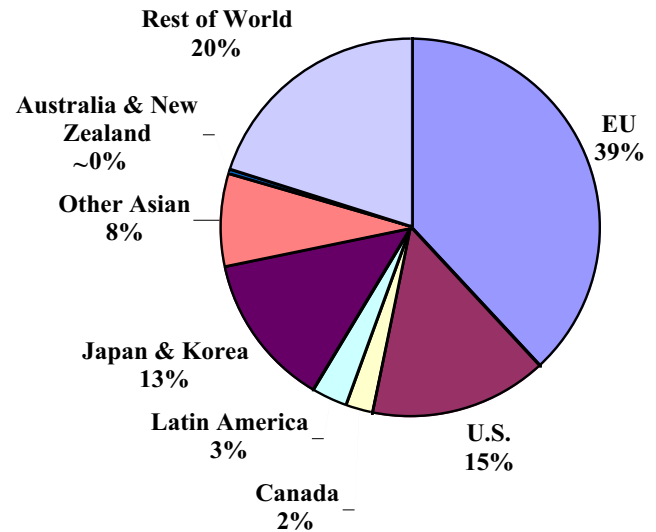
The modest price supports and tariffs provided by the US government and the greater efficiency of US agricultural production are not sufficient to provide a level international playing field and prevent the erosion of US agricultural infrastructure. During the past decade alone, US farm acreage decreased by 3%. The number of farmers that have been forced to choose other ways to make a living has decreased by an even greater amount. Without equitable price supports and tariffs, it is likely that the decrease in agricultural land will continue.



Families in India spend 52% of their income on food, trailing only behind Uganda at 53.7%. In India the annual consumption of rice is 177 lbs/person.

Is the US as a nation willing to put measures in place to maintain agricultural production as an important part of our economy? Or, is our nation willing to become dependent upon agricultural

### Economies Around the World Contribute to Ag Price Distortions from Tariffs and Subsidies



production from other countries? Without a level international playing field for agricultural commodities, price support in the US is not sufficient to provide our farming families an income that will afford them the amenities of life shared by a large percentage of non-farming US families. The question is not whether food price support is necessary, but one of determining how much price support is needed to protect our food producers and our food supply from unfair competition brought about by unequal agricultural trade restrictions. Like other business in our country, US agricultural producers have shown they can compete with the very best from any country, sometimes even when the playing field is leveled against them.

But, US agricultural producers cannot succeed in the long run when faced with global price supports and agricultural produce tariffs that are five times the level imposed in the US. Until international trade inequities are fixed, it behooves the nation to make agricultural production, stability, and security a high priority. After all, US farmers provide the safest, most reliable and lowest cost food of any country in the world. We must keep our agricultural system strong so Americans may never be dependant on foreign food imports to feed our own people. \*

*Article by Ted Wilson*

*I would like to thank Jay Cockrell for obtaining the Japanese and European tariff estimates and the pictures, Jim Medley for reproducing the international cost graph and price distortion graph, and Jack Wendt for providing useful additions and suggestions.*

## Grower Profile...

# David LeCompte and Halls Bayou Ranch

## A Partnership That Works Well For Farmers, Landowners and Sportsmen

*David LeCompte is one of five producers that make a living share farming rice with Bobbie Briscoe Moore, owner of Halls Bayou Ranch.*

Fifty years ago Bob Briscoe and two partners bought the J.D. Hughes ranch in Galveston County and began farming rice. With 15,000 acres to work with, they leased some of the land out and entered into share cropping agreements with local farmers. Eventually Mr. Briscoe purchased another 9000 acres of rice land that became Briscoe Production Company.

Mr. Briscoe passed away in 1970, and in 1983 his daughter Bobbie took over management of the two companies, endeavoring to continue the farming relationships her father had begun. In the late 1980's, though, the price of rice fell and production costs continued to rise. While many companies simply went under, Bobbie was determined to find a way to stay in business, out of loyalty to her father and to the farm families that depended on her company for their livelihood.

Her solution was to create an environment where farmers, ranchers and hunters could co-exist *and* benefit each other in the process. Improvements were made to the property that would attract annual water-

Cattle are another important enterprise at Halls Bayou Ranch. In addition to their market value, they also keep the grass low on roadways and improve the soil.



David LeCompte and his youngest son Davey, preparing for a long day on the combine.

fowl, such as ponds and reservoirs, and crops were managed in such a way as to provide habitat and food for the birds. Obviously, managing all these factors was a gigantic task, and in 1999 Bobbie hired Mark Strickland full time as Farm Manager for the two operations.

Mark had worked for Bobbie in the past, and really knew the hunting end of the business. He immediately went to work on a 130-acre reservoir and entered into several projects with Ducks Unlimited to further improve the property. Mark also works with ranchers who lease portions of the land to run cattle, which Mark says helps improve the soil and keeps the grass down along roadways and ditches.

Currently, there are around 50 hunting/fishing memberships on Halls Bayou Ranch. The individual member fee is \$2000 a year and the corporate membership is \$5000 a year. This includes hunting throughout the season and fishing year round, either in the freshwater ponds or in West Bay, which adjoins the property. Usually around 5000 acres is set aside for dove hunters, who pay \$200 to hunt for the two month season, from September 20<sup>th</sup> through November 3<sup>rd</sup>.

Managing the needs of the farmers, hunters and cattlemen can be tricky at times, but Mark says there are strict rules to follow and he enforces them to the letter. If a hunter gets out of line and disrupts the farmers operation, they are ejected from the lease with no refund.

continued on next page



## Grower Profile continued...

Mark uses his water resources to the maximum efficiency to benefit the farmers and hunters. “When we drain a rice field to prepare for harvest, that water goes into one of the reservoirs or ponds,” said Mark. If the farmer decides not to harvest a second crop, Mark may put water back on but not fertilize the field, simply to provide a food source for the overwintering birds. There is a drainage basin at one end of the property, and if the reservoirs get low, he may pump water from the basin to keep his farmer’s needs supplied.

There is also a 600-acre exotic game ranch on the Briscoe Production Company property that boasts axis deer, black buck antelope, hogs, addax, elk and sika. Hunters pay for the animals they take out, ranging from \$1500 for an axis buck to \$3000 for an elk buck. There is no time limit on the hunt, and since Mark caters to bow hunters, sometimes it may take as long as a week to bag the prize. The remainder of the Briscoe Production Company property is devoted to leased rice land and seasonal dove hunters. Mark only sells one dove hunting membership for every 100 acres of land, to make sure there is not a problem with overcrowding.

At Halls Bayou Ranch, the members may hunt by field maps, or request a guide, as is often the case with the corporate memberships. Mark serves as hunting guide in addition to being Farm Manager, as he knows the property well, including the location of all 28 waterfowl structures. In the West Bay, he can put members right on the trout, redfish or flounder, depending on the time of year.

In the three years since Mark became Farm Manager, the company has quadrupled its income from hunting, with much of these funds going back into improvements and equipment that directly benefit the farmers. But with all his experience in hunting, Mark

The many duck ponds on Halls Bayou Ranch provide excellent habitat for migrating waterfowl. Duck blinds, such as the one shown, are scattered throughout the ponds.



Milo is planted to attract doves, which in turn attracts dove hunters, making this particular field much more profitable to the producer.



admits to having little knowledge of rice farming. “That hasn’t proven to be a problem,” said Mark, “All our farmers are veterans, and they know their business very well.” Mark meets with his growers often to discuss strategies, including water needs and plans for the coming season. “Many of these men are second generation farmers whose fathers farmed with Bob Briscoe back in the 50’s.”

This is the case with David LeCompte, whose dad started farming with Briscoe during WWII. David is the oldest of 16 children, and three of his eight brothers have been involved in rice farming. When David graduated from high school in 1970, producers were still under the allotment system, so there was no room for him to enter the family farming business. He went on to college at Texas A&M and studied Wildlife Biology for three years. He came home in 1974 and worked for a while in retail before he got an opportunity to start farming rice with Bob Briscoe.

The share cropping arrangement David has with Halls Bayou Ranch means that he provides labor, most of the equipment, and half of the chemicals, fertilizer, and air applications fees. The company provides the land, water, seed and the other half of the needed inputs. Once the rice is harvested, the crop is split 50/50. “With the resources I have available,” said David, “this is the only way I can turn a profit farming rice.”

David has grown only Cocodrie for the past few years, but remembers a time when Lemont was the variety of choice. He plans to try Francis in the future, as it shows promising yield, disease resistance, and lodging resistance. He is looking for a new variety due to problems with Cocodrie sprouting in the field, and

continued on next page

## Grower Profile continued...



David with his daughter Angela, and younger brother Richard, a great example of how family is very much a part of farming.

occasional lodging, even after he cut back on the fertilizer.

David relies on his Helena Chemical Rep to troubleshoot problems and make chemical and fertilizer recommendations. He averages 45 - 50 barrels an acre, with the most serious threats coming from rice stink bugs and fall army worms. After hog poaching was outlawed, they had a population explosion that resulted in heavy damage to his fields. For the past few years, though, his brother Richard has been diligently running traps and the hogs are no longer causing significant damage.

David and his wife Barbara have 6 children; Aimee (29), Angela (26), Bobbie (23), Brigid (20), Colleen (17), and their adopted boy Davey who is 5. The chil-



Bird hunting in Texas rice fields benefits both farmers and hunters. It allows sportsmen the opportunity to harvest birds while at the same time controlling bird damage in late season fields.

dren help out on the farm, driving tractors to assist with the planting and harvest. They are devout Catholics, and often make it to Mass every morning. David and his wife participate in religious retreats, and often take the whole family to travel for specific events across the country. David is proud of the fact that American farmers grow enough food to feed our people, and still have surplus to share with third-world countries who are less fortunate. Regarding his farming relationship with Bobbie Moore, he is grateful for her dedication and loyalty. "Ms. Moore is one of the finest people I know," said David "and when things got hard she never gave up, mainly because she didn't want to let us down."

Bobbie's dedication is evident by the success of Halls Bayou Ranch and Briscoe Production Company. Through innovation, and the hiring of talented people like Mark Strickland, Bobbie has created a win-win situation for everyone. While making a good living, the farmers provide habitat and food for the waterfowl, which benefits the seasonal hunters, which keeps Bobbie in business. Therefore, she in turn can take care of her farmers and complete the circle of success. \*

*Article by Jay Cockrell*

### 2002 Hunting Regulations for Doves and Teal

#### Seasons:

#### Mourning Dove

Central Zone: Sept. 01 - Oct. 29 and Dec. 26 - Jan 5  
South Zone: Sept. 20 - Nov. 3 and Dec. 21 - Jan. 12

#### White Winged Dove

Special South Texas Zone: Sept. 7-8, 14-15,  
and Sept. 20-Nov. 3, Dec. 21-Jan. 10.

**Teal** - Statewide (all counties) - Sept 14 - 22

**Geese** - The dates for goose season will be released by Texas Parks and Wildlife pending approval by the federal government. For updates call 800-792-1112.

#### Regulations:

Shooting hours for all zones are 1/2 hour before sunrise to sunset. Bag limits for the central and south zones are 12 mourning, white-winged, and white-tipped doves in the aggregate including no more than 2 white-tipped doves per day. Possession is twice the daily bag limit. For more information visit Texas Parks and Wildlife on the web at <http://www.tpwd.state.tx.us>

# Research in the News...

## The Agricultural Food and Policy Center

*Agricultural Economists work behind the scenes to help legislators implement policies that will maximize farmer profits.*

The Agricultural Food and Policy Center (AFPC) was created by the Texas A&M University System Board of Regents in 1983. In the land-grant university tradition, the AFPC was established as a joint activity of the Texas Agricultural Experiment Station, Texas Cooperative Extension, and Texas A&M University.

Abner Womack has been the Director of the AFPC since 2000, when he took over for Ronald Knutson, who is semi-retired but still active in the organization as an extension economist in agricultural policy and marketing. Other AFPC economists include Joe Outlaw, James Richardson, David Anderson and Steven Klose. Ed Rister, who has done extensive work for the Texas rice industry, serves as a consultant to the Center.

AFPC is part of a consortium that includes three other institutions. The Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri and Iowa State University provides commodity prices to AFPC for analyzing the farm-level impacts of specific policy proposals. Dr. Andy Novakovic, at Cornell University, cooperates in analyzing dairy policy issues. The Economic Research Service/USDA also cooperates on farm costs, returns, and structural and policy relationships.

AFPC conducts analyses of the impacts of proposed government policies on farmers, agribusinesses, taxpayers, and consumers. Its primary constituency is the U.S. Congress, particularly the Agricultural Committees. The AFPC also conducts research and educational programs for government agencies, farm and agribusiness organizations and producers throughout Texas and the nation. Specific AFPC objectives include:

- Respond to legislative requests for analyses of agricultural and food policy options.
- Identify and define emerging agricultural, resource and food policy issues.

- Identify and clarify agricultural and food policy options.
- Analyze the impacts of changes in macroeconomic policy on agriculture.
- Develop educational programs and publications to explain the results of AFPC research and improve understanding of policy options and their consequences.
- Provide leadership in developing new scientific methods for analyzing public policy issues.

While AFPC is prepared to deal with most agricultural and resource policy issues, the faculty has developed special expertise and an extensive track record of accomplishments in areas such as crop program analysis, farm-level impacts, regional impacts, livestock policy, dairy policy, environmental resource policy, and rural development policy.

One such area of expertise of special interest to farmers is the FARM Assistance (**Financial And Risk Management Assistance**) Program, an innovative computerized decision support system which is designed to provide agricultural producers and agribusinesses with sound decision-making information on alternative production, marketing and financial management strategies. AFPC economist Joe Outlaw helped design the program and currently serves as Co-Director.

A valuable tool for farmers, the FARM Assistance Program evaluates the potential impacts of business decisions before they are implemented. Some of these strategic decisions include changing the size of the operation and/or livestock inventories, altering current land lease arrangements, changing current crop and livestock mix, deciding to lease or buy equipment, changing debt structure, and purchasing Multi-Peril Crop Insurance or Crop Revenue Coverage. Risk management economists will tailor FARM Assistance analyses to address these and other questions asked by individual producers.

FARM Assistance allows producers to analyze their operations up to ten years into the future by linking actual production and financial data from the farm or ranch with long-term projections of prices, yields, interest rates, and inflation rates. It provides realistic

*continued on next page*

## Researcher in the News continued...

projections because it uses the producer's specific history to project their operation's future variability.

For a \$250 subscription fee, participants receive individual, confidential service from a risk management economist in their geographic area. The components of this service include setting up the farm or ranch for FARM Assistance, ongoing assistance from the risk management economist during the data-gathering process, determining specific farm/ranch business alternatives for analysis, a professional, easy-to-understand FARM Assistance report

and interpretation by a risk management economist, identification of how alternative strategic decisions impact the business under risk, and follow-up access to the risk management economist to assess additional alternatives as needed.

Equally important to producers, yet on a farm level/regional scale, is the **FLIPSIM (Farm Level Income and Policy Simulation Model)**, developed by James Richardson and Clair Nixon, with input from Ed Smith, Ron Knutson, Joe Outlaw, David Anderson, and numerous former students in the AFPC.

FLIPSIM is a simulation model that uses accounting equations, identities, and probability distributions to simulate the annual economic activities of a representative or actual farm over a multiple year planning horizon. Version 1.0 of the FLIPSIM model was released March 1981 and used at that time to analyze the impacts of farm policy on the structure of cotton and wheat farms in Texas. Since then, the model has been expanded to simulate a wide range of alternative farm programs, risk management strategies, technologies, and income tax provisions. Following the passage of the 1985, 1990, 1996, and 2002 farm bills, the model was used extensively to address farm program implementation issues such as conservation compliance, flex, marketing loans, and counter cyclical and direct payments. FLIPSIM is presently capable of simulating crop farms that also have dairy and livestock (cattle, hogs, sheep, hair goats and meat goats) enterprises.

FLIPSIM simulates the annual activities of a representative farm or ranch using price projections from

sector models and assumptions regarding policy options. Actual farm information is obtained from a panel of producers in a 3 to 4 hour session where the panel members provide information on size of the operation (acres, head, etc.), tenure (acres owned and leased) and asset values, enterprises (crops, livestock, dairy, etc.), costs of production for each enterprise, fixed costs for the overall operation, yields and a history of yields and farm program participation, and machinery complement and replacement strategy. The model in-

corporates actual price and production risk faced by the farm by using historical yields and livestock production information. Price projections from

FAPRI are made probabilistic by incorporating historical price distributions. Thus the model is capable of simulating representative farms under risky conditions faced by actual farms and ranches.

Following passage of the 2002 Farm Bill, AFPC released its Base and Yield Update Option Analyzer (BYA). The new farm bill provides farmers a one-time opportunity to update their base acres and payment yields on all covered crops for purposes of calculating government payments. Base acres (or PFC acres) have been frozen since 1996, and soybeans and minor oilseed crops have never had a base. This is the first time since 1985 that farmers have had the chance to update their payment yields.

The BYA is available on the AFPC web site at [www.afpc.tamu.edu](http://www.afpc.tamu.edu). Producers enter their historical planted acres and yields and the analyzer calculates their new base acres and payment yields. The AFPC BYA uses the official FSA database for a similar farm's payment yield and county average yields, so producers do not have to look up these values prior to using the analyzer. The BYA has been used more than 40,000 times since the first of August to analyze more than 20 million acres.

APFC has worked closely with the Deputy Administrator for Farm Programs in FSA to incorporate the actual implementation rules into the BYA. AFPC scientists traveled to Washington DC on five different occasions to make sure the calculations were correct

continued on next page

## Researcher in the News continued...

given FSA's interpretations of the law. FSA has named the BYA the official base and yield analyzer and intends to put it on the FSA web site in September. Also, FSA plans to put the BYA in each of the county offices to reduce the county office workload.

Another feature of the AFPC BYA that makes it different from Excel spreadsheet calculators offered by extension economists in other states, is that the BYA includes a risk analysis of the base and yield update problem. Using AFPC's extensive experience in the area of risk analysis, the BYA was designed to address the risky counter cyclical payment rate problem inherent in making the base and yield update decision. The fact that the counter cyclical payment rates are risky adds a new dimension to the problem of updating base and yield that cannot be addressed by a constant price analysis model.

BYA, FLIPSIM and Farm Assistance are three examples of the how the Agricultural Food and Policy Center faculty and staff are working to help producers make a better living in their farming or ranching enterprises - either through direct assistance or by helping legislators make policy decisions that will most benefit the agricultural community.



### AFPC Faculty and Staff

Abner W. Womack is a professor and director of the Agricultural and Food Policy Center in the Department of Agricultural Economics at Texas A&M University. Prior to his current position, he was the co-director of the Food and Agricultural Policy Research

Institute (FAPRI) at the University of Missouri-Columbia, where he worked for 21 years. He joined the faculty at Texas A&M in September 2000. Dr. Womack received a B.S. and M.S. degree in Mathematics at Auburn University. He received a Ph.D. degree in Agricultural Economics at the University of Minnesota.

Ronald D. Knutson is the previous Director of the AFPC, and currently serves as a Regents professor and extension econo-



Ronald Knutson

mist in agricultural policy and marketing. Dr. Knutson received his B.S. and Ph.D. from the University of Minnesota. He received his M.S. at Pennsylvania State University. In 1971, he went to Washington, D.C. to serve as chief economist in the Agricultural Marketing Service of USDA. In 1973, he was named Administrator of the Farmer Cooperative Service. In 1975, he went from that position to Texas A&M University. Dr. Knutson is the author of over 600 publications on agricultural policy and marketing.

Dr. Joe Outlaw is an Associate Professor and Extension Economist in the Department of Agricultural Economics at Texas A&M University. His research and extension education activities are in farm management and agricultural policy, focusing on issues relevant to Texas crop producers. Outlaw is the Co-Director of the Texas Cooperative Extension program, FARM Assistance. Dr. Outlaw received his B.S., M.S. and Ph.D. degrees from Texas A&M University, all in Agricultural Economics.



Joe Outlaw

Dr. James W. Richardson, Professor of Agricultural Economics and TAES Faculty Fellow, has research and teaching responsibilities in public policy and simulation analysis. Richardson's research has attracted international recognition by emphasizing quantitative policy analyses through the use of farm-level simulation models (FLIPSIM). Richardson's research involves quantitatively evaluating the impacts of policy changes and technology on the economic viability of agricultural firms, farm structure, and competitiveness of U.S. agriculture. Richardson received degrees in Agricultural Economics from New Mexico



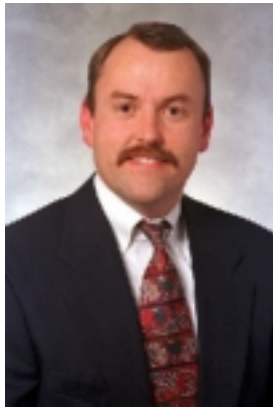
James Richardson

continued on next page

## Researcher in the News continued...

State University and Oklahoma State University.

Dr. David Anderson is an Associate Professor and Extension Economist in the Department of Agricultural Economics at Texas A&M University. His research and extension education activities are in farm management and agricultural policy, focusing on relevant issues for Texas producers. He is the economist for Texas Cooperative Extension District 9 (Southeast Texas). Anderson is the coordinator of the Texas Extension Crop and Livestock Budgets and the Texas County Agribusiness and Value Added Estimates. Dr. Anderson's program focuses on the impact of alternative farm programs on the livestock and dairy sectors. Dr. Anderson received two degrees in agricultural economics at the University of Arizona and earned a Ph.D. in Agricultural Economics at Texas A&M University.



David Anderson

Dr. Steven Klose is an Assistant Professor and Extension Economist in the Department of Agricultural Economics. His extension activities are focused on the support of the Texas Risk Management Education Program. He works in the areas of applied policy research and farm level simulation modeling, and is responsible for the research, design, and development of the FARM Assistance Model. Steven is an Aggie, class of 1992, graduating Magna Cum Laude from Texas A&M University with a B.S. in Agricultural Economics. He also earned M.S. and Ph.D. degrees in Agricultural Economics at Texas A&M.



Stephen Klose

Dr. Ed Rister is a consultant to the AFPC and professor in the Department of Agricultural Economics, specializing in production economics and farm management. Specifically, he evaluates the impacts of farm policy decisions on Texas rice producers. Recent research interests are in the area of developing computer support systems to facilitate negotiations of fair share

rental arrangements for landowners and operators.

Some of his other research efforts at Texas A&M University have been concerned with the economics of alternative crop mixes, grain marketing strategies, optimal input levels (fertilizer, irrigation, water), economics of rice quality, impacts of lender credit criteria on producer viability, and farm machinery replacement policies. Rister received his B.S. and M.S. from Texas A&M University and Ph.D. from Michigan State University, all in Agricultural Economics. \*

*For more information contact the AFPC  
at 979-845-5913*



Edward Rister

## Chambliss Examines Crop Insurance Performance

Washington, D.C. - Risk Management Subcommittee Chairman Saxby Chambliss (R-GA) convened a hearing September 18<sup>th</sup> to review USDA's implementation of crop insurance reforms enacted by the "Agricultural Risk Protection Act of 2000," as well as the overall effectiveness of the Federal Crop Insurance Program as a risk management tool for producers.

"Since the enactment of the 2000 crop insurance reform measure, participation in the program has increased. We have seen a number of positive results of the legislation. But there are also some areas of the crop insurance program with room for improvement. In light of discussions surrounding disaster assistance, we hope to understand if the crop insurance program is fulfilling its role as a tool for managing risk," said Subcommittee Chairman Chambliss.

The September 18<sup>th</sup> hearing is the second crop insurance oversight hearing of the General Farm Commodities and Risk Management Subcommittee this year. "This hearing has reassured me that since Ross Davidson came on board as Risk Management Agency Administrator in the spring of this year, he has become familiar with those impacted by the program and ways this risk management tool can be improved" said Chambliss. \*

# State, National and International News...

## APPROPRIATIONS AND THE BUDGET DEFICIT

USRPA - In the upcoming weeks Congress is expected to make crucial decisions on a number of difficult issues clogging the congressional docket. While keeping an eye on the partisan winds and another on the polls leading up to November, the Members must also complete work on the 13 FY2003 appropriations bills that keep the government in operation after September 30.

Of utmost importance to farmers, the House Appropriations Committee approved its version of 2003 agricultural appropriations on July 11 and the Senate Appropriations Committee approved its package on July 25, but neither body was able to schedule floor action before the August recess.

With so many appropriations packages yet to be approved, and with so few days to act, the pressure will build on Congress to enact a continuing budget resolution to keep the government afloat through October and early November (i.e. through the elections.)

Meanwhile, efforts to tighten the payment limitations on producers continue to be the major target for "reformers" in both houses of Congress. Only a determined stand by House appropriations subcommittee chairman Henry Bonilla (R-TX) prevented a full-blown attack on payment limits in the House committee markup and a similar amendment is expected to be offered on the House floor. Likewise, Senators Grassley and/or Dorgan are expected to lead the attack in the Senate.

These last few weeks have been crucial as members have spent time in their districts campaigning and participating in various listening sessions to gauge the temper of their constituents. It has been a good opportunity for farmers to make the case for themselves regarding the full impact of any attempt to tighten payment limits.

Finally, the various disaster relief measures that have been offered will increase budgetary pressures on agricultural spending, unless the White House agrees to support such emergency spending without budgetary offsets. The Administration has continually signaled opposition to any such effort (without spending reductions) but this effort will also bear watching.

---

## REMINDER FROM THE FSA

Lowell Farms - The payment limit for LDP's in the new Farm Bill is \$75,000 per payment entity (this has been \$150,000 in the past.) With the low price of rice, I am sure many producers will reach that limit.

Our county FSA offices will be extremely busy implementing the new Farm Bill. It will be up to us, as producers, to keep up with our LDP limits and to use Loan and Generic Certificates when that limit is reached. Washington is not very forgiving when a producer goes over the limit! Let's try and eliminate the problem before it happens. Feel free to call me at 979-543-4950 if you have questions.

Linda Raun, FSA State Committee.

## NATIONAL RICE MONTH

USA Rice Federation - It is time once again to shine a spotlight on our industry and increase awareness for rice. This September, America will be "Going with the Grain" as we promote rice across the country.

Thousands of grocery stores are participating in USA Rice's NRM retail contests, setting rice displays that draw consumers at the point-of-sale, encouraging them to purchase and try rice.

In the foodservice sector, USA Rice has established cooperative promotions with Taco Bell and Popeyes Chicken & Biscuits. Both companies are running chain-wide promotions for National Rice Month, using point-of-sale materials provided by USA Rice.

---

## WEB-BASED INFORMATION

The House Committee on Agriculture website lists electronic USDA forms, USDA answers on the farm bill and updates at <http://agriculture.house.gov/farmbill.htm>

The U.S. House Committee on Agriculture web site <http://agriculture.house.gov> has additional information on this and other subjects.

---

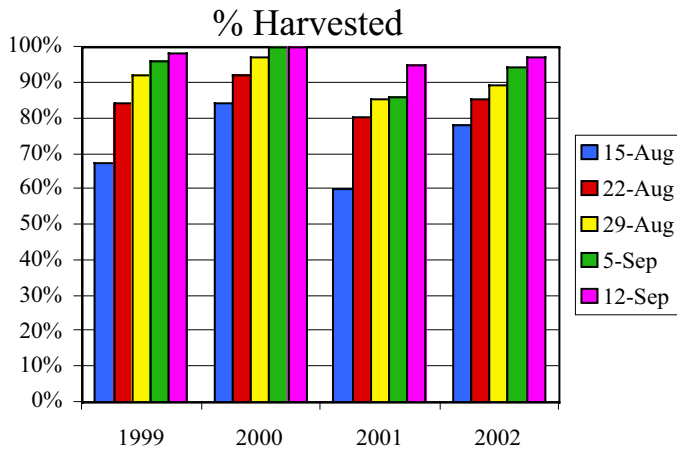
## DATES TO REMEMBER

Rice Outlook Conference  
December 8-10, 2002  
Little Rock, Arkansas

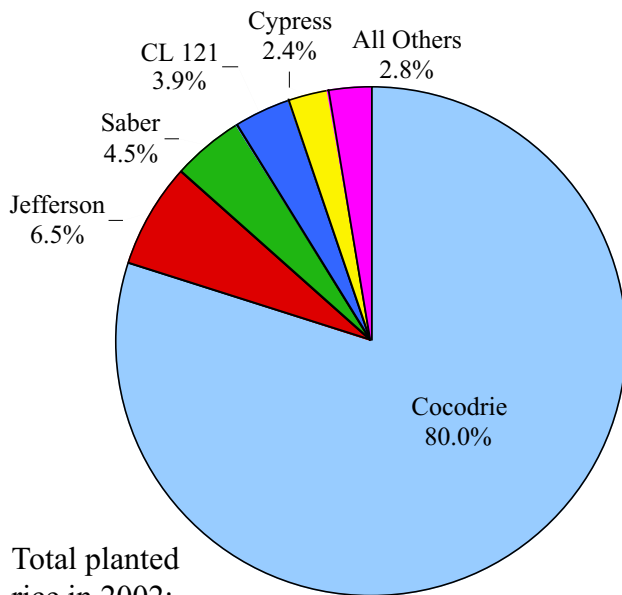
National Conservation Tillage Conf.  
January 23-24, 2003  
Houston, Texas

## 2002 Rice Crop Update

As of September 12<sup>th</sup> 97% of the Texas rice crop was harvested, compared to 95% in 2001 and 100% in 2000. Data on the 2002 ratoon crop harvest will be published in the winter issue.



## Variety by Acreage



Total planted rice in 2002:  
205,748 acres

## Stain Issue Resolved

The Farm Service Agency (FSA) on August 9, 2002 informed its county offices that “Exhibit 7 has been amended to remove stained rice discounts effective for 2002 and subsequent years.”

The decision by the FSA of U.S.D.A. to rescind implementation of the 75 cent discount for rice with light stain which is forfeited under the loan program is “extremely positive for all rice producers”, according to Dwight Roberts, USRPA President. USDA will soon schedule meetings with the industry to solicit assistance in developing a method to determine the market discount for stained rice and modify the procedures under which light stain is handled.

“We all owe a debt of thanks to Secretary Veneman and the capable program staff at FSA”, Roberts continued, “who were willing to listen to the views of farmers, warehousemen, and traders of rice, and who were able to make the decision that the Department needs to reconsider how to achieve its goal of protecting the Commodity Credit Corporation from unnecessary losses while protecting farmers and the rice marketing system.”

USRPA assembled a group representing farmers, warehousemen, and buyers of rice, which was able to supply FSA officials with information on the current market handling practices and discounts for light stain. The group also conveyed its view of some of the unintended consequences of FSA’s June 20th announcement, and suggested alternative methods for determining and assessing a market-based discount.

“We want to express our appreciation for the way in which FSA responded to our concerns, and the speed with which they were able to make this important decision”, concluded Roberts. \*

Texas A&M University System  
Agricultural Research and Extension Center  
1509 Aggie Dr.  
Beaumont, TX 77713

NONPROFIT  
ORG.  
U.S. POSTAGE  
PAID  
BEAUMONT, TX  
PERMIT NO. 367



\* \* \*

Professor and Center Director: L.T. (Ted) Wilson  
[lt-wilson@aesrg.tamu.edu](mailto:lt-wilson@aesrg.tamu.edu)  
Ag Communications Specialist: Jay Cockrell  
[j-cockrell@aesrg.tamu.edu](mailto:j-cockrell@aesrg.tamu.edu)  
Texas A&M University System Agricultural  
Research and Extension Center  
1509 Aggie Drive, Beaumont, TX 77713  
(409)752-2741  
Access back issues of *Texas Rice* at  
<http://aesrg.tamu.edu>