

► When Rice Shakes The World: How The Secret World Of Rice Really Operates

Presented by Milo Hamilton

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We think we understand the rice market in Asia, its history, its current situation and where it is headed. We do not know; trust me.

You can never know everything about anything but I know a lot about the little white grains that feed three billion souls.

I have tested and tasted global rice samples every day for 18 years at 11am. I have bought rice from almost every country in the world and up to 30 percent of the non-coop rice in the South. I can say with pride that I worked for the largest user of rice for retail products in the world

About three years ago, I became concerned about the rice industry in Asia and a lot of partially correct information put out by various groups who claim to understand rice. Those who know are not telling and those who tell do not know. I know and I am telling.

As a result of my concern about all this rice misinformation, I wrote a book on the world rice market with the title, "When Rice Shakes the World," which will be published this January on Amazon.com.

The book condenses into 169 pages my 33 years in the rice business as a buyer and then an owner of rice several businesses. I have been in Asia many times and have spent many fascinating months there.

My talk, which keys off of the content in my book, is about what is happening in rice and where the market is headed. Anyone who is involved in growing or marketing rice should hear my talk and let your families read my little rice book. Then they will understand why the rice farmer is wrongly the least appreciated businessperson in the world today.

I have never made a presentation remotely like the one I plan to give at the 17th Annual National Conservation Systems Cotton & Rice Conference, the Southern Corn & Soybean Conference and the Southern Precision Ag Conference.

My talk is not so much an "outlook" for the rice price as a "lookout" for how the world of rice will shake the world economies in the next few years. It is about markets, geography, demography and the politics of 2.5 billion people. It is a talk about migration and water. When you grow rice you are simply converting water into rice starch. It connects the politics of water with the politics of rice production and trade.

I offer a step-by-step method to a "better way" for all of us in the rice industry.

This fall, everyone was very bearish on rice and many say the price will remain low for years and years. The story in my opinion we are witnessing is rather a great upheaval in rice policy that will impact India and China, where 53% of the world rice market is located.

Here are 24 "did you know?" to consider:

1. Rice will shake China and China will shake the world economy because of its ownership of debt and other assets.

2. Rice farming in Asia must change from a physical world to a digital and physical world in less than 15 years in China or some will starve or cause riots.

3. Within 15 years, \$700 drones, iPhones and iPads will be as essential as seed and fertilizer on each of the 200,000,000 rice farms around the world. Upwards of one billion people live on or serve rice farms, making rice farming the largest single employer on this planet and covering an area about the size for France. For those of you who do not know it, Texas is larger than France!

4. In the next five years 3 billion people will come onto the Internet with smart phones, many who now live on rice farms.

5. Across the blue ocean of the Pacific is a blue ocean of new digital and agricultural business opportunities for all of us.

6. Did you know that there are 200,000,000 rice farms in Asia and about 2,000,000 total farms in the USA?

7. The rice market is the glue, which holds Asian societies together, politically and agriculturally.

8. The Great Wall of China is actually glued together with sticky rice and rice hull ash.

9. Demand is growing rapidly for rice and it will be difficult for the world to expand rice acreage in Asia (up just 6% in the last decade).

10. A lot of unreported rice is being imported across the border into China, now the largest importer of soybeans and rice.

11. Rice needs water. About 70% of China's groundwater resources are used for the rice industry. It takes China 5 to 20 times more units of water per units of Gross Domestic Product than the industrialized west. Rice and water are joined at the hip in China rice and is grown in heavily polluted water and soils.

12. India uses 34% of its total water resources every year to grow rice, China 20%, the US uses 16% and Brazil, Russia and Myanmar use less than 5% of their water.

Guess where rice and wheat will be exported from and imported to? Isn't it obvious? Indian rice exports are a passing fad.

13. Some farmers in China will not eat the rice they grow because of toxic metal pollution of their soils. Do know any farmer who will not eat what he grows?

14. About 250 million Chinese farmers, many that grow rice, will move from the farm to the city in the next 15 years.

15. Asian nations are getting older. Japan now sells more Depends than Pampers, China is not far behind.

16. China controls the glacier-fed rivers that grow rice in Pakistan, India, Burma, Cambodia and Vietnam. Tibet's ice grows the rice of South Asia.

17. The Indian navy controls the flow of crude oil tankers from the Middle East to China. Will this be the location of the next world war over oil and water and rice?

18. Dam building in South China for hydroelectricity will slow the flow of rivers there.

19. Climate Change is reducing the ice fields of Tibet.

20. In the next 15 years a population in Western China the size of the entire USA will go from zero grocery stores to perhaps 15,000 stores. It took the US 80 years to go from zero grocery stores in 1930 to 37,000 stores today. That food will come from the Ukraine, Iowa, Arkansas and Rio Grande do Sul farming operations, where the soils are clean and the water is still potable.

21. India and China are implementing huge changes in social transfer payments and in China, expanding farmer ownership of the land they till.

22. Farmers making less than \$2 per day will not feed the gleaming cities of China.

23. Rice farming must turn from a way of life to a business or millions will go broke or starve in Asia.

24. During the September-December 2013 period there has been more change to agriculture and food programs in 53% of the world rice industry ('Chindia') than in the previous 500 years.

If you already knew the above 24 points, you need to write the book on rice and send me a copy. If not, let's talk.

Yes, we will have more rice acreage in the South but also, yes, the rice market is becoming very interesting after five years of a big price yawn.