

WHOLE GRAIN



President George H.W. Bush signing the first National Rice Month proclamation.

CELEBRATING 25 YEARS OF NATIONAL RICE MONTH

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the Rollercoaster that is the
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The ABCs of TRQs

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USA Rice is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants, and allied businesses.

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Chinese Trade Puzzle

BY DOW BRANTLEY

Trade issues are quite important to the U.S. rice industry – about half of our annual crop is exported to more than 110 countries – but they are also very complicated, and sometimes I think, confusing by design. Trade agreements are like shifting puzzles that challenge at every turn.

Earlier this year I was appointed to the Agricultural Policy Advisory Committee (APAC) by U.S. Department of Agriculture Secretary Tom Vilsack and United States Trade Representative Michael Froman. It is a great honor to serve on this select group of trade and agriculture experts providing advice and information to the government on the administration of trade policy, including enforcement of existing trade agreements and negotiating objectives for new trade agreements.

In the short time I've been involved, I've learned quite a bit about many pending trade agreements that are very important to rice. And while the headlines, rumors, and innuendos swirl around issues like the Trans Pacific Partnership (TPP) and access to China, I've come to appreciate just how difficult these puzzles are to solve.

For example, the long negotiated phytosanitary protocol with China.

Many have tried to paint a picture of a U.S. rice industry divided with segments of the industry standing in the way of progress. Let me tell you, the only obstacle to access to China for U.S. rice is China. And while a deal may be reached this month, the slow, cautious approach taken by the United States has been the smart one.

The Chinese negotiators have continually moved the goal posts on our negotiators, reopening old pieces of the puzzle that were thought solved long ago and setting up no-win scenarios for us.


For example, insect trapping. Not only have the Chinese been calling for us to trap for insects that don't exist in the United States, they've asked us to trap for insects for which there is no trap.

The U.S. industry is willing to set out traps, but how can you set out a trap that does not exist? And take it a step further: if you have agreed to set out a trap that doesn't exist, and then you don't set it out... because it doesn't exist...are you in compliance? Or could China decide they want to turn off the spigot on U.S. imports, claim we are out of compliance with the agreement, and stop the imports? Of course they could – that's how it was designed. So just agreeing to something willy nilly without understanding how it will work and be used against you, that's not a smart approach to trade agreements.

Luckily for the U.S. rice industry, our negotiators have been able to see through these tactics and have stood firm on our behalf. I, for one,



"... while the headlines, rumors, and innuendos swirl around issues like the Trans Pacific Partnership (TPP) and access to China, I've come to appreciate just how difficult these puzzles are to solve."

appreciate their efforts and advocacy, and I believe whenever a final phytosanitary deal with China is announced – be it this month or next year – our negotiators will have done all they could to make sure the completed puzzle presents a solution that works for U.S. rice farmers. 



FOOD INNOVATION FOR TODAY AND TOMORROW

BY MIKE LEE

BROOKLYN, NY — As food innovators, we must remember that there are many flavors of innovation and they each serve a strategic purpose based on the needs of the customer and business. Incremental innovations support and extend existing product lines with new features or by serving adjacent customer needs. On the other end of the spectrum, breakthrough innovations create entirely new product categories and customers, boldly moving the industry forward.

Ideally, a mix of both types of innovation needs to be pursued for food companies to capture and create opportunities for themselves. Problems can arise when a company is too focused on only incremental innovation or all breakthrough innovation.

Achieving this mixed approach to innovation is difficult in practice, as incremental and breakthrough mindsets are quite different. The former focuses on near-term time scales with more concrete visions of costs and benefits, while the latter is all about diving into the future with many unknowns. Building a culture that can accommodate both of these innovation approaches is challenging, but worthwhile.

This is why we created The Future Market, a conceptual grocery store that imagines what the world of food could look like in the year 2065. The store is in development and will live online and in physical form. But instead of stocking the shelves with the same products you'd see in a grocery store today, we will be creating concept prototypes that suggest a very different food system than we live in today. We'll explore things like biodegradable bioplastics for packaging, advanced aeroponic and hydroponic growing systems, alternative proteins, and future versions of the crops we see today.

It's difficult to get today's food from ground to table and we don't always have room for breakthrough innovation. The Future Market is a venue where food innovators can truly think outside the box and imagine what the food will look like two generations away. It's a place to only think in "breakthrough" innovation mode. Our goal is to think more ambitiously about the future in order to inspire what we do today.

Outside of the food industry, companies like Google and Amazon have mastered the art of investing in incremental as well as breakthrough innovation. Each week, an onslaught of new refinements, features, and optimizations is introduced into their main software products. While every year, these tech giants typically introduce one game-changing product or service that's aimed at putting them on a whole new plane of innovation. For every self-driving car or package delivery drone, there are many more new Android releases or product search functions that launch at Google and Amazon, respectively.

This mix of innovation approaches is what keeps companies like Google and Amazon relevant not just today, but well into the future. They are not keen to simply defend their turf today, but they are aggressively paving a way towards longevity through innovation.

This balance of incremental and breakthrough innovation is dearly needed in food today. The food industry is far larger and more vital to our civilization than those tech giants, yet we tend to move at a snail's pace and avoid risk at all costs. We owe future generations—and ourselves—a stronger effort in promoting outrageous, moon-shot ideas in the food world. The ideas that are crazy enough that they just might work. [WG](#)

Mike Lee is the CEO and founder of Studio Industries & The Future Market and he will be leading an exciting end user panel at the 2015 USA Rice Outlook Conference in New Orleans this December. Be sure to visit usarice.com/outlook to learn more and sign up to attend – you will not want to miss this session.

FROM TOP LEFT: Mike Lee, future products, and tomorrow's supermarket.



USA RICE Launches New Online Home

BY MICHAEL KLEIN

ARLINGTON, VA — USA Rice recently launched its new online home, www.usarice.com. The site has a modern look and feel, is greatly slimmed down, streamlined, and fully functional on mobile devices.

"We went through more than 15,000 pages of content to get rid of clutter and organize the information in a logical way both on the front end for users, but also on the back end for staff," said Amy Doane, a member of the in-house team that worked on the new site's architecture. "The new site is light years ahead of where we were and we're excited to improve this valuable tool for our members."

"Members told us local weather and market prices are among the most important pieces of information they look for every day, so we added that to the home page," explained Katie Maher who led much of the redesign. "Users click on the weather icon, enter their zip code one time, and the site will remember that is the weather, radar, and forecasting you want."

Maher explained the site is now organized around the USA Rice Daily, USA Rice's daily newsletter available via email or on your mobile device.

"The Daily and the tags associated with each story serve as the backbone of the new site, linking and organizing information logically," she said. "Not only do we add stories every day, but we are also working backwards, adding archived stories to give visitors a full picture of what each issue means for rice and how that issue has evolved over time."

Maher said visitors are also able to register for USA Rice meetings, order National Rice Month merchandise, and access "members only" sections of the website with proper credentials. [WG](#)

Michael Klein is the USA Rice vice president of communications and marketing, and is convinced the Internet is here to stay.



The new look of usarice.com.


SUMMER IN THE CITY

BY WHIT KENDALL

ARLINGTON, VA — Growing up on a family farm in rural Mississippi, I always wanted to get away at some point and do something different. As I began my junior year at Mississippi State University, I realized that going to Washington, DC would be the perfect opportunity to branch out. Although I had little previous experience with rice, I knew I wanted to participate in an internship that would give me a chance to understand how public policy impacts agriculture. The decision to take an internship with USA Rice fulfilled that goal.

During my time with USA Rice, the day-to-day activities varied but some of my favorite days included going to Capitol Hill and seeing firsthand how policy works. Congressional hearings and meetings with legislative staff opened my eyes to the complicated process of how laws and policies are formulated.

The USA Rice Government Affairs team kept me busy working on projects that introduced me to ideas that were fresh and interesting. The experience of being off the farm and seeing the working world from a completely different perspective is something that is invaluable to me.

I encourage all students to consider interning in Washington, DC, no matter your field of study. It is a unique experience and gives you the chance to see how the things that affect your everyday life come to be. Working in DC was a great way to network and be exposed to so many different types of people. No matter what career I pursue, I know that I will be able to use the lessons I learned while working here this past summer. 

Whit Kendall grew up on a farm in Bolton, Mississippi, and is the only son of Libby and Ted Kendall. He is a student at Mississippi State University majoring in Agricultural Engineering Technology and Business.

The author (right) and Thad Cochran, the senior Senator from Mississippi.



2015 USA RICE OUTLOOK CONFERENCE SHAPING UP TO BE BIGGEST AND BEST

BY TRISH ALDERSON

NEW ORLEANS, LA — The USA Rice Outlook Conference is expanding to two full days this year, with an exciting program lineup featuring outlooks on farm policy, politics, the economy, domestic and global rice production, research, food innovation, and more. USA Rice recently announced the keynote address for the December 9-11 event in the Crescent City will be a lively discussion with husband and wife political strategists and best-selling authors Mary Matalin and James Carville. They will speak at the opening general session on Thursday, December 10.

Matalin is one of the most celebrated and popular conservative voices in America, co-hosting the nationally syndicated radio program, *Both Sides Now*, and having served under Presidents Ronald Reagan, George H.W. Bush, and George W. Bush.

Carville is America's best-known political consultant, renowned for his electoral successes and remaking political underdogs into upset winners. He most famously guided the campaign of then Governor Bill Clinton to defeat President George H.W. Bush whose approval rating was among the highest ever for a sitting president.

Dr. Mike Strain, commissioner of the Louisiana Department of Agriculture and Forestry, also will speak at the opening general session on Thursday. Louisiana Congressman Ralph Abraham, M.D. will speak on Friday.

"The USA Rice Outlook Conference is the rice industry's largest annual meeting, and we look forward to welcoming rice farmers from all states and representatives from throughout the U.S. rice industry to New Orleans," said Christian Richard, a rice farmer from Kaplan, Louisiana, who serves on USA Rice's Communications Committee, which is involved in program planning for the conference. "New Orleans is a unique city with so much to offer. We know attendees will have an enjoyable time as well as a great learning experience at the conference."

Additional program highlights include a Washington insider's view from Jim Wiesemeyer, Informa Economics; a presentation on the global economic trends that will impact your bottom line and decision-making by noted economist Dr. David Kohl; as well as outlooks on the global rice situation by USDA's Andrew Aaronson and the weather by Joel Widenor, Commodity Weather Group LLC. State-by-state rice production and research reports also will be presented.

Two special learning sessions will be offered. Farm management expert R. L. "Dick" Wittman will discuss strategies for implementing professional family business governance and transition, and an offsite learning session with The Russell Marine Group and Eurofins will offer a unique opportunity to follow U.S. rice as it begins its journey to export destinations.


Food futurist Mike Lee, founder and CEO of Studio Industries, will speak and lead a panel discussion on the future of food, food shopping, and what it means for rice (see Lee story, page 3).



Husband and wife political strategists and best-selling authors Mary Matalin and James Carville.

The USA Rice Outlook Conference hosts a trade show for rice-related equipment, products, and services. This year's schedule includes more dedicated time in the Exhibit Hall, including receptions and a lunch.

The annual Rice Awards Luncheon will be held on Friday, with the presentations of three prestigious industry honors, the National Rice Month scholarship grand prize, and the announcement of the new class for the Rice Leadership Development Program, which is celebrating its 25th anniversary.

Exhibit and sponsorship opportunities are available, but going fast. Visit the conference website at www.usarice.com/outlook for more information. 

The 2015 USA Rice Outlook Conference will be held December 9-11 at the Sheraton New Orleans. Jeanette Davis is standing by to answer your questions and help you find the sponsorship/exhibitor package that is right for you at (703) 236-1447, jdavis@usarice.com.

Trish Alderson, a native of Louisiana, is also USA Rice's vice president of meetings and member services.





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AGRICULTURE

U.S. RICE INDUSTRY CELEBRATES 25 YEARS OF NATIONAL RICE MONTH

BY KATIE MAHER



ARLINGTON, VA — September is National Rice Month (NRM), a time to celebrate the harvest of this small, but mighty grain that has captivated American hearts and stomachs for more than 300 years. Strongly supported by rice farmers and millers, NRM has become a well-known national promotion educating consumers about the benefits of rice grown in the USA and boosting U.S. rice sales nationwide.

“September 2015 is the 25th anniversary of National Rice Month, and USA Rice has some exciting promotions planned to mark the occasion,” said Fred Zaunbrecher, USA Rice Domestic Promotion Committee Chairman. “We’ll be spreading the rice message and encouraging Americans to *Think Rice* while at the grocery store and dining out, through social media, and even in the classroom.”

SPOTLIGHT: Rice Aisle Impact

To reach shoppers at the point of purchase, USA Rice is conducting customized promotions with supermarket registered dietitians (SRDs) at eight retail chains, including: Giant, HEB, Hy-Vee, Kroger, Rouses, ShopRite, Stop & Shop, and Weis Markets.

“Working one-on-one with dietitians at the grocery store is a great way to increase visibility of U.S.-grown rice,” said Paul Galvani, USA Rice Retail Subcommittee chairman. “This past spring, we conducted promotions with dietitians at two retail chains that generated nearly 38 million shopper impressions – so our messages were being well amplified.”

Throughout the month, USA Rice’s SRD partners will promote NRM and U.S.-grown rice through various supermarket communication channels, such as: in-store radio ads and demos, newsletters, store magazines, circulars, store tours, nutrition classes, and more.

“Some especially unique promotions include U.S. rice themed health and wellness text messages that HEB dietitians will send to more than 80,000 shoppers,” said Galvani. “And Kroger dietitians are hosting an incentive contest to encourage employees to cook with U.S. rice and share their photos and nutrition tips.”

Again this year, USA Rice is partnering with Advanced Fresh Concepts, the largest supermarket sushi distributor in the United States, to conduct an NRM promotion in grocery stores and military commissaries. More than 2,000 stores across the country will feature sushi display case signage and ‘Rice Grown in the USA’ stickers on sushi containers. Last year, sushi sales increased 9 percent during the promotion.



USA Rice’s refreshed SRD toolkit provides dietitians with reasons, recipes, and tools to recommend U.S. rice during NRM and throughout the year.

SPOTLIGHT: RiceGiving

To encourage restaurants to promote National Rice Month and extend the U.S. rice message to consumers, USA Rice launched a new charitable program called RiceGiving to support local food banks across the country. For every U.S. rice menu item ordered at a participating chain, during September, the U.S. rice community is donating a serving of rice to feed the hungry.

Upscale Asian-inspired chain, P.F. Chang’s was quick to jump onboard.

“This program is a great way to raise awareness – both that a majority of the rice people eat in this country

is grown by American farmers, and that the U.S. rice community is sensitive to hunger issues in America,” said John Hasbrook, USA Rice Foodservice Subcommittee chairman. “RiceGiving can make people feel good about their food decisions – when they choose U.S. rice they are not only helping America’s family rice farmers, they are helping provide a warm, nutritious meal to someone in need.”

P.F. Chang’s is promoting NRM and the RiceGiving program to their patrons both in their 210 restaurants, and online to their nearly one million social media followers and newsletter subscribers. They are also using a dedicated webpage to explain RiceGiving, featuring a two minute animated video provided by USA Rice.

“We are honored to invite our guests to join in this important cause by dining to donate,” said Michael Osanloo, chief executive officer of P.F. Chang’s. “Thanks to our loyal customers, we will be able to help put food on the table for many American families.”

USA Rice President and CEO Betsy Ward is also enthusiastic about the program: “We cannot imagine a better restaurant partner for National Rice Month than P.F. Chang’s. Already committed to great food and the highest quality rice, P.F. Chang’s is also demonstrating its commitment to America’s family rice farmers. We look forward to working together to support these farmers and those in need through our RiceGiving program.”



“Social media provides a direct line of communication to consumers, so it’s important that we grab their attention with interesting video and images...”



SPOTLIGHT: Social Media Engagement

Consumers across the country have another reason to be excited about September National Rice Month – they can reach for rice from the convenience of their computer or mobile device.

USA Rice will have daily social media postings on Twitter, Facebook, and Instagram covering topics such as sustainability and conservation, health and nutrition, farming, rice recipes, and fun facts. New “how-to” rice recipe videos and infographics will also be released throughout the month.

“Social media provides a direct line of communication to consumers, so it’s important that we grab their attention with interesting video and images,” said Colleen Klemczewski, USA Rice social media coordinator. “This summer, our most popular posts on Facebook were infographics about rice – they received more than 300 ‘likes’ and ‘500’ shares. So we’re excited to reveal our new content in celebration of National Rice Month and anticipate it will generate a lot of interest and activity.”

“We received such positive feedback from teachers in the spring, we thought National Rice Month would be a perfect time to remind them about the program...”



SPOTLIGHT: Rice State Activities

Across the rice producing states, National Rice Month promotional events and activities are held to celebrate the harvest that is underway in most areas, and show support for farming families that contribute to the rice industry.

The Arkansas and Louisiana rice industries arrange for local food bank donations and convene at the state capitals for NRM proclamation signings by their governors.

In Mississippi, the Annual Rice Tasting Luncheon sponsored by Delta Rice Promotions, Inc. attracts more than 1,500 people to celebrate NRM and sample dozens of different rice dishes. USA Rice will exhibit at the luncheon and also serve as judges for the *Think Rice* recipe contest.

USA Rice is continuing its school education outreach by partnering again with award-winning curriculum developers Young Minds Inspired (YMI) to electronically distribute the *Think Rice* education program to 5,000 teachers in all six rice states and beyond.

“We received such positive feedback from teachers in the spring, we thought National Rice Month would be a perfect time to remind them about the program and encourage them to use it with their new classes,” said Byron Holmes, USA Rice Nutrition Subcommittee chairman. “We also sent the program to school districts outside of the rice growing states to reach teachers that regularly participate in the YMI program.”

All month long, high school seniors in rice producing states will be conducting their own NRM promotions to enter the annual NRM scholarships contest, sponsored by Dow AgroSciences. Teens will plan creative activities to promote U.S.-grown rice, NRM, and the importance of rice growing in their state. Be on the lookout for promotions going on in your state and support scholarship applicants!

“It’s important to take advantage of National Rice Month to tell our story – U.S. rice is healthy, locally-grown, and good for the environment,” said Zaunbrecher. “Not only do our activities help drive those messages home, I think they contribute to a sense of pride all U.S. rice farmers should feel for what they do.”

Katie Maher is USA Rice’s director of domestic promotion and September is her favorite month.



“At P.F. Chang’s, we exclusively use U.S.-grown rice in our restaurants,

as we are committed to reducing food miles and are proud to support U.S. rice farmers,” said Nevielle Panthaky, Vice President of Culinary Innovation at P.F. Chang’s. “Also, the cooking qualities and taste profile of U.S. rice complements our menu items and lets us deliver great tasting dishes our guests have come to expect.”

Visit www.pfchangs.com to watch a short video about U.S.-grown rice and the RiceGiving program.



NEW RICE RECIPES FOR FOODSERVICE PUMP UP SCHOOL LUNCH MENUS

BY DEBORAH WILLENBORG

SALT LAKE CITY, UTAH — When school nutritionists write the obligatory “what I did over summer vacation” essay this fall, most will get to include their trip to the 2015 School Nutrition Association’s (SNA) Annual National Conference in July. More than 5,500 school nutrition professionals, industry members, and allied partners gathered here to share their passion for child nutrition.

USA Rice participated as a conference exhibitor, distributing information about K-12 resources available on MenuRice.com, including five new rice recipes developed specifically for school foodservice menus. These standardized rice recipes were developed to make it easy for schools to meet nutrition requirements and increase rice usage. Visitors to the USA Rice booth were given the new recipes as well as the *Rice 101 Cooking Guide* that provides rice preparation instructions, taking into account the various types of equipment found in school kitchens.

Attendees also had an opportunity to spin the famous “Rice Wheel” to test their knowledge on U.S.-grown rice and win a *Think Rice* rice crispysake.

“The prize wheel definitely draws a crowd to the booth and is a great way to interact with people,” said Katie Maher, USA Rice’s director of domestic promotion. “Many are surprised and proud to learn that a majority of the rice Americans consume is grown right here in the U.S. by American farmers or that rice farming positively contributes to the environment.”

During this year’s conference, USA Rice staff met with school nutrition directors from Kansas, California, Louisiana, and Texas, to learn more about the challenges they face complying with federal nutrition guidelines and how that affects menu planning and food purchasing decisions.

“The directors are responsible for program roll-out and training in their individual states and districts,” said Maher. “Meeting face-to-face with these influential people gave us the opportunity to share our recipes and resources, find out how we can continue to be a valuable foodservice partner, and talk about opportunities for interactive and engaging promotions in their states.”

Maher said now that school is back in session, USA Rice will continue to stay in touch with this important audience, encouraging U.S.-grown rice usage in schools and providing much needed resources. 

Deborah Willenborg is USA Rice’s communications manager and lunch was her favorite subject in school.



LEFT: USA Rice’s Katie Maher (left) shares tips and treats with a hard working Lunch Lady.

BELOW: Vegetable Fried Brown Rice Bowl – one of five new recipes USA Rice developed for school foodservice menus.



10 reasons to eat RICE GROWN IN THE USA

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American rice farmers have a longstanding commitment to protect and preserve natural resources. Today, U.S. rice farmers produce more rice using less land, energy, and water than they did 20 years ago – with no GMOs. Working rice fields provide critical wildlife habitat for many species of birds, mammals, and reptiles.

3. NUTRIENT-RICH
Rice provides more than 15 vitamins and minerals, and beneficial antioxidants. **100 calories = 1/2 cup serving**

4. ENERGY BOOST
Keep your engine revved throughout the day with rice! It's a good source of complex carbohydrates, providing the fuel your body and brain need to function.

5. HEALTHY WEIGHT MANAGEMENT
Research shows that eating rice makes you feel full longer and people who eat rice are less likely to be overweight.

6. HEART HEALTH
Whole grains, such as brown rice, help reduce the risk of heart disease, diabetes, and certain cancers. Rice eaters have a lower risk of high blood pressure. **1 cup cooked brown rice = 2 servings of whole grains**

7. GLUTEN-FREE
Rice is one of the least allergenic grains, making it a healthy option for those that are gluten-intolerant or have food sensitivities.

8. BUDGET-FRIENDLY
10¢ PER SERVING

9. IT'S A "FREE" FOOD
U.S.-grown rice is... **sodium-cholesterol-gluten- and GMO-free.**

10. IT MAKES YOU HAPPY!
Eating rice triggers your brain to produce serotonin, which boosts mood and keeps appetite in check. **THINK RICE U.S.-GROWN**

USA Rice Federation • www.thinkrice.com

MYPLATE PARTNERSHIP

BY DEBORAH WILLENBORG




ARLINGTON, VA — In 2011, when the U.S. Department of Agriculture (USDA) updated the food pyramid to the colorful MyPlate symbol, grains stepped into the spotlight. And with USDA's "Make Half Your Grains Whole" campaign in 2012, USA Rice joined more than one hundred other national organizations to promote this key nutrition message.

"USA Rice was one of the first organizations to join USDA's National Strategic Partnership, that was designed to promote MyPlate and the Dietary Guidelines," says Katie Maher, USA Rice director of domestic promotion. "The collaborative promotions with other MyPlate partners give USA Rice a larger communications platform, allowing us to extend our message and our program dollars."

For example, the four-month "Make Half Your Grains Whole" promotion reached almost 190 million people – 25.5 million consumer influencers including health professionals, industry members, consumer media, policy makers, and educators, and 163 million consumers via social media channels.

"Any way you measure it, this is an incredible return on investment," says Maher. "Having such high level of support from MyPlate is invaluable for rice."

The National Strategic Partners maintain a messaging calendar that helps coordinate efforts and continue to broaden consumer reach. Recent MyPlate promotions co-sponsored by USA Rice include a video contest for kids that received more than 10,000 unique visitors and generated more than 100 video entries from kids across the country, and a toolkit USA Rice helped develop, called "Meeting Your MyPlate Goals on a Budget," that had more than three million downloads, making it one of the most popular MyPlate publications ever.

"We understand the value of MyPlate is as a resource, to everyone from professionals like dietitians, to schools and programs like WIC that promote healthy eating to consumers," Maher adds. "With all that access and exposure, it's important that U.S. rice is represented. The MyPlate communications partnership is critical to our efforts to remind people where rice fits on the plate." 

"Collaborative promotions with other MyPlate partners give USA Rice a larger communications platform, allowing us to extend our message and our program dollars."



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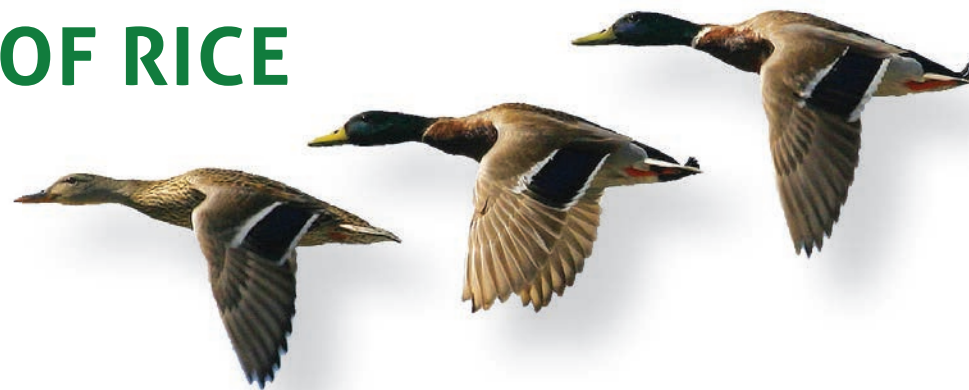


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SUSTAINING THE FUTURE OF RICE

BY BEN MOSELY



WASHINGTON, DC – The Natural Resources Conservation Service (NRCS), through the Regional Conservation Partnership Program (RCPP), approved \$10 million for a USA Rice-Ducks Unlimited Stewardship Partnership proposal entitled “Sustaining the Future of Rice.” This rice-focused conservation platform offers rice farmers financial and technical assistance to apply on-farm conservation practices to address water quantity, quality, and wildlife habitat in Arkansas, California, Louisiana, Mississippi, Missouri, and Texas.

Seven million dollars will be made available through the Environmental Quality Incentives Program (EQIP) and \$3 million from the Conservation Stewardship Program (CSP), as well as \$6.8 million of cash and in-kind contributions from over 40 partners from the private sector.

Since the award announcement, USA Rice has been working diligently with DU and NRCS to set the parameters and acceptable practices for this first of its kind project. EQIP applications are currently being accepted in Arkansas and Mississippi through October 16, 2015 and applications in California, Louisiana, Missouri, and Texas will open later this fall. Outreach to producers through NRCS, USA Rice, and partners will notify rice farmers in these areas when EQIP and CSP applications may be submitted through their local NRCS office. The funds made available through the Sustaining the Future of Rice RCPP project are in addition to regular EQIP, CSP, and other conservation funds that may be available to growers.

USA Rice expects competition for contracts to be fierce. If the project is oversubscribed, the Stewardship Partnership intends to seek additional funding to continue this important conservation effort, the first of its kind to focus solely on practices that work best on rice producing lands. After the sign-up ends, applications will be ranked and contracts awarded. After the contracts are set, on-farm work will begin.

While this first RCPP award has been a great achievement for the rice industry there are more opportunities that the Stewardship Partnership has identified and three are being pursued in the second year of RCPP funding.

First, USA Rice, DU, and the Lower Colorado River Authority (LCRA) are working together on a proposal seeking federal funds to help construct a reservoir that aims to increase the water supply capacity of the LCRA and increase the availability of freshwater for rice production, managed waterfowl habitat, and coastal wetlands.

Second, in Arkansas, USA Rice is partnering on RCPP proposals that aim to reduce water quality degradation in three watershed areas – Middle Bayou Deview, Bayou Meto, and Grand Prairie. If funded, these projects would use EQIP and CSP practices to address the concerns of degradation of water quality from soil erosion and sediment loss from croplands.

Finally, another proposal in Louisiana seeks to improve water quality through nutrient management. The joint effort with DU seeks to use EQIP funding to increase the utilization of precision application of fertilizer and the installation of grade stabilization structures in southwest Louisiana, helping prevent the loss of nutrients through runoff.

These innovative proposals are just beginning. The U.S. rice industry is committed to advancing working lands conservation opportunities. USA Rice, together with Ducks Unlimited and our many conservation-minded partners, are taking the lead when it comes to finding what works best to keep rice-producing land viable for the long-term. [w-g](#)

Ben Mosely is the vice president of government affairs at USA Rice.



NORTH DAKOTA COURT ON WOTUS: “WHOA” TO EPA


BY STEVE HENSLEY

WASHINGTON, DC – Late last month, the Clean Water Rule: Definition of ‘Waters of the United States, better known as Waters of the U.S. or WOTUS, was sidelined by a federal judge in the U.S. District Court of North Dakota who called the measure “exceptionally expansive.” EPA said they consider the preliminary injunction to only affect the 13 states involved in the lawsuit: Alaska, Arizona, Arkansas, Colorado, Idaho, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, and Wyoming. The judge agreed, and for all other states, WOTUS went into effect August 28 as scheduled.

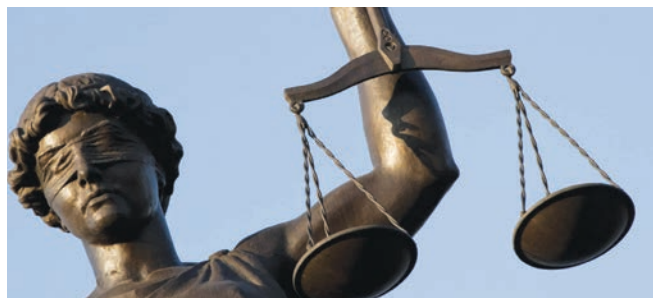
The North Dakota judge found the rule likely to be arbitrary and capricious and so expansive that it was contrary to the Clean Water Act’s grant of jurisdiction. EPA would like the lawsuit to be consolidated in the 6th Circuit Court of Appeals, where 14 other suits are pending. In the meantime the National Association of State Departments of Agriculture (NASDA) sent a letter to the agency requesting more time before implementation so state agencies could understand “their duties and obligations,” but were rebuffed.

“The Clean Water Rule is now in effect in all rice states except Arkansas and Missouri. Farmers and landowners in the states where the regulation applies are advised to consult with state and local authorities regarding the timeline of implementation and how to avoid regulatory action,” said USA Rice Vice President of Government Affairs Ben Mosely.

“There are still several pieces of legislation that have been introduced and passed out of committees in both the House and the Senate that would restrict or delay the final rule from going into effect,” Mosely added. “Congress will likely consider language in appropriations bills that would also aim to prevent the regulations from being enforced. USA Rice supports these efforts and will work with our allies in Congress to include a statutory fix in whatever legislative vehicle has the best potential to clear both chambers of Congress.”

While the final fate of the far reaching WOTUS rule remains uncertain, extended legal wrangling is a foregone conclusion. 

Steve Hensley tracks regulations for USA Rice.



Where will she come down?

USA RICE-DU STEWARDSHIP PARTNERSHIP TEXAS RESERVOIR PROJECT CLEARS FIRST HURDLE

BY PETER BACHMANN

ARLINGTON, VA – The newest project sought by the USA Rice-Ducks Unlimited (DU) Rice Stewardship Partnership has cleared a major hurdle with the announcement by the USDA Natural Resources Conservation Service (NRCS) that the groups’ pre-proposal has been chosen to advance to the next round of the Regional Conservation Partnership Program (RCPP).

USA Rice and DU have partnered with the Lower Colorado River Authority (LCRA) on a new \$10 million project, the new Prairie Conservation Reservoir in Eagle Lake, Texas, to benefit rice growers, migratory waterfowl, and waterbirds.


The project complements an existing LCRA construction project – the Lane City Reservoir, the region’s first significant new water reservoir in decades.

The new USA Rice-DU project was among 164 pre-proposals selected from 265 submissions to advance to the full proposal stage and has two primary components:

- The construction of a new reservoir to provide critically needed irrigation water to rice growers and other users in LCRA’s Lakeside Irrigation Division; and
- The implementation of EQIP practices on rice lands targeted to providing habitat for migratory birds and other wildlife.

The reservoir envisioned in this proposal would increase the region’s water supply and help preserve regional economies devastated by the ongoing drought, which may be the worst on record. Surface water has been unavailable for agricultural use in the region for four years, forcing businesses to close and producers to turn to more expensive groundwater.

The reservoir would enhance the availability of surface water to working ricelands, managed waterfowl habitat areas, and coastal wetlands. It’s estimated that the reservoir would benefit 50,000 acres of riceland south of its location.

The proposed reservoir would be filled during the off-irrigation season to provide some of the initial water to fill the canals at the start of each season. During the irrigation season it would serve about 75 percent of the producers in the Lakeside Irrigation Division. The reservoir has the potential to save 20,000 acre-feet of irrigation water ordered in a typical year – a water savings of more than 10 percent of the total annual water orders in the Lakeside District. 

Peter Bachmann is the newest member of the USA Rice Government Affairs team and specializes in conservation and related issues.

The 265 pre-proposals were seeking some \$1.8 billion in funding, and were offering \$1.27 billion in contributions. The total funding available for this round of the RCPP projects is just \$235 million, so the competition will be intense.



COLOMBIA CLOSE UP

BY SARAH MORAN

ARLINGTON, VA – Colombia has been a much welcomed market for U.S. rice this year, bringing in more than 250,000 MT of rice in just the first five months. Merely four years ago, Colombia was the United States’ 51st largest export destination importing less than 5,000 MT of U.S. rice. After implementation of a successful Free Trade Agreement, Colombia consistently ranks as one of our top export markets.

Rice Seminars

USA Rice began promoting U.S. rice in this market in 2014 with seminars targeting the hotel and restaurant (HRI) sector, importers, wholesalers and retailers, instructing them on the economic and versatile nature of U.S.-grown rice. This June, USA Rice conducted three seminars in Bogotá, Cali, and Medellín with chefs from the Hotel Marriott Cali, the Hotel and Tourism Association of Colombia (COTELCO), the Gastronomic Industry Colombian Associations (ACODRES), and many others.

Executive Chef Bernardo Gomez Cortazar, a renowned chef in Colombia, led the seminars at the prestigious Mario Moreno culinary academy, one of the most respected culinary schools in Latin America. More than 60 participants attended each interactive activity and expressed great satisfaction in the quality of the seminars.

“Not only are the participants challenged to develop new recipes that use rice but they also get to meet many other like-minded people who share a similar passion,” says Ernesto Baron, USA Rice’s advisor for the region.

During the seminar in Bogotá, Wilson Quiroga and José Humberto Cárdenas of Best Choice Ltda, an importer of food products for Asian cuisine, presented the various American aromatic rice types they market in Colombia.

Chef Competitions

Building on the seminars, four chef competitions (*Cocina Viva*) were held in July and August targeting food service operators, chef associations, chef academies, and other HRI operators. Each event pitted approximately 10 local chefs in a cooking competition utilizing rice products. More than 30 competing chefs were selected out of nearly 90 applicants based on their culinary credentials and submitted recipes. Each chef had one hour to prepare their dish and present it to the jury, which also included renowned chefs. A winning chef from each competition has been invited to attend the 19th Americas Food & Beverage Show in Miami in October.

“It is a great honor that jurors who are highly regarded chefs have chosen my dish,” said Juan Sebastian, the first place recipient from Bogotá with his recipe of pumpkin risotto with duck breast. “It is a great joy to have had the opportunity to compare my skills with others and know what I’m doing right and what needs improvement.”



“It is a great honor that jurors who are highly regarded chefs have chosen my dish.”

— Juan Sebastian, the first place recipient from Bogotá with his recipe of pumpkin risotto with duck breast.

“We had many high caliber participants,” said Mauricio Londoño, director of the Colombian Association of Chefs and one of the jurors in Bogotá. “I’ve talked to several people and they have high expectations for participation in the next edition of the contest *Cocina Viva*.”

GBI

USA Rice is also participating in a USDA funded Global Broad-based Initiative (GBI) that brings together nearly 20 agricultural cooperator groups to promote U.S. foods. The GBI is a media campaign called *Sabor USA* (“Flavor of the U.S”) and includes TV shows, videos, and social media postings targeting the Colombia consumer. Information on rice highlights the different types and forms of U.S. rice and the chef competitions mentioned above are also broadcast by *Sabor USA*.

USA Rice

Due to the resounding success of this year’s chef competitions, USA Rice has plans to repeat the *Cocina Viva* activity next year. Additionally, as U.S.-identified rice becomes more readily available at the retail level, USA Rice will diversify its promotional activities and directly target the consumer. In the meantime, we will target the burgeoning foodservice sector and importers and seek to keep Colombia as a permanent top export market for U.S. rice.



Sarah Moran is USA Rice’s director of international promotion covering the Western Hemisphere and Food Aid. She continues to learn Spanish but can converse fluently in Tetun. Go ahead, test her.

USA RICE WORKING OVERTIME ON THE ROLLERCOASTER THAT IS THE IRAQ MARKET

BY JIM GUINN

ARLINGTON, VA – There's no doubt that Iraq is a complicated place and that unrest in the region and a general lack of stability make doing business here risky at best, but as we have seen in the past, there are great rewards to be had if we can ride out the ups and downs, as the opportunities are impressive.

Iraq's population of 32.6 million is set to double in the next 25 years, and the current population is already very young; more than one third is under 15 years of age. Rice is a staple and is considered essential to the Iraqi diet where annual per capita consumption is estimated at 92 pounds. Most Iraqis consume rice daily and almost 90 percent of it is imported, with India, Vietnam, and the USA as the major suppliers, followed by Thailand. South American origin rice is also making inroads recently into the market under the government procurement tenders. Private traders at some point will replace government tenders, which currently dominate the rice market, however the country will need to stabilize first.

According to the Foreign Agricultural Service's Economic Research Service, Iraq's total rice imports were 1,250,000 MT in 2015 and are forecast to increase to 1,300,000 for 2016. Local production covers only about 20 percent of the total demand; the availability of irrigation water, largely coming from Turkey down the Euphrates River, severely limits Iraqi rice production. As Turkey is not expected to increase the level of water released for delivery to Iraq, this will continue to limit rice production, which is estimated at 267,000 MT (milled basis) in 2015.

After being out of the market for close to 15 years, the first shipment of 25,000 MT of U.S. rice arrived in Baghdad in June 2005. Imports continued until 2011, when Iraq imported 41,100 MT of U.S. rice. Sales of U.S. rice to Iraq halted completely in 2012 thanks to the challenges U.S. exporters faced in fulfilling the revised tender specifications of the Grain Board of Iraq (GBI).

The GBI controls approximately 85 percent of all Iraqi rice imports to cover the amount of rice needed for distribution in the Public Distribution System (PDS), which provides Iraqi citizens with a monthly allotment of basic food items, including three kilograms (about 6.5 pounds) of rice.

Tendering requirements, including their request for an official certification from a U.S. authority guaranteeing that each shipment of U.S. rice is GMO free, and the difference in their definition of kernel length and the tolerable amount of broken and chalky kernels, basically made the USA ineligible to participate in tenders announced by the GBI in 2012.

In order to resolve these technical issues, USA Rice organized a seminar for GBI officials in Amman, Jordan in November 2012.

As far as the GMO certificate, no "official" U.S. authority can issue such a document on a ship-by-ship basis, however, USA Rice convinced the Iraqi officials to accept test results from an independent laboratory, and if no findings of GMO were found, to accept this as proof that U.S. rice is GMO free. GBI officials have confirmed this commitment in writing, so this requirement in theory no longer limits U.S. rice sales to Iraq.

Other technical issues were resolved and confirmed in an official letter in March 2013

from the Director General of the GBI. In 2013, 40,000 MT of U.S. rice entered Iraq.

USA Rice hosted another GBI delegation in May 2014 so the Iraqis could become better acquainted with U.S. rice production and processing, as well as shipment procedures ensuring the high quality and reliability of the product. The delegation visited rice producing areas, rice mills, as well as port facilities and testing laboratories in the south to see all steps of the U.S. rice supply chain, and to discuss specific issues related to the continued challenges of the tendering requirements. This had a positive effect on U.S. rice sales to Iraq in 2014 which rose to 153,200 MT.

Market challenges remain however.

In 2015, a sale of 60,000 MT was made in May and another 60,000 MT in July, following continuous efforts to ensure fair and transparent access to U.S. origin rice to the market. Some tenders have been successful, while others have failed with no explanation – despite the U.S. bids being price competitive.

"We've really pulled out all the stops to change the trading relationship," said Hartwig Schmidt, USA Rice director of international promotion in the region said. "We brought the Grain Board to rice country, we've met with U.S. Ambassador to Iraq Stuart Jones and numerous other American officials at the State Department and in the Foreign Agricultural to alert them to our challenges in the market."

Schmidt said USA Rice has also had Congress weigh in with Secretary of State John Kerry and Ambassador Jones directly, as well as with Iraq's ambassador to the U.S.


Ambassador Jones is fully engaged and understands the real problems in this volatile market. In country, Jones has pushed the need for transparency up to the level of the Prime Minister.

In addition to increasing political pressure in the U.S. and Iraq, USA Rice has taken another step, hiring a local in Baghdad to help navigate these sometimes murky waters.

He is in regular contact with the Grain Board and the Minister of Trade and assists USA Rice in building a better relationship with them.

Schmidt reports that USA Rice has proposed a Memorandum of Understanding with the Ministry of Trade to define the U.S. commitment to the market and enforce regular tenders. A meeting was held on July 25th in Amman, Jordan with the Trade Minister and his colleagues in an attempt to solidify recent gains.

USA Rice has also extended an invitation for the Trade Minister to travel to the U.S. later this year to visit rice country to further build on the successes outlined.

With the renewed vigor of the U.S. government on behalf of the U.S. rice industry, the attention of the Trade Ministry that now understands the U.S. rice industry is not going to accept being unfairly treated in government tenders, and with our crystallized strategy we believe we have a path forward that will let us ride out this rollercoaster to position us at the forefront of this important but unpredictable market. 

Jim Guinn is vice president of international promotion at USA Rice.



THE ABCs OF RICE TRQs

BY BOB CUMMINGS

ARLINGTON, VA – Trade agreements can be a bit like a famous Rolling Stones song: “You can’t always get what you want, but if you try sometimes, you just might find, you get what you need.”

When it comes to bilateral and multilateral trade agreements, the gold standard is to have absolutely zero import tariffs or duties on U.S. rice. Sometimes our industry and U.S. negotiators are successful in hitting that mark, as with the North America Free Trade Agreement where Mexico’s import duties (or taxes) on U.S. rice were reduced to zero over ten years and our own duty-free access to Canada was locked in. Mexico is now the number one export destination for U.S. rice and Canada is in the top five.

More often than not, however, the political sensitivity of rice in foreign countries means that duties on imports from the United States are either not eliminated, or elimination takes a very, very long time. Sometimes U.S. exporters receive only partial tariff-free access in the form of what’s called a tariff rate quota, or TRQ. In short, the importing country agrees to let in a set quantity of U.S. rice at a much reduced, or zero, tariff. That quantity might grow over time or remain fixed, and tariff elimination sometimes occurs while a TRQ is in place.

While TRQs are definitely not the first choice, if managed correctly they can bring additional benefits to rice farmers, millers, and exporters that are greater than simply more tons moving to market. Here are two cases where smart TRQ administration has been working for the U.S. rice industry, one for almost two decades.

The Ups and Downs of the EU TRQ

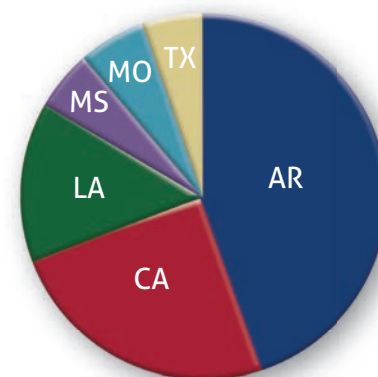
In late 1995, the United States and the European Union (EU) reached agreement on trade concessions to be provided by the EU to the United States because of the admittance of Austria, Finland, and Sweden to the EU. The concessions included TRQs for 38,000 metric tons of U.S. milled rice to enter duty-free and 8,000 metric tons of U.S. brown rice to enter at a much reduced tariff level. U.S. negotiators got the EU to agree to TRQ administration on this side of the Atlantic. That is, allocation of licenses to export under the TRQs would be handled by a U.S. nonprofit entity and the money bid for these licenses would remain in the United States.

Licenses, sometimes called “certificates,” are bid on at an auction by exporters of U.S. rice who agree to pay a certain amount per ton. The certificate entitles the bearer to import U.S. rice into the country in question under the terms of the TRQ – likely duty-free. The challenge for the exporter is to make the bid for the license competitive, but lower than the cost of the duty so that the deal ends up being profitable.

Following intensive discussions within the U.S. industry, all parties agreed to the establishment of a nonprofit organization – The Association for the Allocation of Rice

NET REVENUE FROM FEBRUARY & JUNE COL-RICE AUCTIONS

Arkansas	\$7,410,407	●
California	\$3,335,137	●
Louisiana	\$2,265,355	●
Mississippi	\$835,021	●
Missouri	\$971,456	●
Texas	\$850,230	●



Total 2015 Revenue as of June:
\$15.7 million

Quotas (AARQ). Since 1999, AARQ has auctioned off licenses to exporters of U.S. rice to ship under the TRQs three or four times per year. Net auction proceeds from the bids are split among exporters (78 percent) and The Rice Foundation (22 percent). Ninety percent of proceeds received by The Rice Foundation are allocated to rice research. The research funds are shared among the rice states based upon production. Under the AARQ agreement, all funds for the states are distributed to The Rice Foundation first and then to the rice research boards in the six individual states. Each state can also opt to have The Rice Foundation hold its funds in escrow.

Receiving the lion’s share of funds because of production figures, the Arkansas Rice Research and Promotion Board (ARRPB) opted to have the funds held by The Rice Foundation to be invested and accrue interest, and only spent at the direction of the ARRPB. Thanks to the EU TRQ program, the ARRPB has been able to allocate more than \$5 million for research, all conducted in Arkansas, including endowing the Rice Industry Chair for Variety Development and a gift that helped construct the new University of Arkansas Division of Agriculture Rice Research and Extension Center in Stuttgart. EU TRQ funds also support ongoing varietal development research, including current efforts to develop an Arkansas aromatic variety.

The EU rice market has changed considerably since 1995. The EU has had internal policy reforms and also granted duty-free access to rice from the least developed countries. And there have been external shocks like the LibertyLink® crisis. As a result, AARQ revenue is currently much reduced from initial levels, but still bringing more than \$700,000 to the United States in 2014.

Colombia TRQ Generates Millions for Rice Research

It is fortunate that a new, and larger, source of money for rice research has emerged through TRQs provided to U.S. rice in the U.S.-Colombia free trade promotion agreement (TPA) that went into effect in 2012.

Under the agreement, Colombia’s import duty on U.S. rice, currently 80 percent, will begin decreasing in 2018 until reaching zero in 2030. In the meantime, Colombia



Photo Courtesy of LSU AgCenter



Rice research funds are shared among the rice states based upon production.



provides annual TRQs for U.S. rice to enter the country duty-free. The TRQs began in 2012 (for 79,000 metric tons on a milled equivalent basis) and increase 4.5 percent each year until Colombia's import duties end in 2030.

As with the 1995 agreement with the EU, the Colombia TPA allows for a U.S. nonprofit to administer the rice TRQ. And similar to the EU experience, the industry came together in 2012 and agreed on the establishment of Colombia Rice Export Quota, Inc. (COL-RICE) to handle the auctions of licenses for the import of U.S. rice into Colombia. But there are some important differences:

- The COL-RICE board has directors from the U.S. and Colombian rice industries.
- The net proceeds of the auctions are split 50/50 between the U.S. and Colombia rice sectors.
- All net proceeds to the United States are allocated to the six rice states to be used *only* for rice research in the first ten years. In year eleven and forward, the funds can also be used for rice promotion.

The first auction was held in late 2012, and the COL-RICE board has subsequently agreed to three to four auctions each year, the most recent in June. The final auction for 2015 will take place on October 15.

Through 2014 these returns brought in \$8.3 million in research, and even more substantial sums in 2015 as seen in the chart.

As with its share of the AARQ proceeds, the ARRPB has designated The Rice Foundation to hold Arkansas's share of COL-RICE's net proceeds. Any use of the funds will be directed only by the ARRPB, which has committed to spend all future funds on research — even after the funds are eligible to be used for promotion. ARRPB has already allocated more than \$4.5 million to the University of Arkansas for research projects, equipment purchases, and for construction of a new Rice Foundation Seed facility. ARRPB is also working to develop a plan of action to invest TRQ funds in a way that benefits the Arkansas rice industry for years to come.

As we saw in the EU, market conditions are not static, and revenue from COL-RICE auctions is a function of rice prices here and in Colombia and the level of Colombia's rice import duty, which will decline beginning in 2018. Nonetheless, rice farmers in Arkansas and the other states continue to enjoy the benefits of smart quota administration while USA Rice continues to press for the elimination of global tariffs on rice.

Bob Cummings is chief operating officer for USA Rice and previously served as senior economist in the agricultural affairs office of the Office of the U.S. Trade Representative.

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USA Rice is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants, and allied businesses.

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Chinese Trade Puzzle

BY DOW BRANTLEY

Trade issues are quite important to the U.S. rice industry – about half of our annual crop is exported to more than 110 countries – but they are also very complicated, and sometimes I think, confusing by design. Trade agreements are like shifting puzzles that challenge at every turn.

Earlier this year I was appointed to the Agricultural Policy Advisory Committee (APAC) by U.S. Department of Agriculture Secretary Tom Vilsack and United States Trade Representative Michael Froman. It is a great honor to serve on this select group of trade and agriculture experts providing advice and information to the government on the administration of trade policy, including enforcement of existing trade agreements and negotiating objectives for new trade agreements.

In the short time I've been involved, I've learned quite a bit about many pending trade agreements that are very important to rice. And while the headlines, rumors, and innuendos swirl around issues like the Trans Pacific Partnership (TPP) and access to China, I've come to appreciate just how difficult these puzzles are to solve.

For example, the long negotiated phytosanitary protocol with China.

Many have tried to paint a picture of a U.S. rice industry divided with segments of the industry standing in the way of progress. Let me tell you, the only obstacle to access to China for U.S. rice is China. And while a deal may be reached this month, the slow, cautious approach taken by the United States has been the smart one.

The Chinese negotiators have continually moved the goal posts on our negotiators, reopening old pieces of the puzzle that were thought solved long ago and setting up no-win scenarios for us.


For example, insect trapping. Not only have the Chinese been calling for us to trap for insects that don't exist in the United States, they've asked us to trap for insects for which there is no trap.

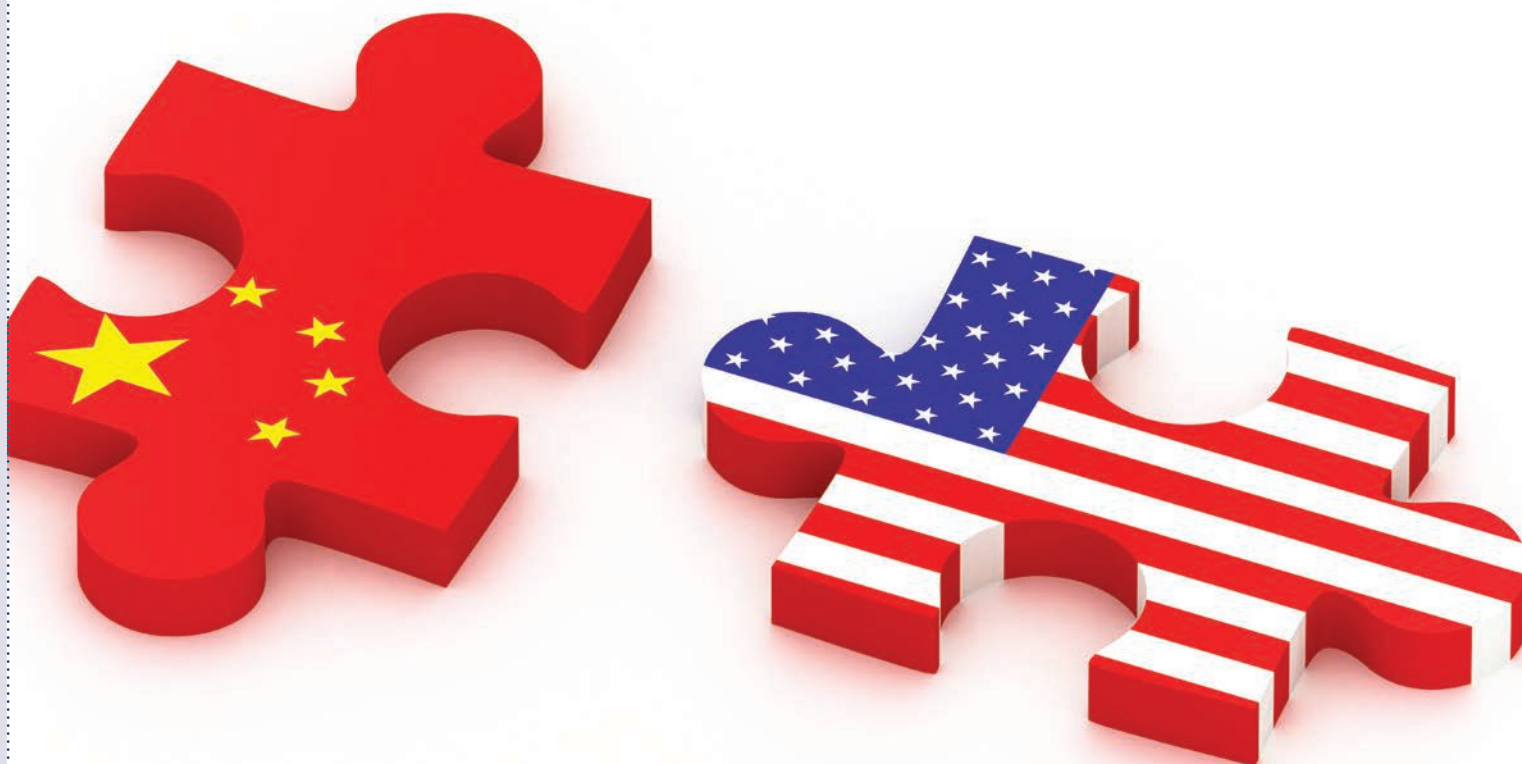
The U.S. industry is willing to set out traps, but how can you set out a trap that does not exist? And take it a step further: if you have agreed to set out a trap that doesn't exist, and then you don't set it out... because it doesn't exist...are you in compliance? Or could China decide they want to turn off the spigot on U.S. imports, claim we are out of compliance with the agreement, and stop the imports? Of course they could – that's how it was designed. So just agreeing to something willy nilly without understanding how it will work and be used against you, that's not a smart approach to trade agreements.

Luckily for the U.S. rice industry, our negotiators have been able to see through these tactics and have stood firm on our behalf. I, for one,



"... while the headlines, rumors, and innuendos swirl around issues like the Trans Pacific Partnership (TPP) and access to China, I've come to appreciate just how difficult these puzzles are to solve."

appreciate their efforts and advocacy, and I believe whenever a final phytosanitary deal with China is announced – be it this month or next year – our negotiators will have done all they could to make sure the completed puzzle presents a solution that works for U.S. rice farmers. 



FOOD INNOVATION FOR TODAY AND TOMORROW

BY MIKE LEE

BROOKLYN, NY — As food innovators, we must remember that there are many flavors of innovation and they each serve a strategic purpose based on the needs of the customer and business. Incremental innovations support and extend existing product lines with new features or by serving adjacent customer needs. On the other end of the spectrum, breakthrough innovations create entirely new product categories and customers, boldly moving the industry forward.

Ideally, a mix of both types of innovation needs to be pursued for food companies to capture and create opportunities for themselves. Problems can arise when a company is too focused on only incremental innovation or all breakthrough innovation.

Achieving this mixed approach to innovation is difficult in practice, as incremental and breakthrough mindsets are quite different. The former focuses on near-term time scales with more concrete visions of costs and benefits, while the latter is all about diving into the future with many unknowns. Building a culture that can accommodate both of these innovation approaches is challenging, but worthwhile.

This is why we created The Future Market, a conceptual grocery store that imagines what the world of food could look like in the year 2065. The store is in development and will live online and in physical form. But instead of stocking the shelves with the same products you'd see in a grocery store today, we will be creating concept prototypes that suggest a very different food system than we live in today. We'll explore things like biodegradable bioplastics for packaging, advanced aeroponic and hydroponic growing systems, alternative proteins, and future versions of the crops we see today.

It's difficult to get today's food from ground to table and we don't always have room for breakthrough innovation. The Future Market is a venue where food innovators can truly think outside the box and imagine what the food will look like two generations away. It's a place to only think in "breakthrough" innovation mode. Our goal is to think more ambitiously about the future in order to inspire what we do today.

Outside of the food industry, companies like Google and Amazon have mastered the art of investing in incremental as well as breakthrough innovation. Each week, an onslaught of new refinements, features, and optimizations is introduced into their main software products. While every year, these tech giants typically introduce one game-changing product or service that's aimed at putting them on a whole new plane of innovation. For every self-driving car or package delivery drone, there are many more new Android releases or product search functions that launch at Google and Amazon, respectively.

This mix of innovation approaches is what keeps companies like Google and Amazon relevant not just today, but well into the future. They are not keen to simply defend their turf today, but they are aggressively paving a way towards longevity through innovation.

This balance of incremental and breakthrough innovation is dearly needed in food today. The food industry is far larger and more vital to our civilization than those tech giants, yet we tend to move at a snail's pace and avoid risk at all costs. We owe future generations—and ourselves—a stronger effort in promoting outrageous, moon-shot ideas in the food world. The ideas that are crazy enough that they just might work. [WG](#)

Mike Lee is the CEO and founder of Studio Industries & The Future Market and he will be leading an exciting end user panel at the 2015 USA Rice Outlook Conference in New Orleans this December. Be sure to visit usarice.com/outlook to learn more and sign up to attend – you will not want to miss this session.

FROM TOP LEFT: Mike Lee, future products, and tomorrow's supermarket.



INTERIOR PERSPECTIVE

USA RICE Launches New Online Home

BY MICHAEL KLEIN

ARLINGTON, VA — USA Rice recently launched its new online home, www.usarice.com. The site has a modern look and feel, is greatly slimmed down, streamlined, and fully functional on mobile devices.

"We went through more than 15,000 pages of content to get rid of clutter and organize the information in a logical way both on the front end for users, but also on the back end for staff," said Amy Doane, a member of the in-house team that worked on the new site's architecture. "The new site is light years ahead of where we were and we're excited to improve this valuable tool for our members."

"Members told us local weather and market prices are among the most important pieces of information they look for every day, so we added that to the home page," explained Katie Maher who led much of the redesign. "Users click on the weather icon, enter their zip code one time, and the site will remember that is the weather, radar, and forecasting you want."

Maher explained the site is now organized around the USA Rice Daily, USA Rice's daily newsletter available via email or on your mobile device.

"The Daily and the tags associated with each story serve as the backbone of the new site, linking and organizing information logically," she said. "Not only do we add stories every day, but we are also working backwards, adding archived stories to give visitors a full picture of what each issue means for rice and how that issue has evolved over time."

Maher said visitors are also able to register for USA Rice meetings, order National Rice Month merchandise, and access "members only" sections of the website with proper credentials. [WG](#)

Michael Klein is the USA Rice vice president of communications and marketing, and is convinced the Internet is here to stay.



The new look of usarice.com.


SUMMER IN THE CITY

BY WHIT KENDALL

ARLINGTON, VA — Growing up on a family farm in rural Mississippi, I always wanted to get away at some point and do something different. As I began my junior year at Mississippi State University, I realized that going to Washington, DC would be the perfect opportunity to branch out. Although I had little previous experience with rice, I knew I wanted to participate in an internship that would give me a chance to understand how public policy impacts agriculture. The decision to take an internship with USA Rice fulfilled that goal.

During my time with USA Rice, the day-to-day activities varied but some of my favorite days included going to Capitol Hill and seeing firsthand how policy works. Congressional hearings and meetings with legislative staff opened my eyes to the complicated process of how laws and policies are formulated.

The USA Rice Government Affairs team kept me busy working on projects that introduced me to ideas that were fresh and interesting. The experience of being off the farm and seeing the working world from a completely different perspective is something that is invaluable to me.

I encourage all students to consider interning in Washington, DC, no matter your field of study. It is a unique experience and gives you the chance to see how the things that affect your everyday life come to be. Working in DC was a great way to network and be exposed to so many different types of people. No matter what career I pursue, I know that I will be able to use the lessons I learned while working here this past summer. 

Whit Kendall grew up on a farm in Bolton, Mississippi, and is the only son of Libby and Ted Kendall. He is a student at Mississippi State University majoring in Agricultural Engineering Technology and Business.

The author (right) and Thad Cochran, the senior Senator from Mississippi.



2015 USA RICE OUTLOOK CONFERENCE SHAPING UP TO BE BIGGEST AND BEST

BY TRISH ALDERSON

NEW ORLEANS, LA — The USA Rice Outlook Conference is expanding to two full days this year, with an exciting program lineup featuring outlooks on farm policy, politics, the economy, domestic and global rice production, research, food innovation, and more. USA Rice recently announced the keynote address for the December 9-11 event in the Crescent City will be a lively discussion with husband and wife political strategists and best-selling authors Mary Matalin and James Carville. They will speak at the opening general session on Thursday, December 10.

Matalin is one of the most celebrated and popular conservative voices in America, co-hosting the nationally syndicated radio program, *Both Sides Now*, and having served under Presidents Ronald Reagan, George H.W. Bush, and George W. Bush.

Carville is America's best-known political consultant, renowned for his electoral successes and remaking political underdogs into upset winners. He most famously guided the campaign of then Governor Bill Clinton to defeat President George H.W. Bush whose approval rating was among the highest ever for a sitting president.

Dr. Mike Strain, commissioner of the Louisiana Department of Agriculture and Forestry, also will speak at the opening general session on Thursday. Louisiana Congressman Ralph Abraham, M.D. will speak on Friday.

"The USA Rice Outlook Conference is the rice industry's largest annual meeting, and we look forward to welcoming rice farmers from all states and representatives from throughout the U.S. rice industry to New Orleans," said Christian Richard, a rice farmer from Kaplan, Louisiana, who serves on USA Rice's Communications Committee, which is involved in program planning for the conference. "New Orleans is a unique city with so much to offer. We know attendees will have an enjoyable time as well as a great learning experience at the conference."

Additional program highlights include a Washington insider's view from Jim Wiesemeyer, Informa Economics; a presentation on the global economic trends that will impact your bottom line and decision-making by noted economist Dr. David Kohl; as well as outlooks on the global rice situation by USDA's Andrew Aaronson and the weather by Joel Widenor, Commodity Weather Group LLC. State-by-state rice production and research reports also will be presented.

Two special learning sessions will be offered. Farm management expert R. L. "Dick" Wittman will discuss strategies for implementing professional family business governance and transition, and an offsite learning session with The Russell Marine Group and Eurofins will offer a unique opportunity to follow U.S. rice as it begins its journey to export destinations.


Food futurist Mike Lee, founder and CEO of Studio Industries, will speak and lead a panel discussion on the future of food, food shopping, and what it means for rice (see Lee story, page 3).



Husband and wife political strategists and best-selling authors Mary Matalin and James Carville.

The USA Rice Outlook Conference hosts a trade show for rice-related equipment, products, and services. This year's schedule includes more dedicated time in the Exhibit Hall, including receptions and a lunch.

The annual Rice Awards Luncheon will be held on Friday, with the presentations of three prestigious industry honors, the National Rice Month scholarship grand prize, and the announcement of the new class for the Rice Leadership Development Program, which is celebrating its 25th anniversary.

Exhibit and sponsorship opportunities are available, but going fast. Visit the conference website at www.usarice.com/outlook for more information. 

The 2015 USA Rice Outlook Conference will be held December 9-11 at the Sheraton New Orleans. Jeanette Davis is standing by to answer your questions and help you find the sponsorship/exhibitor package that is right for you at (703) 236-1447, jdavis@usarice.com.

Trish Alderson, a native of Louisiana, is also USA Rice's vice president of meetings and member services.



U.S. RICE INDUSTRY CELEBRATES 25 YEARS OF NATIONAL RICE MONTH

BY KATIE MAHER



ARLINGTON, VA — September is National Rice Month (NRM), a time to celebrate the harvest of this small, but mighty grain that has captivated American hearts and stomachs for more than 300 years. Strongly supported by rice farmers and millers, NRM has become a well-known national promotion educating consumers about the benefits of rice grown in the USA and boosting U.S. rice sales nationwide.

“September 2015 is the 25th anniversary of National Rice Month, and USA Rice has some exciting promotions planned to mark the occasion,” said Fred Zaunbrecher, USA Rice Domestic Promotion Committee Chairman. “We’ll be spreading the rice message and encouraging Americans to *Think Rice* while at the grocery store and dining out, through social media, and even in the classroom.”

SPOTLIGHT: Rice Aisle Impact

To reach shoppers at the point of purchase, USA Rice is conducting customized promotions with supermarket registered dietitians (SRDs) at eight retail chains, including: Giant, HEB, Hy-Vee, Kroger, Rouses, ShopRite, Stop & Shop, and Weis Markets.

“Working one-on-one with dietitians at the grocery store is a great way to increase visibility of U.S.-grown rice,” said Paul Galvani, USA Rice Retail Subcommittee chairman. “This past spring, we conducted promotions with dietitians at two retail chains that generated nearly 38 million shopper impressions – so our messages were being well amplified.”

Throughout the month, USA Rice’s SRD partners will promote NRM and U.S.-grown rice through various supermarket communication channels, such as: in-store radio ads and demos, newsletters, store magazines, circulars, store tours, nutrition classes, and more.

“Some especially unique promotions include U.S. rice themed health and wellness text messages that HEB dietitians will send to more than 80,000 shoppers,” said Galvani. “And Kroger dietitians are hosting an incentive contest to encourage employees to cook with U.S. rice and share their photos and nutrition tips.”

Again this year, USA Rice is partnering with Advanced Fresh Concepts, the largest supermarket sushi distributor in the United States, to conduct an NRM promotion in grocery stores and military commissaries. More than 2,000 stores across the country will feature sushi display case signage and ‘Rice Grown in the USA’ stickers on sushi containers. Last year, sushi sales increased 9 percent during the promotion.



USA Rice’s refreshed SRD toolkit provides dietitians with reasons, recipes, and tools to recommend U.S. rice during NRM and throughout the year.

SPOTLIGHT: RiceGiving

To encourage restaurants to promote National Rice Month and extend the U.S. rice message to consumers, USA Rice launched a new charitable program called RiceGiving to support local food banks across the country. For every U.S. rice menu item ordered at a participating chain, during September, the U.S. rice community is donating a serving of rice to feed the hungry.

Upscale Asian-inspired chain, P.F. Chang’s was quick to jump onboard.

“This program is a great way to raise awareness – both that a majority of the rice people eat in this country

is grown by American farmers, and that the U.S. rice community is sensitive to hunger issues in America,” said John Hasbrook, USA Rice Foodservice Subcommittee chairman. “RiceGiving can make people feel good about their food decisions – when they choose U.S. rice they are not only helping America’s family rice farmers, they are helping provide a warm, nutritious meal to someone in need.”

P.F. Chang’s is promoting NRM and the RiceGiving program to their patrons both in their 210 restaurants, and online to their nearly one million social media followers and newsletter subscribers. They are also using a dedicated webpage to explain RiceGiving, featuring a two minute animated video provided by USA Rice.

“We are honored to invite our guests to join in this important cause by dining to donate,” said Michael Osanloo, chief executive officer of P.F. Chang’s. “Thanks to our loyal customers, we will be able to help put food on the table for many American families.”

USA Rice President and CEO Betsy Ward is also enthusiastic about the program: “We cannot imagine a better restaurant partner for National Rice Month than P.F. Chang’s. Already committed to great food and the highest quality rice, P.F. Chang’s is also demonstrating its commitment to America’s family rice farmers. We look forward to working together to support these farmers and those in need through our RiceGiving program.”



“Social media provides a direct line of communication to consumers, so it’s important that we grab their attention with interesting video and images...”



SPOTLIGHT: Social Media Engagement

Consumers across the country have another reason to be excited about September National Rice Month – they can reach for rice from the convenience of their computer or mobile device.

USA Rice will have daily social media postings on Twitter, Facebook, and Instagram covering topics such as sustainability and conservation, health and nutrition, farming, rice recipes, and fun facts. New “how-to” rice recipe videos and infographics will also be released throughout the month.

“Social media provides a direct line of communication to consumers, so it’s important that we grab their attention with interesting video and images,” said Colleen Klemczewski, USA Rice social media coordinator. “This summer, our most popular posts on Facebook were infographics about rice – they received more than 300 ‘likes’ and ‘500’ shares. So we’re excited to reveal our new content in celebration of National Rice Month and anticipate it will generate a lot of interest and activity.”

“We received such positive feedback from teachers in the spring, we thought National Rice Month would be a perfect time to remind them about the program...”



SPOTLIGHT: Rice State Activities

Across the rice producing states, National Rice Month promotional events and activities are held to celebrate the harvest that is underway in most areas, and show support for farming families that contribute to the rice industry.

The Arkansas and Louisiana rice industries arrange for local food bank donations and convene at the state capitals for NRM proclamation signings by their governors.

In Mississippi, the Annual Rice Tasting Luncheon sponsored by Delta Rice Promotions, Inc. attracts more than 1,500 people to celebrate NRM and sample dozens of different rice dishes. USA Rice will exhibit at the luncheon and also serve as judges for the *Think Rice* recipe contest.

USA Rice is continuing its school education outreach by partnering again with award-winning curriculum developers Young Minds Inspired (YMI) to electronically distribute the *Think Rice* education program to 5,000 teachers in all six rice states and beyond.

“We received such positive feedback from teachers in the spring, we thought National Rice Month would be a perfect time to remind them about the program and encourage them to use it with their new classes,” said Byron Holmes, USA Rice Nutrition Subcommittee chairman. “We also sent the program to school districts outside of the rice growing states to reach teachers that regularly participate in the YMI program.”

All month long, high school seniors in rice producing states will be conducting their own NRM promotions to enter the annual NRM scholarships contest, sponsored by Dow AgroSciences. Teens will plan creative activities to promote U.S.-grown rice, NRM, and the importance of rice growing in their state. Be on the lookout for promotions going on in your state and support scholarship applicants!

“It’s important to take advantage of National Rice Month to tell our story – U.S. rice is healthy, locally-grown, and good for the environment,” said Zaunbrecher. “Not only do our activities help drive those messages home, I think they contribute to a sense of pride all U.S. rice farmers should feel for what they do.”

Katie Maher is USA Rice’s director of domestic promotion and September is her favorite month.



“At P.F. Chang’s, we exclusively use U.S.-grown rice in our restaurants,

as we are committed to reducing food miles and are proud to support U.S. rice farmers,” said Nevielle Panthaky, Vice President of Culinary Innovation at P.F. Chang’s. “Also, the cooking qualities and taste profile of U.S. rice complements our menu items and lets us deliver great tasting dishes our guests have come to expect.”

Visit www.pfchangs.com to watch a short video about U.S.-grown rice and the RiceGiving program.



NEW RICE RECIPES FOR FOODSERVICE PUMP UP SCHOOL LUNCH MENUS

BY DEBORAH WILLENBORG

SALT LAKE CITY, UTAH — When school nutritionists write the obligatory “what I did over summer vacation” essay this fall, most will get to include their trip to the 2015 School Nutrition Association’s (SNA) Annual National Conference in July. More than 5,500 school nutrition professionals, industry members, and allied partners gathered here to share their passion for child nutrition.

USA Rice participated as a conference exhibitor, distributing information about K-12 resources available on MenuRice.com, including five new rice recipes developed specifically for school foodservice menus. These standardized rice recipes were developed to make it easy for schools to meet nutrition requirements and increase rice usage. Visitors to the USA Rice booth were given the new recipes as well as the *Rice 101 Cooking Guide* that provides rice preparation instructions, taking into account the various types of equipment found in school kitchens.

Attendees also had an opportunity to spin the famous “Rice Wheel” to test their knowledge on U.S.-grown rice and win a *Think Rice* rice crispysake.

“The prize wheel definitely draws a crowd to the booth and is a great way to interact with people,” said Katie Maher, USA Rice’s director of domestic promotion. “Many are surprised and proud to learn that a majority of the rice Americans consume is grown right here in the U.S. by American farmers or that rice farming positively contributes to the environment.”

During this year’s conference, USA Rice staff met with school nutrition directors from Kansas, California, Louisiana, and Texas, to learn more about the challenges they face complying with federal nutrition guidelines and how that affects menu planning and food purchasing decisions.

“The directors are responsible for program roll-out and training in their individual states and districts,” said Maher. “Meeting face-to-face with these influential people gave us the opportunity to share our recipes and resources, find out how we can continue to be a valuable foodservice partner, and talk about opportunities for interactive and engaging promotions in their states.”

Maher said now that school is back in session, USA Rice will continue to stay in touch with this important audience, encouraging U.S.-grown rice usage in schools and providing much needed resources. 

Deborah Willenborg is USA Rice’s communications manager and lunch was her favorite subject in school.



LEFT: USA Rice’s Katie Maher (left) shares tips and treats with a hard working Lunch Lady.

BELOW: Vegetable Fried Brown Rice Bowl – one of five new recipes USA Rice developed for school foodservice menus.



10 reasons to eat RICE GROWN IN THE USA

1. LOCALLY GROWN
When you choose U.S.-grown rice, you are reducing your food miles. **85%** of the rice we eat in the USA is grown by American farmers. **SUPPORT LOCAL GROWERS!**

2. LOVE FOR THE ENVIRONMENT
American rice farmers have a longstanding commitment to protect and preserve natural resources. Today, U.S. rice farmers produce more rice using less land, energy, and water than they did 20 years ago – with no GMOs. Working rice fields provide critical wildlife habitat for many species of birds, mammals, and reptiles.

3. NUTRIENT-RICH
Rice provides more than 15 vitamins and minerals, and beneficial antioxidants. **100 calories = 1/2 cup serving**

4. ENERGY BOOST
Keep your engine revved throughout the day with rice! It's a good source of complex carbohydrates, providing the fuel your body and brain need to function.

5. HEALTHY WEIGHT MANAGEMENT
Research shows that eating rice makes you feel full longer and people who eat rice are less likely to be overweight.

6. HEART HEALTH
Whole grains, such as brown rice, help reduce the risk of heart disease, diabetes, and certain cancers. Rice eaters have a lower risk of high blood pressure. **1 cup cooked brown rice = 2 servings of whole grains**

7. GLUTEN-FREE
Rice is one of the least allergenic grains, making it a healthy option for those that are gluten-intolerant or have food sensitivities.

8. BUDGET-FRIENDLY
10¢ PER SERVING

9. IT'S A "FREE" FOOD
U.S.-grown rice is... **sodium-cholesterol-gluten- and GMO-free.**

10. IT MAKES YOU HAPPY!
Eating rice triggers your brain to produce serotonin, which boosts mood and keeps appetite in check. **THINK RICE U.S.-GROWN**

USA Rice Federation • www.thinkrice.com

MYPLATE PARTNERSHIP

BY DEBORAH WILLENBORG




ARLINGTON, VA — In 2011, when the U.S. Department of Agriculture (USDA) updated the food pyramid to the colorful MyPlate symbol, grains stepped into the spotlight. And with USDA's "Make Half Your Grains Whole" campaign in 2012, USA Rice joined more than one hundred other national organizations to promote this key nutrition message.

"USA Rice was one of the first organizations to join USDA's National Strategic Partnership, that was designed to promote MyPlate and the Dietary Guidelines," says Katie Maher, USA Rice director of domestic promotion. "The collaborative promotions with other MyPlate partners give USA Rice a larger communications platform, allowing us to extend our message and our program dollars."

For example, the four-month "Make Half Your Grains Whole" promotion reached almost 190 million people – 25.5 million consumer influencers including health professionals, industry members, consumer media, policy makers, and educators, and 163 million consumers via social media channels.

"Any way you measure it, this is an incredible return on investment," says Maher. "Having such high level of support from MyPlate is invaluable for rice."

The National Strategic Partners maintain a messaging calendar that helps coordinate efforts and continue to broaden consumer reach. Recent MyPlate promotions co-sponsored by USA Rice include a video contest for kids that received more than 10,000 unique visitors and generated more than 100 video entries from kids across the country, and a toolkit USA Rice helped develop, called "Meeting Your MyPlate Goals on a Budget," that had more than three million downloads, making it one of the most popular MyPlate publications ever.

"We understand the value of MyPlate is as a resource, to everyone from professionals like dietitians, to schools and programs like WIC that promote healthy eating to consumers," Maher adds. "With all that access and exposure, it's important that U.S. rice is represented. The MyPlate communications partnership is critical to our efforts to remind people where rice fits on the plate." 

"Collaborative promotions with other MyPlate partners give USA Rice a larger communications platform, allowing us to extend our message and our program dollars."



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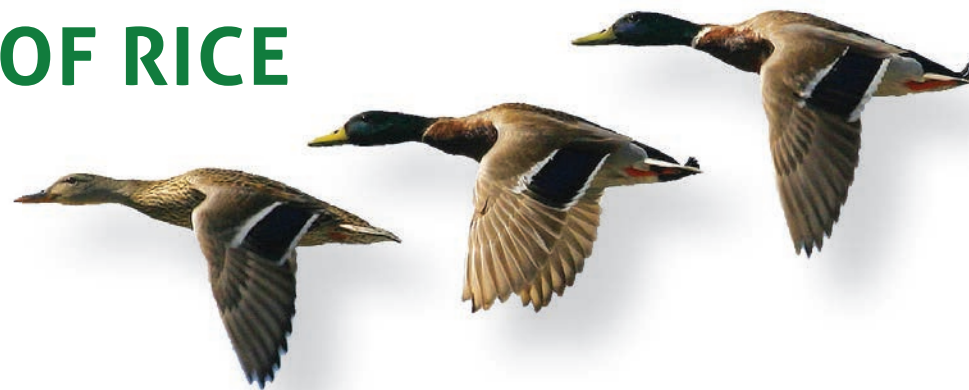


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SUSTAINING THE FUTURE OF RICE

BY BEN MOSELY



WASHINGTON, DC – The Natural Resources Conservation Service (NRCS), through the Regional Conservation Partnership Program (RCPP), approved \$10 million for a USA Rice-Ducks Unlimited Stewardship Partnership proposal entitled “Sustaining the Future of Rice.” This rice-focused conservation platform offers rice farmers financial and technical assistance to apply on-farm conservation practices to address water quantity, quality, and wildlife habitat in Arkansas, California, Louisiana, Mississippi, Missouri, and Texas.

Seven million dollars will be made available through the Environmental Quality Incentives Program (EQIP) and \$3 million from the Conservation Stewardship Program (CSP), as well as \$6.8 million of cash and in-kind contributions from over 40 partners from the private sector.

Since the award announcement, USA Rice has been working diligently with DU and NRCS to set the parameters and acceptable practices for this first of its kind project. EQIP applications are currently being accepted in Arkansas and Mississippi through October 16, 2015 and applications in California, Louisiana, Missouri, and Texas will open later this fall. Outreach to producers through NRCS, USA Rice, and partners will notify rice farmers in these areas when EQIP and CSP applications may be submitted through their local NRCS office. The funds made available through the Sustaining the Future of Rice RCPP project are in addition to regular EQIP, CSP, and other conservation funds that may be available to growers.

USA Rice expects competition for contracts to be fierce. If the project is oversubscribed, the Stewardship Partnership intends to seek additional funding to continue this important conservation effort, the first of its kind to focus solely on practices that work best on rice producing lands. After the sign-up ends, applications will be ranked and contracts awarded. After the contracts are set, on-farm work will begin.

While this first RCPP award has been a great achievement for the rice industry there are more opportunities that the Stewardship Partnership has identified and three are being pursued in the second year of RCPP funding.

First, USA Rice, DU, and the Lower Colorado River Authority (LCRA) are working together on a proposal seeking federal funds to help construct a reservoir that aims to increase the water supply capacity of the LRCA and increase the availability of freshwater for rice production, managed waterfowl habitat, and coastal wetlands.

Second, in Arkansas, USA Rice is partnering on RCPP proposals that aim to reduce water quality degradation in three watershed areas – Middle Bayou Deview, Bayou Meto, and Grand Prairie. If funded, these projects would use EQIP and CSP practices to address the concerns of degradation of water quality from soil erosion and sediment loss from croplands.

Finally, another proposal in Louisiana seeks to improve water quality through nutrient management. The joint effort with DU seeks to use EQIP funding to increase the utilization of precision application of fertilizer and the installation of grade stabilization structures in southwest Louisiana, helping prevent the loss of nutrients through runoff.

These innovative proposals are just beginning. The U.S. rice industry is committed to advancing working lands conservation opportunities. USA Rice, together with Ducks Unlimited and our many conservation-minded partners, are taking the lead when it comes to finding what works best to keep rice-producing land viable for the long-term. [w-g](#)

Ben Mosely is the vice president of government affairs at USA Rice.



NORTH DAKOTA COURT ON WOTUS: “WHOA” TO EPA


BY STEVE HENSLEY

WASHINGTON, DC – Late last month, the Clean Water Rule: Definition of ‘Waters of the United States, better known as Waters of the U.S. or WOTUS, was sidelined by a federal judge in the U.S. District Court of North Dakota who called the measure “exceptionally expansive.” EPA said they consider the preliminary injunction to only affect the 13 states involved in the lawsuit: Alaska, Arizona, Arkansas, Colorado, Idaho, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, and Wyoming. The judge agreed, and for all other states, WOTUS went into effect August 28 as scheduled.

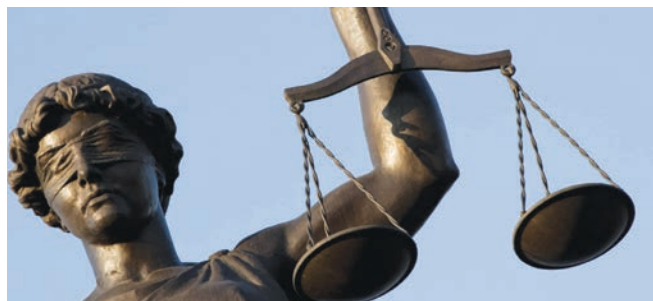
The North Dakota judge found the rule likely to be arbitrary and capricious and so expansive that it was contrary to the Clean Water Act’s grant of jurisdiction. EPA would like the lawsuit to be consolidated in the 6th Circuit Court of Appeals, where 14 other suits are pending. In the meantime the National Association of State Departments of Agriculture (NASDA) sent a letter to the agency requesting more time before implementation so state agencies could understand “their duties and obligations,” but were rebuffed.

“The Clean Water Rule is now in effect in all rice states except Arkansas and Missouri. Farmers and landowners in the states where the regulation applies are advised to consult with state and local authorities regarding the timeline of implementation and how to avoid regulatory action,” said USA Rice Vice President of Government Affairs Ben Mosely.

“There are still several pieces of legislation that have been introduced and passed out of committees in both the House and the Senate that would restrict or delay the final rule from going into effect,” Mosely added. “Congress will likely consider language in appropriations bills that would also aim to prevent the regulations from being enforced. USA Rice supports these efforts and will work with our allies in Congress to include a statutory fix in whatever legislative vehicle has the best potential to clear both chambers of Congress.”

While the final fate of the far reaching WOTUS rule remains uncertain, extended legal wrangling is a foregone conclusion. 

Steve Hensley tracks regulations for USA Rice.



Where will she come down?

USA RICE-DU STEWARDSHIP PARTNERSHIP TEXAS RESERVOIR PROJECT CLEARS FIRST HURDLE

BY PETER BACHMANN

ARLINGTON, VA – The newest project sought by the USA Rice-Ducks Unlimited (DU) Rice Stewardship Partnership has cleared a major hurdle with the announcement by the USDA Natural Resources Conservation Service (NRCS) that the groups’ pre-proposal has been chosen to advance to the next round of the Regional Conservation Partnership Program (RCPP).

USA Rice and DU have partnered with the Lower Colorado River Authority (LCRA) on a new \$10 million project, the new Prairie Conservation Reservoir in Eagle Lake, Texas, to benefit rice growers, migratory waterfowl, and waterbirds.


The project complements an existing LCRA construction project – the Lane City Reservoir, the region’s first significant new water reservoir in decades.

The new USA Rice-DU project was among 164 pre-proposals selected from 265 submissions to advance to the full proposal stage and has two primary components:

- The construction of a new reservoir to provide critically needed irrigation water to rice growers and other users in LCRA’s Lakeside Irrigation Division; and
- The implementation of EQIP practices on rice lands targeted to providing habitat for migratory birds and other wildlife.

The reservoir envisioned in this proposal would increase the region’s water supply and help preserve regional economies devastated by the ongoing drought, which may be the worst on record. Surface water has been unavailable for agricultural use in the region for four years, forcing businesses to close and producers to turn to more expensive groundwater.

The reservoir would enhance the availability of surface water to working ricelands, managed waterfowl habitat areas, and coastal wetlands. It’s estimated that the reservoir would benefit 50,000 acres of riceland south of its location.

The proposed reservoir would be filled during the off-irrigation season to provide some of the initial water to fill the canals at the start of each season. During the irrigation season it would serve about 75 percent of the producers in the Lakeside Irrigation Division. The reservoir has the potential to save 20,000 acre-feet of irrigation water ordered in a typical year – a water savings of more than 10 percent of the total annual water orders in the Lakeside District. 

Peter Bachmann is the newest member of the USA Rice Government Affairs team and specializes in conservation and related issues.

The 265 pre-proposals were seeking some \$1.8 billion in funding, and were offering \$1.27 billion in contributions. The total funding available for this round of the RCPP projects is just \$235 million, so the competition will be intense.



COLOMBIA CLOSE UP

BY SARAH MORAN

ARLINGTON, VA – Colombia has been a much welcomed market for U.S. rice this year, bringing in more than 250,000 MT of rice in just the first five months. Merely four years ago, Colombia was the United States’ 51st largest export destination importing less than 5,000 MT of U.S. rice. After implementation of a successful Free Trade Agreement, Colombia consistently ranks as one of our top export markets.

Rice Seminars

USA Rice began promoting U.S. rice in this market in 2014 with seminars targeting the hotel and restaurant (HRI) sector, importers, wholesalers and retailers, instructing them on the economic and versatile nature of U.S.-grown rice. This June, USA Rice conducted three seminars in Bogotá, Cali, and Medellín with chefs from the Hotel Marriott Cali, the Hotel and Tourism Association of Colombia (COTELCO), the Gastronomic Industry Colombian Associations (ACODRES), and many others.

Executive Chef Bernardo Gomez Cortazar, a renowned chef in Colombia, led the seminars at the prestigious Mario Moreno culinary academy, one of the most respected culinary schools in Latin America. More than 60 participants attended each interactive activity and expressed great satisfaction in the quality of the seminars.

“Not only are the participants challenged to develop new recipes that use rice but they also get to meet many other like-minded people who share a similar passion,” says Ernesto Baron, USA Rice’s advisor for the region.

During the seminar in Bogotá, Wilson Quiroga and José Humberto Cárdenas of Best Choice Ltda, an importer of food products for Asian cuisine, presented the various American aromatic rice types they market in Colombia.

Chef Competitions

Building on the seminars, four chef competitions (*Cocina Viva*) were held in July and August targeting food service operators, chef associations, chef academies, and other HRI operators. Each event pitted approximately 10 local chefs in a cooking competition utilizing rice products. More than 30 competing chefs were selected out of nearly 90 applicants based on their culinary credentials and submitted recipes. Each chef had one hour to prepare their dish and present it to the jury, which also included renowned chefs. A winning chef from each competition has been invited to attend the 19th Americas Food & Beverage Show in Miami in October.

“It is a great honor that jurors who are highly regarded chefs have chosen my dish,” said Juan Sebastian, the first place recipient from Bogotá with his recipe of pumpkin risotto with duck breast. “It is a great joy to have had the opportunity to compare my skills with others and know what I’m doing right and what needs improvement.”



“It is a great honor that jurors who are highly regarded chefs have chosen my dish.”

— Juan Sebastian, the first place recipient from Bogotá with his recipe of pumpkin risotto with duck breast.

“We had many high caliber participants,” said Mauricio Londoño, director of the Colombian Association of Chefs and one of the jurors in Bogotá. “I’ve talked to several people and they have high expectations for participation in the next edition of the contest *Cocina Viva*.”

GBI

USA Rice is also participating in a USDA funded Global Broad-based Initiative (GBI) that brings together nearly 20 agricultural cooperator groups to promote U.S. foods. The GBI is a media campaign called *Sabor USA* (“Flavor of the U.S”) and includes TV shows, videos, and social media postings targeting the Colombia consumer. Information on rice highlights the different types and forms of U.S. rice and the chef competitions mentioned above are also broadcast by *Sabor USA*.

USA Rice

Due to the resounding success of this year’s chef competitions, USA Rice has plans to repeat the *Cocina Viva* activity next year. Additionally, as U.S.-identified rice becomes more readily available at the retail level, USA Rice will diversify its promotional activities and directly target the consumer. In the meantime, we will target the burgeoning foodservice sector and importers and seek to keep Colombia as a permanent top export market for U.S. rice.



Sarah Moran is USA Rice’s director of international promotion covering the Western Hemisphere and Food Aid. She continues to learn Spanish but can converse fluently in Tetun. Go ahead, test her.

USA RICE WORKING OVERTIME ON THE ROLLERCOASTER THAT IS THE IRAQ MARKET

BY JIM GUINN

ARLINGTON, VA – There's no doubt that Iraq is a complicated place and that unrest in the region and a general lack of stability make doing business here risky at best, but as we have seen in the past, there are great rewards to be had if we can ride out the ups and downs, as the opportunities are impressive.

Iraq's population of 32.6 million is set to double in the next 25 years, and the current population is already very young; more than one third is under 15 years of age. Rice is a staple and is considered essential to the Iraqi diet where annual per capita consumption is estimated at 92 pounds. Most Iraqis consume rice daily and almost 90 percent of it is imported, with India, Vietnam, and the USA as the major suppliers, followed by Thailand. South American origin rice is also making inroads recently into the market under the government procurement tenders. Private traders at some point will replace government tenders, which currently dominate the rice market, however the country will need to stabilize first.

According to the Foreign Agricultural Service's Economic Research Service, Iraq's total rice imports were 1,250,000 MT in 2015 and are forecast to increase to 1,300,000 for 2016. Local production covers only about 20 percent of the total demand; the availability of irrigation water, largely coming from Turkey down the Euphrates River, severely limits Iraqi rice production. As Turkey is not expected to increase the level of water released for delivery to Iraq, this will continue to limit rice production, which is estimated at 267,000 MT (milled basis) in 2015.

After being out of the market for close to 15 years, the first shipment of 25,000 MT of U.S. rice arrived in Baghdad in June 2005. Imports continued until 2011, when Iraq imported 41,100 MT of U.S. rice. Sales of U.S. rice to Iraq halted completely in 2012 thanks to the challenges U.S. exporters faced in fulfilling the revised tender specifications of the Grain Board of Iraq (GBI).

The GBI controls approximately 85 percent of all Iraqi rice imports to cover the amount of rice needed for distribution in the Public Distribution System (PDS), which provides Iraqi citizens with a monthly allotment of basic food items, including three kilograms (about 6.5 pounds) of rice.

Tendering requirements, including their request for an official certification from a U.S. authority guaranteeing that each shipment of U.S. rice is GMO free, and the difference in their definition of kernel length and the tolerable amount of broken and chalky kernels, basically made the USA ineligible to participate in tenders announced by the GBI in 2012.

In order to resolve these technical issues, USA Rice organized a seminar for GBI officials in Amman, Jordan in November 2012.

As far as the GMO certificate, no "official" U.S. authority can issue such a document on a ship-by-ship basis, however, USA Rice convinced the Iraqi officials to accept test results from an independent laboratory, and if no findings of GMO were found, to accept this as proof that U.S. rice is GMO free. GBI officials have confirmed this commitment in writing, so this requirement in theory no longer limits U.S. rice sales to Iraq.

Other technical issues were resolved and confirmed in an official letter in March 2013

from the Director General of the GBI. In 2013, 40,000 MT of U.S. rice entered Iraq.

USA Rice hosted another GBI delegation in May 2014 so the Iraqis could become better acquainted with U.S. rice production and processing, as well as shipment procedures ensuring the high quality and reliability of the product. The delegation visited rice producing areas, rice mills, as well as port facilities and testing laboratories in the south to see all steps of the U.S. rice supply chain, and to discuss specific issues related to the continued challenges of the tendering requirements. This had a positive effect on U.S. rice sales to Iraq in 2014 which rose to 153,200 MT.

Market challenges remain however.

In 2015, a sale of 60,000 MT was made in May and another 60,000 MT in July, following continuous efforts to ensure fair and transparent access to U.S. origin rice to the market. Some tenders have been successful, while others have failed with no explanation – despite the U.S. bids being price competitive.

"We've really pulled out all the stops to change the trading relationship," said Hartwig Schmidt, USA Rice director of international promotion in the region said. "We brought the Grain Board to rice country, we've met with U.S. Ambassador to Iraq Stuart Jones and numerous other American officials at the State Department and in the Foreign Agricultural to alert them to our challenges in the market."

Schmidt said USA Rice has also had Congress weigh in with Secretary of State John Kerry and Ambassador Jones directly, as well as with Iraq's ambassador to the U.S.


Ambassador Jones is fully engaged and understands the real problems in this volatile market. In country, Jones has pushed the need for transparency up to the level of the Prime Minister.

In addition to increasing political pressure in the U.S. and Iraq, USA Rice has taken another step, hiring a local in Baghdad to help navigate these sometimes murky waters.

He is in regular contact with the Grain Board and the Minister of Trade and assists USA Rice in building a better relationship with them.

Schmidt reports that USA Rice has proposed a Memorandum of Understanding with the Ministry of Trade to define the U.S. commitment to the market and enforce regular tenders. A meeting was held on July 25th in Amman, Jordan with the Trade Minister and his colleagues in an attempt to solidify recent gains.

USA Rice has also extended an invitation for the Trade Minister to travel to the U.S. later this year to visit rice country to further build on the successes outlined.

With the renewed vigor of the U.S. government on behalf of the U.S. rice industry, the attention of the Trade Ministry that now understands the U.S. rice industry is not going to accept being unfairly treated in government tenders, and with our crystallized strategy we believe we have a path forward that will let us ride out this rollercoaster to position us at the forefront of this important but unpredictable market. 

Jim Guinn is vice president of international promotion at USA Rice.



THE ABCs OF RICE TRQs

BY BOB CUMMINGS

ARLINGTON, VA – Trade agreements can be a bit like a famous Rolling Stones song: “You can’t always get what you want, but if you try sometimes, you just might find, you get what you need.”

When it comes to bilateral and multilateral trade agreements, the gold standard is to have absolutely zero import tariffs or duties on U.S. rice. Sometimes our industry and U.S. negotiators are successful in hitting that mark, as with the North America Free Trade Agreement where Mexico’s import duties (or taxes) on U.S. rice were reduced to zero over ten years and our own duty-free access to Canada was locked in. Mexico is now the number one export destination for U.S. rice and Canada is in the top five.

More often than not, however, the political sensitivity of rice in foreign countries means that duties on imports from the United States are either not eliminated, or elimination takes a very, very long time. Sometimes U.S. exporters receive only partial tariff-free access in the form of what’s called a tariff rate quota, or TRQ. In short, the importing country agrees to let in a set quantity of U.S. rice at a much reduced, or zero, tariff. That quantity might grow over time or remain fixed, and tariff elimination sometimes occurs while a TRQ is in place.

While TRQs are definitely not the first choice, if managed correctly they can bring additional benefits to rice farmers, millers, and exporters that are greater than simply more tons moving to market. Here are two cases where smart TRQ administration has been working for the U.S. rice industry, one for almost two decades.

The Ups and Downs of the EU TRQ

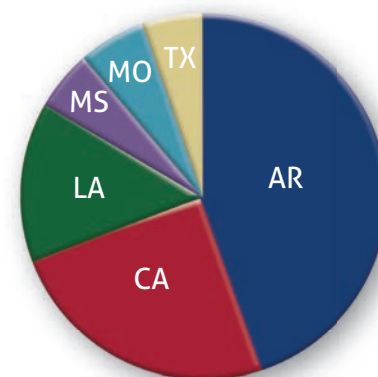
In late 1995, the United States and the European Union (EU) reached agreement on trade concessions to be provided by the EU to the United States because of the admittance of Austria, Finland, and Sweden to the EU. The concessions included TRQs for 38,000 metric tons of U.S. milled rice to enter duty-free and 8,000 metric tons of U.S. brown rice to enter at a much reduced tariff level. U.S. negotiators got the EU to agree to TRQ administration on this side of the Atlantic. That is, allocation of licenses to export under the TRQs would be handled by a U.S. nonprofit entity and the money bid for these licenses would remain in the United States.

Licenses, sometimes called “certificates,” are bid on at an auction by exporters of U.S. rice who agree to pay a certain amount per ton. The certificate entitles the bearer to import U.S. rice into the country in question under the terms of the TRQ – likely duty-free. The challenge for the exporter is to make the bid for the license competitive, but lower than the cost of the duty so that the deal ends up being profitable.

Following intensive discussions within the U.S. industry, all parties agreed to the establishment of a nonprofit organization – The Association for the Allocation of Rice

NET REVENUE FROM FEBRUARY & JUNE COL-RICE AUCTIONS

Arkansas	\$7,410,407	●
California	\$3,335,137	●
Louisiana	\$2,265,355	●
Mississippi	\$835,021	●
Missouri	\$971,456	●
Texas	\$850,230	●



Total 2015 Revenue as of June:
\$15.7 million

Quotas (AARQ). Since 1999, AARQ has auctioned off licenses to exporters of U.S. rice to ship under the TRQs three or four times per year. Net auction proceeds from the bids are split among exporters (78 percent) and The Rice Foundation (22 percent). Ninety percent of proceeds received by The Rice Foundation are allocated to rice research. The research funds are shared among the rice states based upon production. Under the AARQ agreement, all funds for the states are distributed to The Rice Foundation first and then to the rice research boards in the six individual states. Each state can also opt to have The Rice Foundation hold its funds in escrow.

Receiving the lion’s share of funds because of production figures, the Arkansas Rice Research and Promotion Board (ARRPB) opted to have the funds held by The Rice Foundation to be invested and accrue interest, and only spent at the direction of the ARRPB. Thanks to the EU TRQ program, the ARRPB has been able to allocate more than \$5 million for research, all conducted in Arkansas, including endowing the Rice Industry Chair for Variety Development and a gift that helped construct the new University of Arkansas Division of Agriculture Rice Research and Extension Center in Stuttgart. EU TRQ funds also support ongoing varietal development research, including current efforts to develop an Arkansas aromatic variety.

The EU rice market has changed considerably since 1995. The EU has had internal policy reforms and also granted duty-free access to rice from the least developed countries. And there have been external shocks like the LibertyLink® crisis. As a result, AARQ revenue is currently much reduced from initial levels, but still bringing more than \$700,000 to the United States in 2014.

Colombia TRQ Generates Millions for Rice Research

It is fortunate that a new, and larger, source of money for rice research has emerged through TRQs provided to U.S. rice in the U.S.-Colombia free trade promotion agreement (TPA) that went into effect in 2012.

Under the agreement, Colombia’s import duty on U.S. rice, currently 80 percent, will begin decreasing in 2018 until reaching zero in 2030. In the meantime, Colombia



Photo Courtesy of LSU AgCenter



Rice research funds are shared among the rice states based upon production.



provides annual TRQs for U.S. rice to enter the country duty-free. The TRQs began in 2012 (for 79,000 metric tons on a milled equivalent basis) and increase 4.5 percent each year until Colombia's import duties end in 2030.

As with the 1995 agreement with the EU, the Colombia TPA allows for a U.S. nonprofit to administer the rice TRQ. And similar to the EU experience, the industry came together in 2012 and agreed on the establishment of Colombia Rice Export Quota, Inc. (COL-RICE) to handle the auctions of licenses for the import of U.S. rice into Colombia. But there are some important differences:

- The COL-RICE board has directors from the U.S. and Colombian rice industries.
- The net proceeds of the auctions are split 50/50 between the U.S. and Colombia rice sectors.
- All net proceeds to the United States are allocated to the six rice states to be used *only* for rice research in the first ten years. In year eleven and forward, the funds can also be used for rice promotion.

The first auction was held in late 2012, and the COL-RICE board has subsequently agreed to three to four auctions each year, the most recent in June. The final auction for 2015 will take place on October 15.

Through 2014 these returns brought in \$8.3 million in research, and even more substantial sums in 2015 as seen in the chart.

As with its share of the AARQ proceeds, the ARRPB has designated The Rice Foundation to hold Arkansas's share of COL-RICE's net proceeds. Any use of the funds will be directed only by the ARRPB, which has committed to spend all future funds on research — even after the funds are eligible to be used for promotion. ARRPB has already allocated more than \$4.5 million to the University of Arkansas for research projects, equipment purchases, and for construction of a new Rice Foundation Seed facility. ARRPB is also working to develop a plan of action to invest TRQ funds in a way that benefits the Arkansas rice industry for years to come.

As we saw in the EU, market conditions are not static, and revenue from COL-RICE auctions is a function of rice prices here and in Colombia and the level of Colombia's rice import duty, which will decline beginning in 2018. Nonetheless, rice farmers in Arkansas and the other states continue to enjoy the benefits of smart quota administration while USA Rice continues to press for the elimination of global tariffs on rice.

Bob Cummings is chief operating officer for USA Rice and previously served as senior economist in the agricultural affairs office of the Office of the U.S. Trade Representative.

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President George H.W. Bush signing the first National Rice Month proclamation.

CELEBRATING 25 YEARS OF NATIONAL RICE MONTH

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USA Rice is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants, and allied businesses.

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Chinese Trade Puzzle

BY DOW BRANTLEY

Trade issues are quite important to the U.S. rice industry – about half of our annual crop is exported to more than 110 countries – but they are also very complicated, and sometimes I think, confusing by design. Trade agreements are like shifting puzzles that challenge at every turn.

Earlier this year I was appointed to the Agricultural Policy Advisory Committee (APAC) by U.S. Department of Agriculture Secretary Tom Vilsack and United States Trade Representative Michael Froman. It is a great honor to serve on this select group of trade and agriculture experts providing advice and information to the government on the administration of trade policy, including enforcement of existing trade agreements and negotiating objectives for new trade agreements.

In the short time I've been involved, I've learned quite a bit about many pending trade agreements that are very important to rice. And while the headlines, rumors, and innuendos swirl around issues like the Trans Pacific Partnership (TPP) and access to China, I've come to appreciate just how difficult these puzzles are to solve.

For example, the long negotiated phytosanitary protocol with China.

Many have tried to paint a picture of a U.S. rice industry divided with segments of the industry standing in the way of progress. Let me tell you, the only obstacle to access to China for U.S. rice is China. And while a deal may be reached this month, the slow, cautious approach taken by the United States has been the smart one.

The Chinese negotiators have continually moved the goal posts on our negotiators, reopening old pieces of the puzzle that were thought solved long ago and setting up no-win scenarios for us.


For example, insect trapping. Not only have the Chinese been calling for us to trap for insects that don't exist in the United States, they've asked us to trap for insects for which there is no trap.

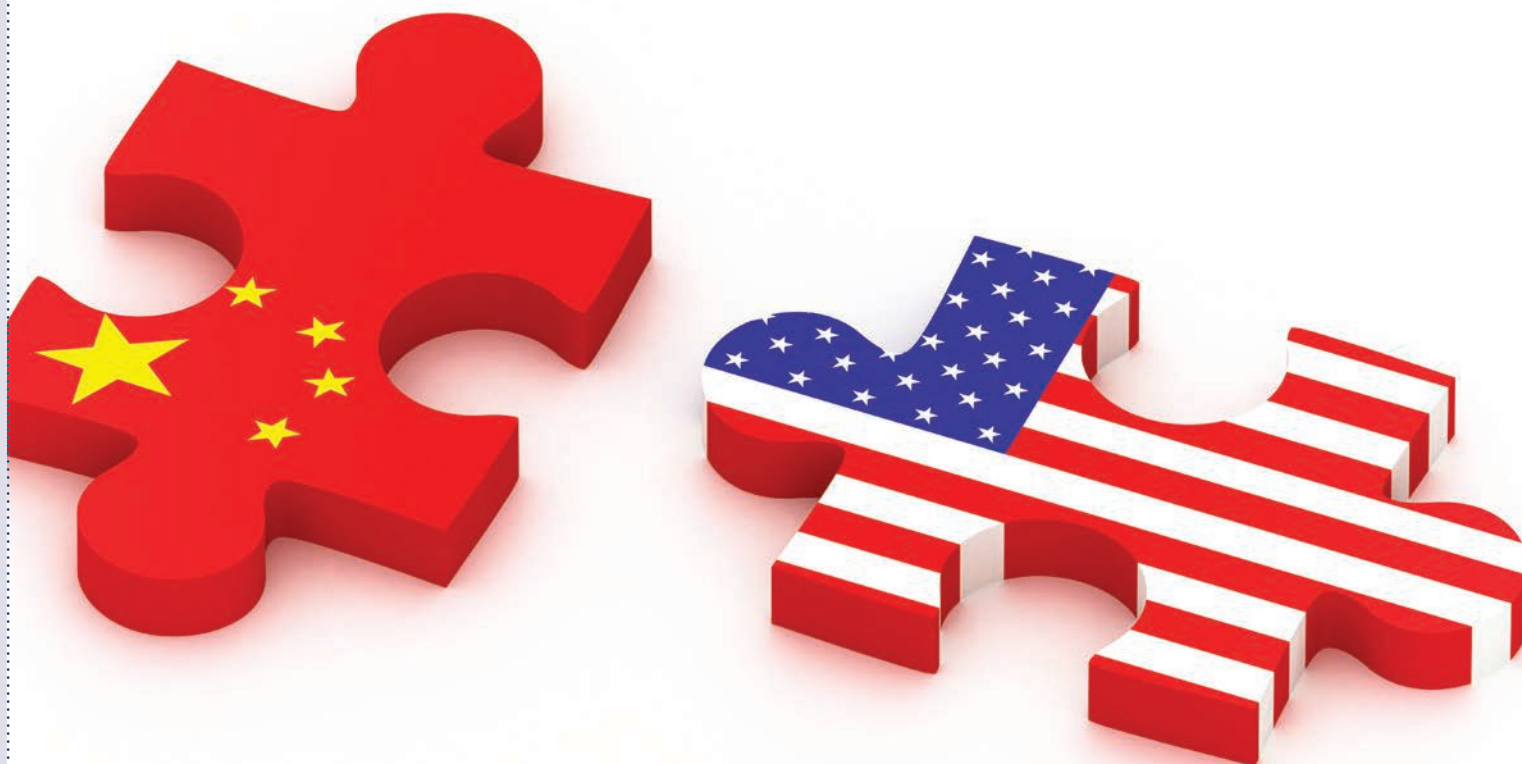
The U.S. industry is willing to set out traps, but how can you set out a trap that does not exist? And take it a step further: if you have agreed to set out a trap that doesn't exist, and then you don't set it out... because it doesn't exist...are you in compliance? Or could China decide they want to turn off the spigot on U.S. imports, claim we are out of compliance with the agreement, and stop the imports? Of course they could – that's how it was designed. So just agreeing to something willy nilly without understanding how it will work and be used against you, that's not a smart approach to trade agreements.

Luckily for the U.S. rice industry, our negotiators have been able to see through these tactics and have stood firm on our behalf. I, for one,



"... while the headlines, rumors, and innuendos swirl around issues like the Trans Pacific Partnership (TPP) and access to China, I've come to appreciate just how difficult these puzzles are to solve."

appreciate their efforts and advocacy, and I believe whenever a final phytosanitary deal with China is announced – be it this month or next year – our negotiators will have done all they could to make sure the completed puzzle presents a solution that works for U.S. rice farmers. 



FOOD INNOVATION FOR TODAY AND TOMORROW

BY MIKE LEE

BROOKLYN, NY — As food innovators, we must remember that there are many flavors of innovation and they each serve a strategic purpose based on the needs of the customer and business. Incremental innovations support and extend existing product lines with new features or by serving adjacent customer needs. On the other end of the spectrum, breakthrough innovations create entirely new product categories and customers, boldly moving the industry forward.

Ideally, a mix of both types of innovation needs to be pursued for food companies to capture and create opportunities for themselves. Problems can arise when a company is too focused on only incremental innovation or all breakthrough innovation.

Achieving this mixed approach to innovation is difficult in practice, as incremental and breakthrough mindsets are quite different. The former focuses on near-term time scales with more concrete visions of costs and benefits, while the latter is all about diving into the future with many unknowns. Building a culture that can accommodate both of these innovation approaches is challenging, but worthwhile.

This is why we created The Future Market, a conceptual grocery store that imagines what the world of food could look like in the year 2065. The store is in development and will live online and in physical form. But instead of stocking the shelves with the same products you'd see in a grocery store today, we will be creating concept prototypes that suggest a very different food system than we live in today. We'll explore things like biodegradable bioplastics for packaging, advanced aeroponic and hydroponic growing systems, alternative proteins, and future versions of the crops we see today.

It's difficult to get today's food from ground to table and we don't always have room for breakthrough innovation. The Future Market is a venue where food innovators can truly think outside the box and imagine what the food will look like two generations away. It's a place to only think in "breakthrough" innovation mode. Our goal is to think more ambitiously about the future in order to inspire what we do today.

Outside of the food industry, companies like Google and Amazon have mastered the art of investing in incremental as well as breakthrough innovation. Each week, an onslaught of new refinements, features, and optimizations is introduced into their main software products. While every year, these tech giants typically introduce one game-changing product or service that's aimed at putting them on a whole new plane of innovation. For every self-driving car or package delivery drone, there are many more new Android releases or product search functions that launch at Google and Amazon, respectively.

This mix of innovation approaches is what keeps companies like Google and Amazon relevant not just today, but well into the future. They are not keen to simply defend their turf today, but they are aggressively paving a way towards longevity through innovation.

This balance of incremental and breakthrough innovation is dearly needed in food today. The food industry is far larger and more vital to our civilization than those tech giants, yet we tend to move at a snail's pace and avoid risk at all costs. We owe future generations—and ourselves—a stronger effort in promoting outrageous, moon-shot ideas in the food world. The ideas that are crazy enough that they just might work. [WG](#)

Mike Lee is the CEO and founder of Studio Industries & The Future Market and he will be leading an exciting end user panel at the 2015 USA Rice Outlook Conference in New Orleans this December. Be sure to visit usarice.com/outlook to learn more and sign up to attend – you will not want to miss this session.

FROM TOP LEFT: Mike Lee, future products, and tomorrow's supermarket.



USA RICE Launches New Online Home

BY MICHAEL KLEIN

ARLINGTON, VA — USA Rice recently launched its new online home, www.usarice.com. The site has a modern look and feel, is greatly slimmed down, streamlined, and fully functional on mobile devices.

"We went through more than 15,000 pages of content to get rid of clutter and organize the information in a logical way both on the front end for users, but also on the back end for staff," said Amy Doane, a member of the in-house team that worked on the new site's architecture. "The new site is light years ahead of where we were and we're excited to improve this valuable tool for our members."

"Members told us local weather and market prices are among the most important pieces of information they look for every day, so we added that to the home page," explained Katie Maher who led much of the redesign. "Users click on the weather icon, enter their zip code one time, and the site will remember that is the weather, radar, and forecasting you want."

Maher explained the site is now organized around the USA Rice Daily, USA Rice's daily newsletter available via email or on your mobile device.

"The Daily and the tags associated with each story serve as the backbone of the new site, linking and organizing information logically," she said. "Not only do we add stories every day, but we are also working backwards, adding archived stories to give visitors a full picture of what each issue means for rice and how that issue has evolved over time."

Maher said visitors are also able to register for USA Rice meetings, order National Rice Month merchandise, and access "members only" sections of the website with proper credentials. [WG](#)

Michael Klein is the USA Rice vice president of communications and marketing, and is convinced the Internet is here to stay.



The new look of usarice.com.


SUMMER IN THE CITY

BY WHIT KENDALL

ARLINGTON, VA — Growing up on a family farm in rural Mississippi, I always wanted to get away at some point and do something different. As I began my junior year at Mississippi State University, I realized that going to Washington, DC would be the perfect opportunity to branch out. Although I had little previous experience with rice, I knew I wanted to participate in an internship that would give me a chance to understand how public policy impacts agriculture. The decision to take an internship with USA Rice fulfilled that goal.

During my time with USA Rice, the day-to-day activities varied but some of my favorite days included going to Capitol Hill and seeing firsthand how policy works. Congressional hearings and meetings with legislative staff opened my eyes to the complicated process of how laws and policies are formulated.

The USA Rice Government Affairs team kept me busy working on projects that introduced me to ideas that were fresh and interesting. The experience of being off the farm and seeing the working world from a completely different perspective is something that is invaluable to me.

I encourage all students to consider interning in Washington, DC, no matter your field of study. It is a unique experience and gives you the chance to see how the things that affect your everyday life come to be. Working in DC was a great way to network and be exposed to so many different types of people. No matter what career I pursue, I know that I will be able to use the lessons I learned while working here this past summer. 

Whit Kendall grew up on a farm in Bolton, Mississippi, and is the only son of Libby and Ted Kendall. He is a student at Mississippi State University majoring in Agricultural Engineering Technology and Business.

The author (right) and Thad Cochran, the senior Senator from Mississippi.



2015 USA RICE OUTLOOK CONFERENCE SHAPING UP TO BE BIGGEST AND BEST

BY TRISH ALDERSON

NEW ORLEANS, LA — The USA Rice Outlook Conference is expanding to two full days this year, with an exciting program lineup featuring outlooks on farm policy, politics, the economy, domestic and global rice production, research, food innovation, and more. USA Rice recently announced the keynote address for the December 9-11 event in the Crescent City will be a lively discussion with husband and wife political strategists and best-selling authors Mary Matalin and James Carville. They will speak at the opening general session on Thursday, December 10.

Matalin is one of the most celebrated and popular conservative voices in America, co-hosting the nationally syndicated radio program, *Both Sides Now*, and having served under Presidents Ronald Reagan, George H.W. Bush, and George W. Bush.

Carville is America's best-known political consultant, renowned for his electoral successes and remaking political underdogs into upset winners. He most famously guided the campaign of then Governor Bill Clinton to defeat President George H.W. Bush whose approval rating was among the highest ever for a sitting president.

Dr. Mike Strain, commissioner of the Louisiana Department of Agriculture and Forestry, also will speak at the opening general session on Thursday. Louisiana Congressman Ralph Abraham, M.D. will speak on Friday.

"The USA Rice Outlook Conference is the rice industry's largest annual meeting, and we look forward to welcoming rice farmers from all states and representatives from throughout the U.S. rice industry to New Orleans," said Christian Richard, a rice farmer from Kaplan, Louisiana, who serves on USA Rice's Communications Committee, which is involved in program planning for the conference. "New Orleans is a unique city with so much to offer. We know attendees will have an enjoyable time as well as a great learning experience at the conference."

Additional program highlights include a Washington insider's view from Jim Wiesemeyer, Informa Economics; a presentation on the global economic trends that will impact your bottom line and decision-making by noted economist Dr. David Kohl; as well as outlooks on the global rice situation by USDA's Andrew Aaronson and the weather by Joel Widenor, Commodity Weather Group LLC. State-by-state rice production and research reports also will be presented.

Two special learning sessions will be offered. Farm management expert R. L. "Dick" Wittman will discuss strategies for implementing professional family business governance and transition, and an offsite learning session with The Russell Marine Group and Eurofins will offer a unique opportunity to follow U.S. rice as it begins its journey to export destinations.


Food futurist Mike Lee, founder and CEO of Studio Industries, will speak and lead a panel discussion on the future of food, food shopping, and what it means for rice (see Lee story, page 3).



Husband and wife political strategists and best-selling authors Mary Matalin and James Carville.

The USA Rice Outlook Conference hosts a trade show for rice-related equipment, products, and services. This year's schedule includes more dedicated time in the Exhibit Hall, including receptions and a lunch.

The annual Rice Awards Luncheon will be held on Friday, with the presentations of three prestigious industry honors, the National Rice Month scholarship grand prize, and the announcement of the new class for the Rice Leadership Development Program, which is celebrating its 25th anniversary.

Exhibit and sponsorship opportunities are available, but going fast. Visit the conference website at www.usarice.com/outlook for more information. 

The 2015 USA Rice Outlook Conference will be held December 9-11 at the Sheraton New Orleans. Jeanette Davis is standing by to answer your questions and help you find the sponsorship/exhibitor package that is right for you at (703) 236-1447, jdavis@usarice.com.

Trish Alderson, a native of Louisiana, is also USA Rice's vice president of meetings and member services.



U.S. RICE INDUSTRY CELEBRATES 25 YEARS OF NATIONAL RICE MONTH

BY KATIE MAHER



ARLINGTON, VA — September is National Rice Month (NRM), a time to celebrate the harvest of this small, but mighty grain that has captivated American hearts and stomachs for more than 300 years. Strongly supported by rice farmers and millers, NRM has become a well-known national promotion educating consumers about the benefits of rice grown in the USA and boosting U.S. rice sales nationwide.

“September 2015 is the 25th anniversary of National Rice Month, and USA Rice has some exciting promotions planned to mark the occasion,” said Fred Zaunbrecher, USA Rice Domestic Promotion Committee Chairman. “We’ll be spreading the rice message and encouraging Americans to *Think Rice* while at the grocery store and dining out, through social media, and even in the classroom.”

SPOTLIGHT: Rice Aisle Impact

To reach shoppers at the point of purchase, USA Rice is conducting customized promotions with supermarket registered dietitians (SRDs) at eight retail chains, including: Giant, HEB, Hy-Vee, Kroger, Rouses, ShopRite, Stop & Shop, and Weis Markets.

“Working one-on-one with dietitians at the grocery store is a great way to increase visibility of U.S.-grown rice,” said Paul Galvani, USA Rice Retail Subcommittee chairman. “This past spring, we conducted promotions with dietitians at two retail chains that generated nearly 38 million shopper impressions – so our messages were being well amplified.”

Throughout the month, USA Rice’s SRD partners will promote NRM and U.S.-grown rice through various supermarket communication channels, such as: in-store radio ads and demos, newsletters, store magazines, circulars, store tours, nutrition classes, and more.

“Some especially unique promotions include U.S. rice themed health and wellness text messages that HEB dietitians will send to more than 80,000 shoppers,” said Galvani. “And Kroger dietitians are hosting an incentive contest to encourage employees to cook with U.S. rice and share their photos and nutrition tips.”

Again this year, USA Rice is partnering with Advanced Fresh Concepts, the largest supermarket sushi distributor in the United States, to conduct an NRM promotion in grocery stores and military commissaries. More than 2,000 stores across the country will feature sushi display case signage and ‘Rice Grown in the USA’ stickers on sushi containers. Last year, sushi sales increased 9 percent during the promotion.



USA Rice’s refreshed SRD toolkit provides dietitians with reasons, recipes, and tools to recommend U.S. rice during NRM and throughout the year.

SPOTLIGHT: RiceGiving

To encourage restaurants to promote National Rice Month and extend the U.S. rice message to consumers, USA Rice launched a new charitable program called RiceGiving to support local food banks across the country. For every U.S. rice menu item ordered at a participating chain, during September, the U.S. rice community is donating a serving of rice to feed the hungry.

Upscale Asian-inspired chain, P.F. Chang’s was quick to jump onboard.

“This program is a great way to raise awareness – both that a majority of the rice people eat in this country

is grown by American farmers, and that the U.S. rice community is sensitive to hunger issues in America,” said John Hasbrook, USA Rice Foodservice Subcommittee chairman. “RiceGiving can make people feel good about their food decisions – when they choose U.S. rice they are not only helping America’s family rice farmers, they are helping provide a warm, nutritious meal to someone in need.”

P.F. Chang’s is promoting NRM and the RiceGiving program to their patrons both in their 210 restaurants, and online to their nearly one million social media followers and newsletter subscribers. They are also using a dedicated webpage to explain RiceGiving, featuring a two minute animated video provided by USA Rice.

“We are honored to invite our guests to join in this important cause by dining to donate,” said Michael Osanloo, chief executive officer of P.F. Chang’s. “Thanks to our loyal customers, we will be able to help put food on the table for many American families.”

USA Rice President and CEO Betsy Ward is also enthusiastic about the program: “We cannot imagine a better restaurant partner for National Rice Month than P.F. Chang’s. Already committed to great food and the highest quality rice, P.F. Chang’s is also demonstrating its commitment to America’s family rice farmers. We look forward to working together to support these farmers and those in need through our RiceGiving program.”



“Social media provides a direct line of communication to consumers, so it’s important that we grab their attention with interesting video and images...”



SPOTLIGHT: Social Media Engagement

Consumers across the country have another reason to be excited about September National Rice Month – they can reach for rice from the convenience of their computer or mobile device.

USA Rice will have daily social media postings on Twitter, Facebook, and Instagram covering topics such as sustainability and conservation, health and nutrition, farming, rice recipes, and fun facts. New “how-to” rice recipe videos and infographics will also be released throughout the month.

“Social media provides a direct line of communication to consumers, so it’s important that we grab their attention with interesting video and images,” said Colleen Klemczewski, USA Rice social media coordinator. “This summer, our most popular posts on Facebook were infographics about rice – they received more than 300 ‘likes’ and ‘500’ shares. So we’re excited to reveal our new content in celebration of National Rice Month and anticipate it will generate a lot of interest and activity.”

“We received such positive feedback from teachers in the spring, we thought National Rice Month would be a perfect time to remind them about the program...”



SPOTLIGHT: Rice State Activities

Across the rice producing states, National Rice Month promotional events and activities are held to celebrate the harvest that is underway in most areas, and show support for farming families that contribute to the rice industry.


The Arkansas and Louisiana rice industries arrange for local food bank donations and convene at the state capitals for NRM proclamation signings by their governors.

In Mississippi, the Annual Rice Tasting Luncheon sponsored by Delta Rice Promotions, Inc. attracts more than 1,500 people to celebrate NRM and sample dozens of different rice dishes. USA Rice will exhibit at the luncheon and also serve as judges for the *Think Rice* recipe contest.

USA Rice is continuing its school education outreach by partnering again with award-winning curriculum developers Young Minds Inspired (YMI) to electronically distribute the *Think Rice* education program to 5,000 teachers in all six rice states and beyond.

“We received such positive feedback from teachers in the spring, we thought National Rice Month would be a perfect time to remind them about the program and encourage them to use it with their new classes,” said Byron Holmes, USA Rice Nutrition Subcommittee chairman. “We also sent the program to school districts outside of the rice growing states to reach teachers that regularly participate in the YMI program.”

All month long, high school seniors in rice producing states will be conducting their own NRM promotions to enter the annual NRM scholarships contest, sponsored by Dow AgroSciences. Teens will plan creative activities to promote U.S.-grown rice, NRM, and the importance of rice growing in their state. Be on the lookout for promotions going on in your state and support scholarship applicants!

“It’s important to take advantage of National Rice Month to tell our story – U.S. rice is healthy, locally-grown, and good for the environment,” said Zaunbrecher. “Not only do our activities help drive those messages home, I think they contribute to a sense of pride all U.S. rice farmers should feel for what they do.” 

Katie Maher is USA Rice’s director of domestic promotion and September is her favorite month.



“At P.F. Chang’s, we exclusively use U.S.-grown rice in our restaurants,

as we are committed to reducing food miles and are proud to support U.S. rice farmers,” said Nevielle Panthaky, Vice President of Culinary Innovation at P.F. Chang’s. “Also, the cooking qualities and taste profile of U.S. rice complements our menu items and lets us deliver great tasting dishes our guests have come to expect.”

Visit www.pfchangs.com to watch a short video about U.S.-grown rice and the RiceGiving program.



NEW RICE RECIPES FOR FOODSERVICE PUMP UP SCHOOL LUNCH MENUS

BY DEBORAH WILLENBORG

SALT LAKE CITY, UTAH — When school nutritionists write the obligatory “what I did over summer vacation” essay this fall, most will get to include their trip to the 2015 School Nutrition Association’s (SNA) Annual National Conference in July. More than 5,500 school nutrition professionals, industry members, and allied partners gathered here to share their passion for child nutrition.

USA Rice participated as a conference exhibitor, distributing information about K-12 resources available on MenuRice.com, including five new rice recipes developed specifically for school foodservice menus. These standardized rice recipes were developed to make it easy for schools to meet nutrition requirements and increase rice usage. Visitors to the USA Rice booth were given the new recipes as well as the *Rice 101 Cooking Guide* that provides rice preparation instructions, taking into account the various types of equipment found in school kitchens.

Attendees also had an opportunity to spin the famous “Rice Wheel” to test their knowledge on U.S.-grown rice and win a *Think Rice* rice crispysake.

“The prize wheel definitely draws a crowd to the booth and is a great way to interact with people,” said Katie Maher, USA Rice’s director of domestic promotion. “Many are surprised and proud to learn that a majority of the rice Americans consume is grown right here in the U.S. by American farmers or that rice farming positively contributes to the environment.”

During this year’s conference, USA Rice staff met with school nutrition directors from Kansas, California, Louisiana, and Texas, to learn more about the challenges they face complying with federal nutrition guidelines and how that affects menu planning and food purchasing decisions.

“The directors are responsible for program roll-out and training in their individual states and districts,” said Maher. “Meeting face-to-face with these influential people gave us the opportunity to share our recipes and resources, find out how we can continue to be a valuable foodservice partner, and talk about opportunities for interactive and engaging promotions in their states.”

Maher said now that school is back in session, USA Rice will continue to stay in touch with this important audience, encouraging U.S.-grown rice usage in schools and providing much needed resources. 

Deborah Willenborg is USA Rice’s communications manager and lunch was her favorite subject in school.



LEFT: USA Rice’s Katie Maher (left) shares tips and treats with a hard working Lunch Lady.

BELOW: Vegetable Fried Brown Rice Bowl – one of five new recipes USA Rice developed for school foodservice menus.



10 reasons to eat RICE GROWN IN THE USA



1. LOCALLY GROWN
When you choose U.S.-grown rice, you are reducing your food miles.

2. 85% of the rice we eat in the USA is grown by American farmers.

3. LOVE FOR THE ENVIRONMENT
American rice farmers have a longstanding commitment to protect and preserve natural resources. Today, U.S. rice farmers produce more rice using less land, energy, and water than they did 20 years ago – with no GMOs.

Working rice fields provide critical wildlife habitat for many species of birds, mammals, and reptiles.

4. NUTRIENT-RICH
Rice provides more than 15 vitamins and minerals, and beneficial antioxidants.

5. 100 calories = 1/2 cup serving

6. ENERGY BOOST
Keep your engine revved throughout the day with rice! It’s a good source of complex carbohydrates, providing the fuel your body and brain need to function.

7. HEALTHY WEIGHT MANAGEMENT
Research shows that eating rice makes you feel full longer and people who eat rice are less likely to be overweight.

8. HEART HEALTH
Whole grains, such as brown rice, help reduce the risk of heart disease, diabetes, and certain cancers. Rice eaters have a lower risk of high blood pressure.

9. GLUTEN-FREE
Rice is one of the least allergenic grains, making it a healthy option for those that are gluten-intolerant or have food sensitivities.

10. 10¢ PER SERVING
BUDGET-FRIENDLY

11. IT’S A “FREE” FOOD
U.S.-grown rice is... sodium-cholesterol-gluten- and GMO-free.

12. IT MAKES YOU HAPPY!
Eating rice triggers your brain to produce serotonin, which boosts mood and keeps appetite in check.

THINK RICE
U.S.-GROWN

USA Rice Federation • www.thinkrice.com

MYPLATE PARTNERSHIP

BY DEBORAH WILLENBORG




ARLINGTON, VA — In 2011, when the U.S. Department of Agriculture (USDA) updated the food pyramid to the colorful MyPlate symbol, grains stepped into the spotlight. And with USDA's "Make Half Your Grains Whole" campaign in 2012, USA Rice joined more than one hundred other national organizations to promote this key nutrition message.

"USA Rice was one of the first organizations to join USDA's National Strategic Partnership, that was designed to promote MyPlate and the Dietary Guidelines," says Katie Maher, USA Rice director of domestic promotion. "The collaborative promotions with other MyPlate partners give USA Rice a larger communications platform, allowing us to extend our message and our program dollars."

For example, the four-month "Make Half Your Grains Whole" promotion reached almost 190 million people – 25.5 million consumer influencers including health professionals, industry members, consumer media, policy makers, and educators, and 163 million consumers via social media channels.

"Any way you measure it, this is an incredible return on investment," says Maher. "Having such high level of support from MyPlate is invaluable for rice."

The National Strategic Partners maintain a messaging calendar that helps coordinate efforts and continue to broaden consumer reach. Recent MyPlate promotions co-sponsored by USA Rice include a video contest for kids that received more than 10,000 unique visitors and generated more than 100 video entries from kids across the country, and a toolkit USA Rice helped develop, called "Meeting Your MyPlate Goals on a Budget," that had more than three million downloads, making it one of the most popular MyPlate publications ever.

"We understand the value of MyPlate is as a resource, to everyone from professionals like dietitians, to schools and programs like WIC that promote healthy eating to consumers," Maher adds. "With all that access and exposure, it's important that U.S. rice is represented. The MyPlate communications partnership is critical to our efforts to remind people where rice fits on the plate." 

"Collaborative promotions with other MyPlate partners give USA Rice a larger communications platform, allowing us to extend our message and our program dollars."



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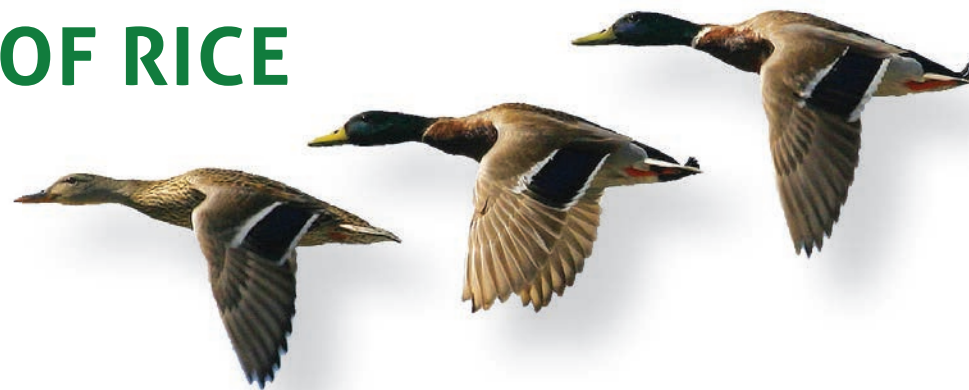


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SUSTAINING THE FUTURE OF RICE

BY BEN MOSELY



WASHINGTON, DC – The Natural Resources Conservation Service (NRCS), through the Regional Conservation Partnership Program (RCPP), approved \$10 million for a USA Rice-Ducks Unlimited Stewardship Partnership proposal entitled “Sustaining the Future of Rice.” This rice-focused conservation platform offers rice farmers financial and technical assistance to apply on-farm conservation practices to address water quantity, quality, and wildlife habitat in Arkansas, California, Louisiana, Mississippi, Missouri, and Texas.

Seven million dollars will be made available through the Environmental Quality Incentives Program (EQIP) and \$3 million from the Conservation Stewardship Program (CSP), as well as \$6.8 million of cash and in-kind contributions from over 40 partners from the private sector.

Since the award announcement, USA Rice has been working diligently with DU and NRCS to set the parameters and acceptable practices for this first of its kind project. EQIP applications are currently being accepted in Arkansas and Mississippi through October 16, 2015 and applications in California, Louisiana, Missouri, and Texas will open later this fall. Outreach to producers through NRCS, USA Rice, and partners will notify rice farmers in these areas when EQIP and CSP applications may be submitted through their local NRCS office. The funds made available through the Sustaining the Future of Rice RCPP project are in addition to regular EQIP, CSP, and other conservation funds that may be available to growers.

USA Rice expects competition for contracts to be fierce. If the project is oversubscribed, the Stewardship Partnership intends to seek additional funding to continue this important conservation effort, the first of its kind to focus solely on practices that work best on rice producing lands. After the sign-up ends, applications will be ranked and contracts awarded. After the contracts are set, on-farm work will begin.

While this first RCPP award has been a great achievement for the rice industry there are more opportunities that the Stewardship Partnership has identified and three are being pursued in the second year of RCPP funding.

First, USA Rice, DU, and the Lower Colorado River Authority (LCRA) are working together on a proposal seeking federal funds to help construct a reservoir that aims to increase the water supply capacity of the LRCA and increase the availability of freshwater for rice production, managed waterfowl habitat, and coastal wetlands.

Second, in Arkansas, USA Rice is partnering on RCPP proposals that aim to reduce water quality degradation in three watershed areas – Middle Bayou Deview, Bayou Meto, and Grand Prairie. If funded, these projects would use EQIP and CSP practices to address the concerns of degradation of water quality from soil erosion and sediment loss from croplands.

Finally, another proposal in Louisiana seeks to improve water quality through nutrient management. The joint effort with DU seeks to use EQIP funding to increase the utilization of precision application of fertilizer and the installation of grade stabilization structures in southwest Louisiana, helping prevent the loss of nutrients through runoff.

These innovative proposals are just beginning. The U.S. rice industry is committed to advancing working lands conservation opportunities. USA Rice, together with Ducks Unlimited and our many conservation-minded partners, are taking the lead when it comes to finding what works best to keep rice-producing land viable for the long-term. [w-g](#)

Ben Mosely is the vice president of government affairs at USA Rice.



NORTH DAKOTA COURT ON WOTUS: “WHOA” TO EPA


BY STEVE HENSLEY

WASHINGTON, DC – Late last month, the Clean Water Rule: Definition of ‘Waters of the United States, better known as Waters of the U.S. or WOTUS, was sidelined by a federal judge in the U.S. District Court of North Dakota who called the measure “exceptionally expansive.” EPA said they consider the preliminary injunction to only affect the 13 states involved in the lawsuit: Alaska, Arizona, Arkansas, Colorado, Idaho, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, and Wyoming. The judge agreed, and for all other states, WOTUS went into effect August 28 as scheduled.

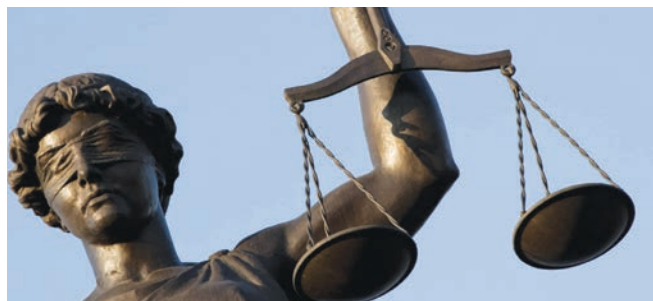
The North Dakota judge found the rule likely to be arbitrary and capricious and so expansive that it was contrary to the Clean Water Act’s grant of jurisdiction. EPA would like the lawsuit to be consolidated in the 6th Circuit Court of Appeals, where 14 other suits are pending. In the meantime the National Association of State Departments of Agriculture (NASDA) sent a letter to the agency requesting more time before implementation so state agencies could understand “their duties and obligations,” but were rebuffed.

“The Clean Water Rule is now in effect in all rice states except Arkansas and Missouri. Farmers and landowners in the states where the regulation applies are advised to consult with state and local authorities regarding the timeline of implementation and how to avoid regulatory action,” said USA Rice Vice President of Government Affairs Ben Mosely.

“There are still several pieces of legislation that have been introduced and passed out of committees in both the House and the Senate that would restrict or delay the final rule from going into effect,” Mosely added. “Congress will likely consider language in appropriations bills that would also aim to prevent the regulations from being enforced. USA Rice supports these efforts and will work with our allies in Congress to include a statutory fix in whatever legislative vehicle has the best potential to clear both chambers of Congress.”

While the final fate of the far reaching WOTUS rule remains uncertain, extended legal wrangling is a foregone conclusion. 

Steve Hensley tracks regulations for USA Rice.



Where will she come down?

USA RICE-DU STEWARDSHIP PARTNERSHIP TEXAS RESERVOIR PROJECT CLEARS FIRST HURDLE

BY PETER BACHMANN

ARLINGTON, VA – The newest project sought by the USA Rice-Ducks Unlimited (DU) Rice Stewardship Partnership has cleared a major hurdle with the announcement by the USDA Natural Resources Conservation Service (NRCS) that the groups’ pre-proposal has been chosen to advance to the next round of the Regional Conservation Partnership Program (RCPP).

USA Rice and DU have partnered with the Lower Colorado River Authority (LCRA) on a new \$10 million project, the new Prairie Conservation Reservoir in Eagle Lake, Texas, to benefit rice growers, migratory waterfowl, and waterbirds.


The project complements an existing LCRA construction project – the Lane City Reservoir, the region’s first significant new water reservoir in decades.

The new USA Rice-DU project was among 164 pre-proposals selected from 265 submissions to advance to the full proposal stage and has two primary components:

- The construction of a new reservoir to provide critically needed irrigation water to rice growers and other users in LCRA’s Lakeside Irrigation Division; and
- The implementation of EQIP practices on rice lands targeted to providing habitat for migratory birds and other wildlife.

The reservoir envisioned in this proposal would increase the region’s water supply and help preserve regional economies devastated by the ongoing drought, which may be the worst on record. Surface water has been unavailable for agricultural use in the region for four years, forcing businesses to close and producers to turn to more expensive groundwater.

The reservoir would enhance the availability of surface water to working ricelands, managed waterfowl habitat areas, and coastal wetlands. It’s estimated that the reservoir would benefit 50,000 acres of riceland south of its location.

The proposed reservoir would be filled during the off-irrigation season to provide some of the initial water to fill the canals at the start of each season. During the irrigation season it would serve about 75 percent of the producers in the Lakeside Irrigation Division. The reservoir has the potential to save 20,000 acre-feet of irrigation water ordered in a typical year – a water savings of more than 10 percent of the total annual water orders in the Lakeside District. 

Peter Bachmann is the newest member of the USA Rice Government Affairs team and specializes in conservation and related issues.

The 265 pre-proposals were seeking some \$1.8 billion in funding, and were offering \$1.27 billion in contributions. The total funding available for this round of the RCPP projects is just \$235 million, so the competition will be intense.



COLOMBIA CLOSE UP

BY SARAH MORAN

ARLINGTON, VA – Colombia has been a much welcomed market for U.S. rice this year, bringing in more than 250,000 MT of rice in just the first five months. Merely four years ago, Colombia was the United States’ 51st largest export destination importing less than 5,000 MT of U.S. rice. After implementation of a successful Free Trade Agreement, Colombia consistently ranks as one of our top export markets.

Rice Seminars

USA Rice began promoting U.S. rice in this market in 2014 with seminars targeting the hotel and restaurant (HRI) sector, importers, wholesalers and retailers, instructing them on the economic and versatile nature of U.S.-grown rice. This June, USA Rice conducted three seminars in Bogotá, Cali, and Medellín with chefs from the Hotel Marriott Cali, the Hotel and Tourism Association of Colombia (COTELCO), the Gastronomic Industry Colombian Associations (ACODRES), and many others.

Executive Chef Bernardo Gomez Cortazar, a renowned chef in Colombia, led the seminars at the prestigious Mario Moreno culinary academy, one of the most respected culinary schools in Latin America. More than 60 participants attended each interactive activity and expressed great satisfaction in the quality of the seminars.

“Not only are the participants challenged to develop new recipes that use rice but they also get to meet many other like-minded people who share a similar passion,” says Ernesto Baron, USA Rice’s advisor for the region.

During the seminar in Bogotá, Wilson Quiroga and José Humberto Cárdenas of Best Choice Ltda, an importer of food products for Asian cuisine, presented the various American aromatic rice types they market in Colombia.

Chef Competitions

Building on the seminars, four chef competitions (*Cocina Viva*) were held in July and August targeting food service operators, chef associations, chef academies, and other HRI operators. Each event pitted approximately 10 local chefs in a cooking competition utilizing rice products. More than 30 competing chefs were selected out of nearly 90 applicants based on their culinary credentials and submitted recipes. Each chef had one hour to prepare their dish and present it to the jury, which also included renowned chefs. A winning chef from each competition has been invited to attend the 19th Americas Food & Beverage Show in Miami in October.

“It is a great honor that jurors who are highly regarded chefs have chosen my dish,” said Juan Sebastian, the first place recipient from Bogotá with his recipe of pumpkin risotto with duck breast. “It is a great joy to have had the opportunity to compare my skills with others and know what I’m doing right and what needs improvement.”



“It is a great honor that jurors who are highly regarded chefs have chosen my dish.”

— Juan Sebastian, the first place recipient from Bogotá with his recipe of pumpkin risotto with duck breast.

“We had many high caliber participants,” said Mauricio Londoño, director of the Colombian Association of Chefs and one of the jurors in Bogotá. “I’ve talked to several people and they have high expectations for participation in the next edition of the contest *Cocina Viva*.”

GBI

USA Rice is also participating in a USDA funded Global Broad-based Initiative (GBI) that brings together nearly 20 agricultural cooperator groups to promote U.S. foods. The GBI is a media campaign called *Sabor USA* (“Flavor of the U.S”) and includes TV shows, videos, and social media postings targeting the Colombia consumer. Information on rice highlights the different types and forms of U.S. rice and the chef competitions mentioned above are also broadcast by *Sabor USA*.

USA Rice

Due to the resounding success of this year’s chef competitions, USA Rice has plans to repeat the *Cocina Viva* activity next year. Additionally, as U.S.-identified rice becomes more readily available at the retail level, USA Rice will diversify its promotional activities and directly target the consumer. In the meantime, we will target the burgeoning foodservice sector and importers and seek to keep Colombia as a permanent top export market for U.S. rice.



Sarah Moran is USA Rice’s director of international promotion covering the Western Hemisphere and Food Aid. She continues to learn Spanish but can converse fluently in Tetun. Go ahead, test her.

USA RICE WORKING OVERTIME ON THE ROLLERCOASTER THAT IS THE IRAQ MARKET

BY JIM GUINN

ARLINGTON, VA – There's no doubt that Iraq is a complicated place and that unrest in the region and a general lack of stability make doing business here risky at best, but as we have seen in the past, there are great rewards to be had if we can ride out the ups and downs, as the opportunities are impressive.

Iraq's population of 32.6 million is set to double in the next 25 years, and the current population is already very young; more than one third is under 15 years of age. Rice is a staple and is considered essential to the Iraqi diet where annual per capita consumption is estimated at 92 pounds. Most Iraqis consume rice daily and almost 90 percent of it is imported, with India, Vietnam, and the USA as the major suppliers, followed by Thailand. South American origin rice is also making inroads recently into the market under the government procurement tenders. Private traders at some point will replace government tenders, which currently dominate the rice market, however the country will need to stabilize first.

According to the Foreign Agricultural Service's Economic Research Service, Iraq's total rice imports were 1,250,000 MT in 2015 and are forecast to increase to 1,300,000 for 2016. Local production covers only about 20 percent of the total demand; the availability of irrigation water, largely coming from Turkey down the Euphrates River, severely limits Iraqi rice production. As Turkey is not expected to increase the level of water released for delivery to Iraq, this will continue to limit rice production, which is estimated at 267,000 MT (milled basis) in 2015.

After being out of the market for close to 15 years, the first shipment of 25,000 MT of U.S. rice arrived in Baghdad in June 2005. Imports continued until 2011, when Iraq imported 41,100 MT of U.S. rice. Sales of U.S. rice to Iraq halted completely in 2012 thanks to the challenges U.S. exporters faced in fulfilling the revised tender specifications of the Grain Board of Iraq (GBI).

The GBI controls approximately 85 percent of all Iraqi rice imports to cover the amount of rice needed for distribution in the Public Distribution System (PDS), which provides Iraqi citizens with a monthly allotment of basic food items, including three kilograms (about 6.5 pounds) of rice.

Tendering requirements, including their request for an official certification from a U.S. authority guaranteeing that each shipment of U.S. rice is GMO free, and the difference in their definition of kernel length and the tolerable amount of broken and chalky kernels, basically made the USA ineligible to participate in tenders announced by the GBI in 2012.

In order to resolve these technical issues, USA Rice organized a seminar for GBI officials in Amman, Jordan in November 2012.

As far as the GMO certificate, no "official" U.S. authority can issue such a document on a ship-by-ship basis, however, USA Rice convinced the Iraqi officials to accept test results from an independent laboratory, and if no findings of GMO were found, to accept this as proof that U.S. rice is GMO free. GBI officials have confirmed this commitment in writing, so this requirement in theory no longer limits U.S. rice sales to Iraq.

Other technical issues were resolved and confirmed in an official letter in March 2013

from the Director General of the GBI. In 2013, 40,000 MT of U.S. rice entered Iraq.

USA Rice hosted another GBI delegation in May 2014 so the Iraqis could become better acquainted with U.S. rice production and processing, as well as shipment procedures ensuring the high quality and reliability of the product. The delegation visited rice producing areas, rice mills, as well as port facilities and testing laboratories in the south to see all steps of the U.S. rice supply chain, and to discuss specific issues related to the continued challenges of the tendering requirements. This had a positive effect on U.S. rice sales to Iraq in 2014 which rose to 153,200 MT.

Market challenges remain however.

In 2015, a sale of 60,000 MT was made in May and another 60,000 MT in July, following continuous efforts to ensure fair and transparent access to U.S. origin rice to the market. Some tenders have been successful, while others have failed with no explanation – despite the U.S. bids being price competitive.

"We've really pulled out all the stops to change the trading relationship," said Hartwig Schmidt, USA Rice director of international promotion in the region said. "We brought the Grain Board to rice country, we've met with U.S. Ambassador to Iraq Stuart Jones and numerous other American officials at the State Department and in the Foreign Agricultural to alert them to our challenges in the market."

Schmidt said USA Rice has also had Congress weigh in with Secretary of State John Kerry and Ambassador Jones directly, as well as with Iraq's ambassador to the U.S.


Ambassador Jones is fully engaged and understands the real problems in this volatile market. In country, Jones has pushed the need for transparency up to the level of the Prime Minister.

In addition to increasing political pressure in the U.S. and Iraq, USA Rice has taken another step, hiring a local in Baghdad to help navigate these sometimes murky waters.

He is in regular contact with the Grain Board and the Minister of Trade and assists USA Rice in building a better relationship with them.

Schmidt reports that USA Rice has proposed a Memorandum of Understanding with the Ministry of Trade to define the U.S. commitment to the market and enforce regular tenders. A meeting was held on July 25th in Amman, Jordan with the Trade Minister and his colleagues in an attempt to solidify recent gains.

USA Rice has also extended an invitation for the Trade Minister to travel to the U.S. later this year to visit rice country to further build on the successes outlined.

With the renewed vigor of the U.S. government on behalf of the U.S. rice industry, the attention of the Trade Ministry that now understands the U.S. rice industry is not going to accept being unfairly treated in government tenders, and with our crystallized strategy we believe we have a path forward that will let us ride out this rollercoaster to position us at the forefront of this important but unpredictable market. 

Jim Guinn is vice president of international promotion at USA Rice.



THE ABCs OF RICE TRQs

BY BOB CUMMINGS

ARLINGTON, VA – Trade agreements can be a bit like a famous Rolling Stones song: “You can’t always get what you want, but if you try sometimes, you just might find, you get what you need.”

When it comes to bilateral and multilateral trade agreements, the gold standard is to have absolutely zero import tariffs or duties on U.S. rice. Sometimes our industry and U.S. negotiators are successful in hitting that mark, as with the North America Free Trade Agreement where Mexico’s import duties (or taxes) on U.S. rice were reduced to zero over ten years and our own duty-free access to Canada was locked in. Mexico is now the number one export destination for U.S. rice and Canada is in the top five.

More often than not, however, the political sensitivity of rice in foreign countries means that duties on imports from the United States are either not eliminated, or elimination takes a very, very long time. Sometimes U.S. exporters receive only partial tariff-free access in the form of what’s called a tariff rate quota, or TRQ. In short, the importing country agrees to let in a set quantity of U.S. rice at a much reduced, or zero, tariff. That quantity might grow over time or remain fixed, and tariff elimination sometimes occurs while a TRQ is in place.

While TRQs are definitely not the first choice, if managed correctly they can bring additional benefits to rice farmers, millers, and exporters that are greater than simply more tons moving to market. Here are two cases where smart TRQ administration has been working for the U.S. rice industry, one for almost two decades.

The Ups and Downs of the EU TRQ

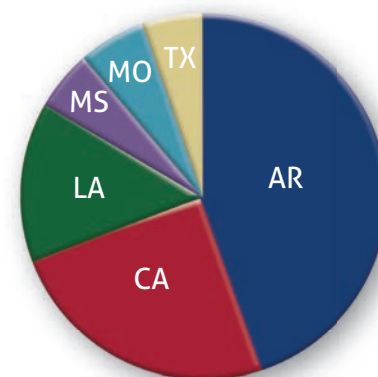
In late 1995, the United States and the European Union (EU) reached agreement on trade concessions to be provided by the EU to the United States because of the admittance of Austria, Finland, and Sweden to the EU. The concessions included TRQs for 38,000 metric tons of U.S. milled rice to enter duty-free and 8,000 metric tons of U.S. brown rice to enter at a much reduced tariff level. U.S. negotiators got the EU to agree to TRQ administration on this side of the Atlantic. That is, allocation of licenses to export under the TRQs would be handled by a U.S. nonprofit entity and the money bid for these licenses would remain in the United States.

Licenses, sometimes called “certificates,” are bid on at an auction by exporters of U.S. rice who agree to pay a certain amount per ton. The certificate entitles the bearer to import U.S. rice into the country in question under the terms of the TRQ – likely duty-free. The challenge for the exporter is to make the bid for the license competitive, but lower than the cost of the duty so that the deal ends up being profitable.

Following intensive discussions within the U.S. industry, all parties agreed to the establishment of a nonprofit organization – The Association for the Allocation of Rice

NET REVENUE FROM FEBRUARY & JUNE COL-RICE AUCTIONS

Arkansas	\$7,410,407	●
California	\$3,335,137	●
Louisiana	\$2,265,355	●
Mississippi	\$835,021	●
Missouri	\$971,456	●
Texas	\$850,230	●



Total 2015 Revenue as of June:
\$15.7 million

Quotas (AARQ). Since 1999, AARQ has auctioned off licenses to exporters of U.S. rice to ship under the TRQs three or four times per year. Net auction proceeds from the bids are split among exporters (78 percent) and The Rice Foundation (22 percent). Ninety percent of proceeds received by The Rice Foundation are allocated to rice research. The research funds are shared among the rice states based upon production. Under the AARQ agreement, all funds for the states are distributed to The Rice Foundation first and then to the rice research boards in the six individual states. Each state can also opt to have The Rice Foundation hold its funds in escrow.

Receiving the lion’s share of funds because of production figures, the Arkansas Rice Research and Promotion Board (ARRPB) opted to have the funds held by The Rice Foundation to be invested and accrue interest, and only spent at the direction of the ARRPB. Thanks to the EU TRQ program, the ARRPB has been able to allocate more than \$5 million for research, all conducted in Arkansas, including endowing the Rice Industry Chair for Variety Development and a gift that helped construct the new University of Arkansas Division of Agriculture Rice Research and Extension Center in Stuttgart. EU TRQ funds also support ongoing varietal development research, including current efforts to develop an Arkansas aromatic variety.

The EU rice market has changed considerably since 1995. The EU has had internal policy reforms and also granted duty-free access to rice from the least developed countries. And there have been external shocks like the LibertyLink® crisis. As a result, AARQ revenue is currently much reduced from initial levels, but still bringing more than \$700,000 to the United States in 2014.

Colombia TRQ Generates Millions for Rice Research

It is fortunate that a new, and larger, source of money for rice research has emerged through TRQs provided to U.S. rice in the U.S.-Colombia free trade promotion agreement (TPA) that went into effect in 2012.

Under the agreement, Colombia’s import duty on U.S. rice, currently 80 percent, will begin decreasing in 2018 until reaching zero in 2030. In the meantime, Colombia



Photo Courtesy of LSU AgCenter



Rice research funds are shared among the rice states based upon production.



provides annual TRQs for U.S. rice to enter the country duty-free. The TRQs began in 2012 (for 79,000 metric tons on a milled equivalent basis) and increase 4.5 percent each year until Colombia's import duties end in 2030.

As with the 1995 agreement with the EU, the Colombia TPA allows for a U.S. nonprofit to administer the rice TRQ. And similar to the EU experience, the industry came together in 2012 and agreed on the establishment of Colombia Rice Export Quota, Inc. (COL-RICE) to handle the auctions of licenses for the import of U.S. rice into Colombia. But there are some important differences:

- The COL-RICE board has directors from the U.S. and Colombian rice industries.
- The net proceeds of the auctions are split 50/50 between the U.S. and Colombia rice sectors.
- All net proceeds to the United States are allocated to the six rice states to be used *only* for rice research in the first ten years. In year eleven and forward, the funds can also be used for rice promotion.

The first auction was held in late 2012, and the COL-RICE board has subsequently agreed to three to four auctions each year, the most recent in June. The final auction for 2015 will take place on October 15.

Through 2014 these returns brought in \$8.3 million in research, and even more substantial sums in 2015 as seen in the chart.

As with its share of the AARQ proceeds, the ARRPB has designated The Rice Foundation to hold Arkansas's share of COL-RICE's net proceeds. Any use of the funds will be directed only by the ARRPB, which has committed to spend all future funds on research — even after the funds are eligible to be used for promotion. ARRPB has already allocated more than \$4.5 million to the University of Arkansas for research projects, equipment purchases, and for construction of a new Rice Foundation Seed facility. ARRPB is also working to develop a plan of action to invest TRQ funds in a way that benefits the Arkansas rice industry for years to come.

As we saw in the EU, market conditions are not static, and revenue from COL-RICE auctions is a function of rice prices here and in Colombia and the level of Colombia's rice import duty, which will decline beginning in 2018. Nonetheless, rice farmers in Arkansas and the other states continue to enjoy the benefits of smart quota administration while USA Rice continues to press for the elimination of global tariffs on rice.

Bob Cummings is chief operating officer for USA Rice and previously served as senior economist in the agricultural affairs office of the Office of the U.S. Trade Representative.

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USA Rice is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants, and allied businesses.

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Chinese Trade Puzzle

BY DOW BRANTLEY

Trade issues are quite important to the U.S. rice industry – about half of our annual crop is exported to more than 110 countries – but they are also very complicated, and sometimes I think, confusing by design. Trade agreements are like shifting puzzles that challenge at every turn.

Earlier this year I was appointed to the Agricultural Policy Advisory Committee (APAC) by U.S. Department of Agriculture Secretary Tom Vilsack and United States Trade Representative Michael Froman. It is a great honor to serve on this select group of trade and agriculture experts providing advice and information to the government on the administration of trade policy, including enforcement of existing trade agreements and negotiating objectives for new trade agreements.

In the short time I've been involved, I've learned quite a bit about many pending trade agreements that are very important to rice. And while the headlines, rumors, and innuendos swirl around issues like the Trans Pacific Partnership (TPP) and access to China, I've come to appreciate just how difficult these puzzles are to solve.

For example, the long negotiated phytosanitary protocol with China.

Many have tried to paint a picture of a U.S. rice industry divided with segments of the industry standing in the way of progress. Let me tell you, the only obstacle to access to China for U.S. rice is China. And while a deal may be reached this month, the slow, cautious approach taken by the United States has been the smart one.

The Chinese negotiators have continually moved the goal posts on our negotiators, reopening old pieces of the puzzle that were thought solved long ago and setting up no-win scenarios for us.


For example, insect trapping. Not only have the Chinese been calling for us to trap for insects that don't exist in the United States, they've asked us to trap for insects for which there is no trap.

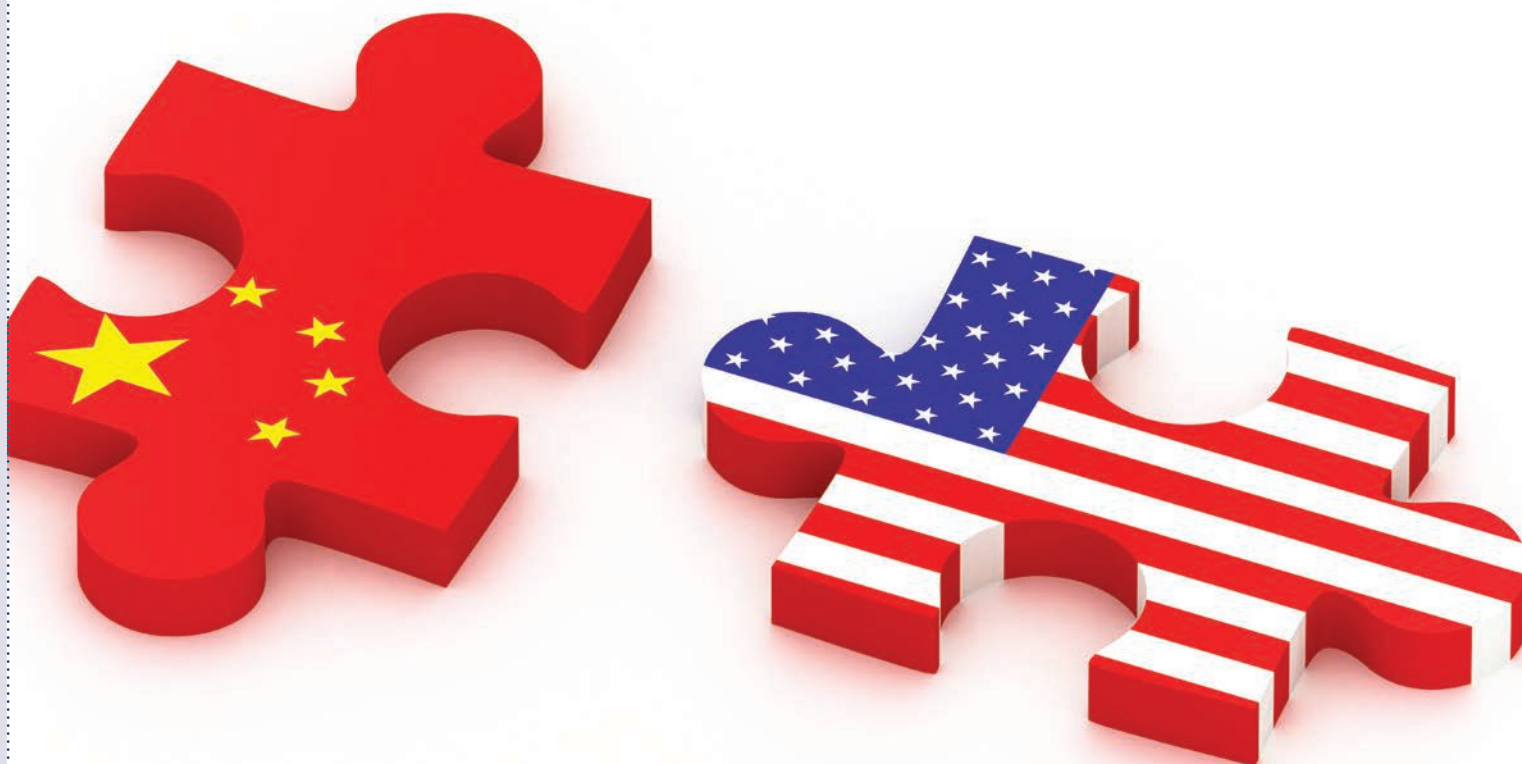
The U.S. industry is willing to set out traps, but how can you set out a trap that does not exist? And take it a step further: if you have agreed to set out a trap that doesn't exist, and then you don't set it out... because it doesn't exist...are you in compliance? Or could China decide they want to turn off the spigot on U.S. imports, claim we are out of compliance with the agreement, and stop the imports? Of course they could – that's how it was designed. So just agreeing to something willy nilly without understanding how it will work and be used against you, that's not a smart approach to trade agreements.

Luckily for the U.S. rice industry, our negotiators have been able to see through these tactics and have stood firm on our behalf. I, for one,



"... while the headlines, rumors, and innuendos swirl around issues like the Trans Pacific Partnership (TPP) and access to China, I've come to appreciate just how difficult these puzzles are to solve."

appreciate their efforts and advocacy, and I believe whenever a final phytosanitary deal with China is announced – be it this month or next year – our negotiators will have done all they could to make sure the completed puzzle presents a solution that works for U.S. rice farmers. 



FOOD INNOVATION FOR TODAY AND TOMORROW

BY MIKE LEE

BROOKLYN, NY — As food innovators, we must remember that there are many flavors of innovation and they each serve a strategic purpose based on the needs of the customer and business. Incremental innovations support and extend existing product lines with new features or by serving adjacent customer needs. On the other end of the spectrum, breakthrough innovations create entirely new product categories and customers, boldly moving the industry forward.

Ideally, a mix of both types of innovation needs to be pursued for food companies to capture and create opportunities for themselves. Problems can arise when a company is too focused on only incremental innovation or all breakthrough innovation.

Achieving this mixed approach to innovation is difficult in practice, as incremental and breakthrough mindsets are quite different. The former focuses on near-term time scales with more concrete visions of costs and benefits, while the latter is all about diving into the future with many unknowns. Building a culture that can accommodate both of these innovation approaches is challenging, but worthwhile.

This is why we created The Future Market, a conceptual grocery store that imagines what the world of food could look like in the year 2065. The store is in development and will live online and in physical form. But instead of stocking the shelves with the same products you'd see in a grocery store today, we will be creating concept prototypes that suggest a very different food system than we live in today. We'll explore things like biodegradable bioplastics for packaging, advanced aeroponic and hydroponic growing systems, alternative proteins, and future versions of the crops we see today.

It's difficult to get today's food from ground to table and we don't always have room for breakthrough innovation. The Future Market is a venue where food innovators can truly think outside the box and imagine what the food will look like two generations away. It's a place to only think in "breakthrough" innovation mode. Our goal is to think more ambitiously about the future in order to inspire what we do today.

Outside of the food industry, companies like Google and Amazon have mastered the art of investing in incremental as well as breakthrough innovation. Each week, an onslaught of new refinements, features, and optimizations is introduced into their main software products. While every year, these tech giants typically introduce one game-changing product or service that's aimed at putting them on a whole new plane of innovation. For every self-driving car or package delivery drone, there are many more new Android releases or product search functions that launch at Google and Amazon, respectively.

This mix of innovation approaches is what keeps companies like Google and Amazon relevant not just today, but well into the future. They are not keen to simply defend their turf today, but they are aggressively paving a way towards longevity through innovation.

This balance of incremental and breakthrough innovation is dearly needed in food today. The food industry is far larger and more vital to our civilization than those tech giants, yet we tend to move at a snail's pace and avoid risk at all costs. We owe future generations—and ourselves—a stronger effort in promoting outrageous, moon-shot ideas in the food world. The ideas that are crazy enough that they just might work. [WG](#)

Mike Lee is the CEO and founder of Studio Industries & The Future Market and he will be leading an exciting end user panel at the 2015 USA Rice Outlook Conference in New Orleans this December. Be sure to visit usarice.com/outlook to learn more and sign up to attend – you will not want to miss this session.

FROM TOP LEFT: Mike Lee, future products, and tomorrow's supermarket.



USA RICE Launches New Online Home

BY MICHAEL KLEIN

ARLINGTON, VA — USA Rice recently launched its new online home, www.usarice.com. The site has a modern look and feel, is greatly slimmed down, streamlined, and fully functional on mobile devices.

"We went through more than 15,000 pages of content to get rid of clutter and organize the information in a logical way both on the front end for users, but also on the back end for staff," said Amy Doane, a member of the in-house team that worked on the new site's architecture. "The new site is light years ahead of where we were and we're excited to improve this valuable tool for our members."

"Members told us local weather and market prices are among the most important pieces of information they look for every day, so we added that to the home page," explained Katie Maher who led much of the redesign. "Users click on the weather icon, enter their zip code one time, and the site will remember that is the weather, radar, and forecasting you want."

Maher explained the site is now organized around the USA Rice Daily, USA Rice's daily newsletter available via email or on your mobile device.

"The Daily and the tags associated with each story serve as the backbone of the new site, linking and organizing information logically," she said. "Not only do we add stories every day, but we are also working backwards, adding archived stories to give visitors a full picture of what each issue means for rice and how that issue has evolved over time."

Maher said visitors are also able to register for USA Rice meetings, order National Rice Month merchandise, and access "members only" sections of the website with proper credentials. [WG](#)

Michael Klein is the USA Rice vice president of communications and marketing, and is convinced the Internet is here to stay.



The new look of usarice.com.


SUMMER IN THE CITY

BY WHIT KENDALL

ARLINGTON, VA — Growing up on a family farm in rural Mississippi, I always wanted to get away at some point and do something different. As I began my junior year at Mississippi State University, I realized that going to Washington, DC would be the perfect opportunity to branch out. Although I had little previous experience with rice, I knew I wanted to participate in an internship that would give me a chance to understand how public policy impacts agriculture. The decision to take an internship with USA Rice fulfilled that goal.

During my time with USA Rice, the day-to-day activities varied but some of my favorite days included going to Capitol Hill and seeing firsthand how policy works. Congressional hearings and meetings with legislative staff opened my eyes to the complicated process of how laws and policies are formulated.

The USA Rice Government Affairs team kept me busy working on projects that introduced me to ideas that were fresh and interesting. The experience of being off the farm and seeing the working world from a completely different perspective is something that is invaluable to me.

I encourage all students to consider interning in Washington, DC, no matter your field of study. It is a unique experience and gives you the chance to see how the things that affect your everyday life come to be. Working in DC was a great way to network and be exposed to so many different types of people. No matter what career I pursue, I know that I will be able to use the lessons I learned while working here this past summer. 

Whit Kendall grew up on a farm in Bolton, Mississippi, and is the only son of Libby and Ted Kendall. He is a student at Mississippi State University majoring in Agricultural Engineering Technology and Business.

The author (right) and Thad Cochran, the senior Senator from Mississippi.



2015 USA RICE OUTLOOK CONFERENCE SHAPING UP TO BE BIGGEST AND BEST

BY TRISH ALDERSON

NEW ORLEANS, LA — The USA Rice Outlook Conference is expanding to two full days this year, with an exciting program lineup featuring outlooks on farm policy, politics, the economy, domestic and global rice production, research, food innovation, and more. USA Rice recently announced the keynote address for the December 9-11 event in the Crescent City will be a lively discussion with husband and wife political strategists and best-selling authors Mary Matalin and James Carville. They will speak at the opening general session on Thursday, December 10.

Matalin is one of the most celebrated and popular conservative voices in America, co-hosting the nationally syndicated radio program, *Both Sides Now*, and having served under Presidents Ronald Reagan, George H.W. Bush, and George W. Bush.

Carville is America's best-known political consultant, renowned for his electoral successes and remaking political underdogs into upset winners. He most famously guided the campaign of then Governor Bill Clinton to defeat President George H.W. Bush whose approval rating was among the highest ever for a sitting president.

Dr. Mike Strain, commissioner of the Louisiana Department of Agriculture and Forestry, also will speak at the opening general session on Thursday. Louisiana Congressman Ralph Abraham, M.D. will speak on Friday.

"The USA Rice Outlook Conference is the rice industry's largest annual meeting, and we look forward to welcoming rice farmers from all states and representatives from throughout the U.S. rice industry to New Orleans," said Christian Richard, a rice farmer from Kaplan, Louisiana, who serves on USA Rice's Communications Committee, which is involved in program planning for the conference. "New Orleans is a unique city with so much to offer. We know attendees will have an enjoyable time as well as a great learning experience at the conference."

Additional program highlights include a Washington insider's view from Jim Wiesemeyer, Informa Economics; a presentation on the global economic trends that will impact your bottom line and decision-making by noted economist Dr. David Kohl; as well as outlooks on the global rice situation by USDA's Andrew Aaronson and the weather by Joel Widenor, Commodity Weather Group LLC. State-by-state rice production and research reports also will be presented.

Two special learning sessions will be offered. Farm management expert R. L. "Dick" Wittman will discuss strategies for implementing professional family business governance and transition, and an offsite learning session with The Russell Marine Group and Eurofins will offer a unique opportunity to follow U.S. rice as it begins its journey to export destinations.


Food futurist Mike Lee, founder and CEO of Studio Industries, will speak and lead a panel discussion on the future of food, food shopping, and what it means for rice (see Lee story, page 3).



Husband and wife political strategists and best-selling authors Mary Matalin and James Carville.

The USA Rice Outlook Conference hosts a trade show for rice-related equipment, products, and services. This year's schedule includes more dedicated time in the Exhibit Hall, including receptions and a lunch.

The annual Rice Awards Luncheon will be held on Friday, with the presentations of three prestigious industry honors, the National Rice Month scholarship grand prize, and the announcement of the new class for the Rice Leadership Development Program, which is celebrating its 25th anniversary.

Exhibit and sponsorship opportunities are available, but going fast. Visit the conference website at www.usarice.com/outlook for more information. 

The 2015 USA Rice Outlook Conference will be held December 9-11 at the Sheraton New Orleans. Jeanette Davis is standing by to answer your questions and help you find the sponsorship/exhibitor package that is right for you at (703) 236-1447, jdavis@usarice.com.

Trish Alderson, a native of Louisiana, is also USA Rice's vice president of meetings and member services.



U.S. RICE INDUSTRY CELEBRATES 25 YEARS OF NATIONAL RICE MONTH

BY KATIE MAHER



ARLINGTON, VA — September is National Rice Month (NRM), a time to celebrate the harvest of this small, but mighty grain that has captivated American hearts and stomachs for more than 300 years. Strongly supported by rice farmers and millers, NRM has become a well-known national promotion educating consumers about the benefits of rice grown in the USA and boosting U.S. rice sales nationwide.

“September 2015 is the 25th anniversary of National Rice Month, and USA Rice has some exciting promotions planned to mark the occasion,” said Fred Zaunbrecher, USA Rice Domestic Promotion Committee Chairman. “We’ll be spreading the rice message and encouraging Americans to *Think Rice* while at the grocery store and dining out, through social media, and even in the classroom.”

SPOTLIGHT: Rice Aisle Impact

To reach shoppers at the point of purchase, USA Rice is conducting customized promotions with supermarket registered dietitians (SRDs) at eight retail chains, including: Giant, HEB, Hy-Vee, Kroger, Rouses, ShopRite, Stop & Shop, and Weis Markets.

“Working one-on-one with dietitians at the grocery store is a great way to increase visibility of U.S.-grown rice,” said Paul Galvani, USA Rice Retail Subcommittee chairman. “This past spring, we conducted promotions with dietitians at two retail chains that generated nearly 38 million shopper impressions – so our messages were being well amplified.”

Throughout the month, USA Rice’s SRD partners will promote NRM and U.S.-grown rice through various supermarket communication channels, such as: in-store radio ads and demos, newsletters, store magazines, circulars, store tours, nutrition classes, and more.

“Some especially unique promotions include U.S. rice themed health and wellness text messages that HEB dietitians will send to more than 80,000 shoppers,” said Galvani. “And Kroger dietitians are hosting an incentive contest to encourage employees to cook with U.S. rice and share their photos and nutrition tips.”

Again this year, USA Rice is partnering with Advanced Fresh Concepts, the largest supermarket sushi distributor in the United States, to conduct an NRM promotion in grocery stores and military commissaries. More than 2,000 stores across the country will feature sushi display case signage and ‘Rice Grown in the USA’ stickers on sushi containers. Last year, sushi sales increased 9 percent during the promotion.



USA Rice’s refreshed SRD toolkit provides dietitians with reasons, recipes, and tools to recommend U.S. rice during NRM and throughout the year.

SPOTLIGHT: RiceGiving

To encourage restaurants to promote National Rice Month and extend the U.S. rice message to consumers, USA Rice launched a new charitable program called RiceGiving to support local food banks across the country. For every U.S. rice menu item ordered at a participating chain, during September, the U.S. rice community is donating a serving of rice to feed the hungry.

Upscale Asian-inspired chain, P.F. Chang’s was quick to jump onboard.

“This program is a great way to raise awareness – both that a majority of the rice people eat in this country

is grown by American farmers, and that the U.S. rice community is sensitive to hunger issues in America,” said John Hasbrook, USA Rice Foodservice Subcommittee chairman. “RiceGiving can make people feel good about their food decisions – when they choose U.S. rice they are not only helping America’s family rice farmers, they are helping provide a warm, nutritious meal to someone in need.”

P.F. Chang’s is promoting NRM and the RiceGiving program to their patrons both in their 210 restaurants, and online to their nearly one million social media followers and newsletter subscribers. They are also using a dedicated webpage to explain RiceGiving, featuring a two minute animated video provided by USA Rice.

“We are honored to invite our guests to join in this important cause by dining to donate,” said Michael Osanloo, chief executive officer of P.F. Chang’s. “Thanks to our loyal customers, we will be able to help put food on the table for many American families.”

USA Rice President and CEO Betsy Ward is also enthusiastic about the program: “We cannot imagine a better restaurant partner for National Rice Month than P.F. Chang’s. Already committed to great food and the highest quality rice, P.F. Chang’s is also demonstrating its commitment to America’s family rice farmers. We look forward to working together to support these farmers and those in need through our RiceGiving program.”



“Social media provides a direct line of communication to consumers, so it’s important that we grab their attention with interesting video and images...”



SPOTLIGHT: Social Media Engagement

Consumers across the country have another reason to be excited about September National Rice Month – they can reach for rice from the convenience of their computer or mobile device.

USA Rice will have daily social media postings on Twitter, Facebook, and Instagram covering topics such as sustainability and conservation, health and nutrition, farming, rice recipes, and fun facts. New “how-to” rice recipe videos and infographics will also be released throughout the month.

“Social media provides a direct line of communication to consumers, so it’s important that we grab their attention with interesting video and images,” said Colleen Klemczewski, USA Rice social media coordinator. “This summer, our most popular posts on Facebook were infographics about rice – they received more than 300 ‘likes’ and ‘500’ shares. So we’re excited to reveal our new content in celebration of National Rice Month and anticipate it will generate a lot of interest and activity.”

“We received such positive feedback from teachers in the spring, we thought National Rice Month would be a perfect time to remind them about the program...”



SPOTLIGHT: Rice State Activities

Across the rice producing states, National Rice Month promotional events and activities are held to celebrate the harvest that is underway in most areas, and show support for farming families that contribute to the rice industry.

The Arkansas and Louisiana rice industries arrange for local food bank donations and convene at the state capitals for NRM proclamation signings by their governors.

In Mississippi, the Annual Rice Tasting Luncheon sponsored by Delta Rice Promotions, Inc. attracts more than 1,500 people to celebrate NRM and sample dozens of different rice dishes. USA Rice will exhibit at the luncheon and also serve as judges for the *Think Rice* recipe contest.

USA Rice is continuing its school education outreach by partnering again with award-winning curriculum developers Young Minds Inspired (YMI) to electronically distribute the *Think Rice* education program to 5,000 teachers in all six rice states and beyond.

“We received such positive feedback from teachers in the spring, we thought National Rice Month would be a perfect time to remind them about the program and encourage them to use it with their new classes,” said Byron Holmes, USA Rice Nutrition Subcommittee chairman. “We also sent the program to school districts outside of the rice growing states to reach teachers that regularly participate in the YMI program.”

All month long, high school seniors in rice producing states will be conducting their own NRM promotions to enter the annual NRM scholarships contest, sponsored by Dow AgroSciences. Teens will plan creative activities to promote U.S.-grown rice, NRM, and the importance of rice growing in their state. Be on the lookout for promotions going on in your state and support scholarship applicants!

“It’s important to take advantage of National Rice Month to tell our story – U.S. rice is healthy, locally-grown, and good for the environment,” said Zaunbrecher. “Not only do our activities help drive those messages home, I think they contribute to a sense of pride all U.S. rice farmers should feel for what they do.”

Katie Maher is USA Rice’s director of domestic promotion and September is her favorite month.



“At P.F. Chang’s, we exclusively use U.S.-grown rice in our restaurants,

as we are committed to reducing food miles and are proud to support U.S. rice farmers,” said Nevielle Panthaky, Vice President of Culinary Innovation at P.F. Chang’s. “Also, the cooking qualities and taste profile of U.S. rice complements our menu items and lets us deliver great tasting dishes our guests have come to expect.”

Visit www.pfchangs.com to watch a short video about U.S.-grown rice and the RiceGiving program.



NEW RICE RECIPES FOR FOODSERVICE PUMP UP SCHOOL LUNCH MENUS

BY DEBORAH WILLENBORG

SALT LAKE CITY, UTAH — When school nutritionists write the obligatory “what I did over summer vacation” essay this fall, most will get to include their trip to the 2015 School Nutrition Association’s (SNA) Annual National Conference in July. More than 5,500 school nutrition professionals, industry members, and allied partners gathered here to share their passion for child nutrition.

USA Rice participated as a conference exhibitor, distributing information about K-12 resources available on MenuRice.com, including five new rice recipes developed specifically for school foodservice menus. These standardized rice recipes were developed to make it easy for schools to meet nutrition requirements and increase rice usage. Visitors to the USA Rice booth were given the new recipes as well as the *Rice 101 Cooking Guide* that provides rice preparation instructions, taking into account the various types of equipment found in school kitchens.

Attendees also had an opportunity to spin the famous “Rice Wheel” to test their knowledge on U.S.-grown rice and win a *Think Rice* rice crispysake.

“The prize wheel definitely draws a crowd to the booth and is a great way to interact with people,” said Katie Maher, USA Rice’s director of domestic promotion. “Many are surprised and proud to learn that a majority of the rice Americans consume is grown right here in the U.S. by American farmers or that rice farming positively contributes to the environment.”

During this year’s conference, USA Rice staff met with school nutrition directors from Kansas, California, Louisiana, and Texas, to learn more about the challenges they face complying with federal nutrition guidelines and how that affects menu planning and food purchasing decisions.

“The directors are responsible for program roll-out and training in their individual states and districts,” said Maher. “Meeting face-to-face with these influential people gave us the opportunity to share our recipes and resources, find out how we can continue to be a valuable foodservice partner, and talk about opportunities for interactive and engaging promotions in their states.”

Maher said now that school is back in session, USA Rice will continue to stay in touch with this important audience, encouraging U.S.-grown rice usage in schools and providing much needed resources. 

Deborah Willenborg is USA Rice’s communications manager and lunch was her favorite subject in school.



LEFT: USA Rice’s Katie Maher (left) shares tips and treats with a hard working Lunch Lady.

BELOW: Vegetable Fried Brown Rice Bowl – one of five new recipes USA Rice developed for school foodservice menus.



10 reasons to eat RICE GROWN IN THE USA



1. LOCALLY GROWN
When you choose U.S.-grown rice, you are reducing your food miles.

2. LOVE FOR THE ENVIRONMENT
American rice farmers have a longstanding commitment to protect and preserve natural resources. Today, U.S. rice farmers produce more rice using less land, energy, and water than they did 20 years ago – with no GMOs.

3. NUTRIENT-RICH
Rice provides more than 15 vitamins and minerals, and beneficial antioxidants.

4. ENERGY BOOST
Keep your engine revved throughout the day with rice! It’s a good source of complex carbohydrates, providing the fuel your body and brain need to function.

5. HEALTHY WEIGHT MANAGEMENT
Research shows that eating rice makes you feel full longer and people who eat rice are less likely to be overweight.

6. HEART HEALTH
Whole grains, such as brown rice, help reduce the risk of heart disease, diabetes, and certain cancers. Rice eaters have a lower risk of high blood pressure.

7. GLUTEN-FREE
Rice is one of the least allergenic grains, making it a healthy option for those that are gluten-intolerant or have food sensitivities.

8. BUDGET-FRIENDLY
10¢ PER SERVING

9. IT’S A “FREE” FOOD
U.S.-grown rice is... sodium-cholesterol-gluten- and GMO-free.

10. IT MAKES YOU HAPPY!
Eating rice triggers your brain to produce serotonin, which boosts mood and keeps appetite in check.

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USA Rice Federation • www.thinkrice.com

MYPLATE PARTNERSHIP

BY DEBORAH WILLENBORG




ARLINGTON, VA — In 2011, when the U.S. Department of Agriculture (USDA) updated the food pyramid to the colorful MyPlate symbol, grains stepped into the spotlight. And with USDA's "Make Half Your Grains Whole" campaign in 2012, USA Rice joined more than one hundred other national organizations to promote this key nutrition message.

"USA Rice was one of the first organizations to join USDA's National Strategic Partnership, that was designed to promote MyPlate and the Dietary Guidelines," says Katie Maher, USA Rice director of domestic promotion. "The collaborative promotions with other MyPlate partners give USA Rice a larger communications platform, allowing us to extend our message and our program dollars."

For example, the four-month "Make Half Your Grains Whole" promotion reached almost 190 million people – 25.5 million consumer influencers including health professionals, industry members, consumer media, policy makers, and educators, and 163 million consumers via social media channels.

"Any way you measure it, this is an incredible return on investment," says Maher. "Having such high level of support from MyPlate is invaluable for rice."

The National Strategic Partners maintain a messaging calendar that helps coordinate efforts and continue to broaden consumer reach. Recent MyPlate promotions co-sponsored by USA Rice include a video contest for kids that received more than 10,000 unique visitors and generated more than 100 video entries from kids across the country, and a toolkit USA Rice helped develop, called "Meeting Your MyPlate Goals on a Budget," that had more than three million downloads, making it one of the most popular MyPlate publications ever.

"We understand the value of MyPlate is as a resource, to everyone from professionals like dietitians, to schools and programs like WIC that promote healthy eating to consumers," Maher adds. "With all that access and exposure, it's important that U.S. rice is represented. The MyPlate communications partnership is critical to our efforts to remind people where rice fits on the plate." 

"Collaborative promotions with other MyPlate partners give USA Rice a larger communications platform, allowing us to extend our message and our program dollars."



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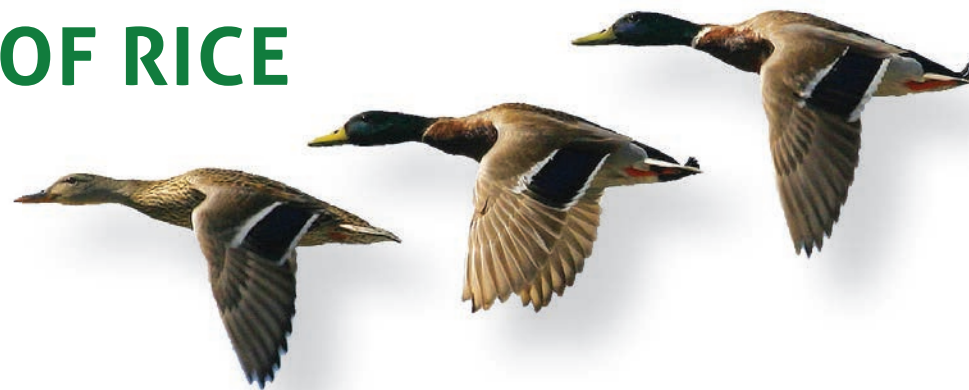


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SUSTAINING THE FUTURE OF RICE

BY BEN MOSELY



WASHINGTON, DC – The Natural Resources Conservation Service (NRCS), through the Regional Conservation Partnership Program (RCPP), approved \$10 million for a USA Rice-Ducks Unlimited Stewardship Partnership proposal entitled “Sustaining the Future of Rice.” This rice-focused conservation platform offers rice farmers financial and technical assistance to apply on-farm conservation practices to address water quantity, quality, and wildlife habitat in Arkansas, California, Louisiana, Mississippi, Missouri, and Texas.

Seven million dollars will be made available through the Environmental Quality Incentives Program (EQIP) and \$3 million from the Conservation Stewardship Program (CSP), as well as \$6.8 million of cash and in-kind contributions from over 40 partners from the private sector.

Since the award announcement, USA Rice has been working diligently with DU and NRCS to set the parameters and acceptable practices for this first of its kind project. EQIP applications are currently being accepted in Arkansas and Mississippi through October 16, 2015 and applications in California, Louisiana, Missouri, and Texas will open later this fall. Outreach to producers through NRCS, USA Rice, and partners will notify rice farmers in these areas when EQIP and CSP applications may be submitted through their local NRCS office. The funds made available through the Sustaining the Future of Rice RCPP project are in addition to regular EQIP, CSP, and other conservation funds that may be available to growers.

USA Rice expects competition for contracts to be fierce. If the project is oversubscribed, the Stewardship Partnership intends to seek additional funding to continue this important conservation effort, the first of its kind to focus solely on practices that work best on rice producing lands. After the sign-up ends, applications will be ranked and contracts awarded. After the contracts are set, on-farm work will begin.

While this first RCPP award has been a great achievement for the rice industry there are more opportunities that the Stewardship Partnership has identified and three are being pursued in the second year of RCPP funding.

First, USA Rice, DU, and the Lower Colorado River Authority (LCRA) are working together on a proposal seeking federal funds to help construct a reservoir that aims to increase the water supply capacity of the LRCA and increase the availability of freshwater for rice production, managed waterfowl habitat, and coastal wetlands.

Second, in Arkansas, USA Rice is partnering on RCPP proposals that aim to reduce water quality degradation in three watershed areas – Middle Bayou Deview, Bayou Meto, and Grand Prairie. If funded, these projects would use EQIP and CSP practices to address the concerns of degradation of water quality from soil erosion and sediment loss from croplands.

Finally, another proposal in Louisiana seeks to improve water quality through nutrient management. The joint effort with DU seeks to use EQIP funding to increase the utilization of precision application of fertilizer and the installation of grade stabilization structures in southwest Louisiana, helping prevent the loss of nutrients through runoff.

These innovative proposals are just beginning. The U.S. rice industry is committed to advancing working lands conservation opportunities. USA Rice, together with Ducks Unlimited and our many conservation-minded partners, are taking the lead when it comes to finding what works best to keep rice-producing land viable for the long-term. [w-g](#)

Ben Mosely is the vice president of government affairs at USA Rice.



NORTH DAKOTA COURT ON WOTUS: “WHOA” TO EPA


BY STEVE HENSLEY

WASHINGTON, DC – Late last month, the Clean Water Rule: Definition of ‘Waters of the United States, better known as Waters of the U.S. or WOTUS, was sidelined by a federal judge in the U.S. District Court of North Dakota who called the measure “exceptionally expansive.” EPA said they consider the preliminary injunction to only affect the 13 states involved in the lawsuit: Alaska, Arizona, Arkansas, Colorado, Idaho, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, and Wyoming. The judge agreed, and for all other states, WOTUS went into effect August 28 as scheduled.

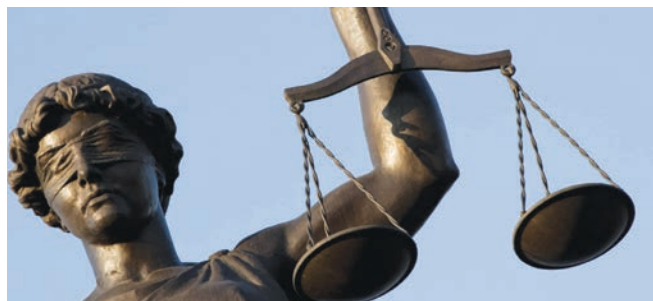
The North Dakota judge found the rule likely to be arbitrary and capricious and so expansive that it was contrary to the Clean Water Act’s grant of jurisdiction. EPA would like the lawsuit to be consolidated in the 6th Circuit Court of Appeals, where 14 other suits are pending. In the meantime the National Association of State Departments of Agriculture (NASDA) sent a letter to the agency requesting more time before implementation so state agencies could understand “their duties and obligations,” but were rebuffed.

“The Clean Water Rule is now in effect in all rice states except Arkansas and Missouri. Farmers and landowners in the states where the regulation applies are advised to consult with state and local authorities regarding the timeline of implementation and how to avoid regulatory action,” said USA Rice Vice President of Government Affairs Ben Mosely.

“There are still several pieces of legislation that have been introduced and passed out of committees in both the House and the Senate that would restrict or delay the final rule from going into effect,” Mosely added. “Congress will likely consider language in appropriations bills that would also aim to prevent the regulations from being enforced. USA Rice supports these efforts and will work with our allies in Congress to include a statutory fix in whatever legislative vehicle has the best potential to clear both chambers of Congress.”

While the final fate of the far reaching WOTUS rule remains uncertain, extended legal wrangling is a foregone conclusion. 

Steve Hensley tracks regulations for USA Rice.



Where will she come down?

USA RICE-DU STEWARDSHIP PARTNERSHIP TEXAS RESERVOIR PROJECT CLEARS FIRST HURDLE

BY PETER BACHMANN

ARLINGTON, VA – The newest project sought by the USA Rice-Ducks Unlimited (DU) Rice Stewardship Partnership has cleared a major hurdle with the announcement by the USDA Natural Resources Conservation Service (NRCS) that the groups’ pre-proposal has been chosen to advance to the next round of the Regional Conservation Partnership Program (RCPP).

USA Rice and DU have partnered with the Lower Colorado River Authority (LCRA) on a new \$10 million project, the new Prairie Conservation Reservoir in Eagle Lake, Texas, to benefit rice growers, migratory waterfowl, and waterbirds.


The project complements an existing LCRA construction project – the Lane City Reservoir, the region’s first significant new water reservoir in decades.

The new USA Rice-DU project was among 164 pre-proposals selected from 265 submissions to advance to the full proposal stage and has two primary components:

- The construction of a new reservoir to provide critically needed irrigation water to rice growers and other users in LCRA’s Lakeside Irrigation Division; and
- The implementation of EQIP practices on rice lands targeted to providing habitat for migratory birds and other wildlife.

The reservoir envisioned in this proposal would increase the region’s water supply and help preserve regional economies devastated by the ongoing drought, which may be the worst on record. Surface water has been unavailable for agricultural use in the region for four years, forcing businesses to close and producers to turn to more expensive groundwater.

The reservoir would enhance the availability of surface water to working ricelands, managed waterfowl habitat areas, and coastal wetlands. It’s estimated that the reservoir would benefit 50,000 acres of riceland south of its location.

The proposed reservoir would be filled during the off-irrigation season to provide some of the initial water to fill the canals at the start of each season. During the irrigation season it would serve about 75 percent of the producers in the Lakeside Irrigation Division. The reservoir has the potential to save 20,000 acre-feet of irrigation water ordered in a typical year – a water savings of more than 10 percent of the total annual water orders in the Lakeside District. 

Peter Bachmann is the newest member of the USA Rice Government Affairs team and specializes in conservation and related issues.

The 265 pre-proposals were seeking some \$1.8 billion in funding, and were offering \$1.27 billion in contributions. The total funding available for this round of the RCPP projects is just \$235 million, so the competition will be intense.



COLOMBIA CLOSE UP

BY SARAH MORAN

ARLINGTON, VA – Colombia has been a much welcomed market for U.S. rice this year, bringing in more than 250,000 MT of rice in just the first five months. Merely four years ago, Colombia was the United States’ 51st largest export destination importing less than 5,000 MT of U.S. rice. After implementation of a successful Free Trade Agreement, Colombia consistently ranks as one of our top export markets.

Rice Seminars

USA Rice began promoting U.S. rice in this market in 2014 with seminars targeting the hotel and restaurant (HRI) sector, importers, wholesalers and retailers, instructing them on the economic and versatile nature of U.S.-grown rice. This June, USA Rice conducted three seminars in Bogotá, Cali, and Medellín with chefs from the Hotel Marriott Cali, the Hotel and Tourism Association of Colombia (COTELCO), the Gastronomic Industry Colombian Associations (ACODRES), and many others.

Executive Chef Bernardo Gomez Cortazar, a renowned chef in Colombia, led the seminars at the prestigious Mario Moreno culinary academy, one of the most respected culinary schools in Latin America. More than 60 participants attended each interactive activity and expressed great satisfaction in the quality of the seminars.

“Not only are the participants challenged to develop new recipes that use rice but they also get to meet many other like-minded people who share a similar passion,” says Ernesto Baron, USA Rice’s advisor for the region.

During the seminar in Bogotá, Wilson Quiroga and José Humberto Cárdenas of Best Choice Ltda, an importer of food products for Asian cuisine, presented the various American aromatic rice types they market in Colombia.

Chef Competitions

Building on the seminars, four chef competitions (*Cocina Viva*) were held in July and August targeting food service operators, chef associations, chef academies, and other HRI operators. Each event pitted approximately 10 local chefs in a cooking competition utilizing rice products. More than 30 competing chefs were selected out of nearly 90 applicants based on their culinary credentials and submitted recipes. Each chef had one hour to prepare their dish and present it to the jury, which also included renowned chefs. A winning chef from each competition has been invited to attend the 19th Americas Food & Beverage Show in Miami in October.

“It is a great honor that jurors who are highly regarded chefs have chosen my dish,” said Juan Sebastian, the first place recipient from Bogotá with his recipe of pumpkin risotto with duck breast. “It is a great joy to have had the opportunity to compare my skills with others and know what I’m doing right and what needs improvement.”



“It is a great honor that jurors who are highly regarded chefs have chosen my dish.”

— Juan Sebastian, the first place recipient from Bogotá with his recipe of pumpkin risotto with duck breast.

“We had many high caliber participants,” said Mauricio Londoño, director of the Colombian Association of Chefs and one of the jurors in Bogotá. “I’ve talked to several people and they have high expectations for participation in the next edition of the contest *Cocina Viva*.”

GBI

USA Rice is also participating in a USDA funded Global Broad-based Initiative (GBI) that brings together nearly 20 agricultural cooperator groups to promote U.S. foods. The GBI is a media campaign called *Sabor USA* (“Flavor of the U.S”) and includes TV shows, videos, and social media postings targeting the Colombia consumer. Information on rice highlights the different types and forms of U.S. rice and the chef competitions mentioned above are also broadcast by *Sabor USA*.

USA Rice

Due to the resounding success of this year’s chef competitions, USA Rice has plans to repeat the *Cocina Viva* activity next year. Additionally, as U.S.-identified rice becomes more readily available at the retail level, USA Rice will diversify its promotional activities and directly target the consumer. In the meantime, we will target the burgeoning foodservice sector and importers and seek to keep Colombia as a permanent top export market for U.S. rice.



Sarah Moran is USA Rice’s director of international promotion covering the Western Hemisphere and Food Aid. She continues to learn Spanish but can converse fluently in Tetun. Go ahead, test her.

USA RICE WORKING OVERTIME ON THE ROLLERCOASTER THAT IS THE IRAQ MARKET

BY JIM GUINN

ARLINGTON, VA – There's no doubt that Iraq is a complicated place and that unrest in the region and a general lack of stability make doing business here risky at best, but as we have seen in the past, there are great rewards to be had if we can ride out the ups and downs, as the opportunities are impressive.

Iraq's population of 32.6 million is set to double in the next 25 years, and the current population is already very young; more than one third is under 15 years of age. Rice is a staple and is considered essential to the Iraqi diet where annual per capita consumption is estimated at 92 pounds. Most Iraqis consume rice daily and almost 90 percent of it is imported, with India, Vietnam, and the USA as the major suppliers, followed by Thailand. South American origin rice is also making inroads recently into the market under the government procurement tenders. Private traders at some point will replace government tenders, which currently dominate the rice market, however the country will need to stabilize first.

According to the Foreign Agricultural Service's Economic Research Service, Iraq's total rice imports were 1,250,000 MT in 2015 and are forecast to increase to 1,300,000 for 2016. Local production covers only about 20 percent of the total demand; the availability of irrigation water, largely coming from Turkey down the Euphrates River, severely limits Iraqi rice production. As Turkey is not expected to increase the level of water released for delivery to Iraq, this will continue to limit rice production, which is estimated at 267,000 MT (milled basis) in 2015.

After being out of the market for close to 15 years, the first shipment of 25,000 MT of U.S. rice arrived in Baghdad in June 2005. Imports continued until 2011, when Iraq imported 41,100 MT of U.S. rice. Sales of U.S. rice to Iraq halted completely in 2012 thanks to the challenges U.S. exporters faced in fulfilling the revised tender specifications of the Grain Board of Iraq (GBI).

The GBI controls approximately 85 percent of all Iraqi rice imports to cover the amount of rice needed for distribution in the Public Distribution System (PDS), which provides Iraqi citizens with a monthly allotment of basic food items, including three kilograms (about 6.5 pounds) of rice.

Tendering requirements, including their request for an official certification from a U.S. authority guaranteeing that each shipment of U.S. rice is GMO free, and the difference in their definition of kernel length and the tolerable amount of broken and chalky kernels, basically made the USA ineligible to participate in tenders announced by the GBI in 2012.

In order to resolve these technical issues, USA Rice organized a seminar for GBI officials in Amman, Jordan in November 2012.

As far as the GMO certificate, no "official" U.S. authority can issue such a document on a ship-by-ship basis, however, USA Rice convinced the Iraqi officials to accept test results from an independent laboratory, and if no findings of GMO were found, to accept this as proof that U.S. rice is GMO free. GBI officials have confirmed this commitment in writing, so this requirement in theory no longer limits U.S. rice sales to Iraq.

Other technical issues were resolved and confirmed in an official letter in March 2013

from the Director General of the GBI. In 2013, 40,000 MT of U.S. rice entered Iraq.

USA Rice hosted another GBI delegation in May 2014 so the Iraqis could become better acquainted with U.S. rice production and processing, as well as shipment procedures ensuring the high quality and reliability of the product. The delegation visited rice producing areas, rice mills, as well as port facilities and testing laboratories in the south to see all steps of the U.S. rice supply chain, and to discuss specific issues related to the continued challenges of the tendering requirements. This had a positive effect on U.S. rice sales to Iraq in 2014 which rose to 153,200 MT.

Market challenges remain however.

In 2015, a sale of 60,000 MT was made in May and another 60,000 MT in July, following continuous efforts to ensure fair and transparent access to U.S. origin rice to the market. Some tenders have been successful, while others have failed with no explanation – despite the U.S. bids being price competitive.

"We've really pulled out all the stops to change the trading relationship," said Hartwig Schmidt, USA Rice director of international promotion in the region said. "We brought the Grain Board to rice country, we've met with U.S. Ambassador to Iraq Stuart Jones and numerous other American officials at the State Department and in the Foreign Agricultural to alert them to our challenges in the market."

Schmidt said USA Rice has also had Congress weigh in with Secretary of State John Kerry and Ambassador Jones directly, as well as with Iraq's ambassador to the U.S.


Ambassador Jones is fully engaged and understands the real problems in this volatile market. In country, Jones has pushed the need for transparency up to the level of the Prime Minister.

In addition to increasing political pressure in the U.S. and Iraq, USA Rice has taken another step, hiring a local in Baghdad to help navigate these sometimes murky waters.

He is in regular contact with the Grain Board and the Minister of Trade and assists USA Rice in building a better relationship with them.

Schmidt reports that USA Rice has proposed a Memorandum of Understanding with the Ministry of Trade to define the U.S. commitment to the market and enforce regular tenders. A meeting was held on July 25th in Amman, Jordan with the Trade Minister and his colleagues in an attempt to solidify recent gains.

USA Rice has also extended an invitation for the Trade Minister to travel to the U.S. later this year to visit rice country to further build on the successes outlined.

With the renewed vigor of the U.S. government on behalf of the U.S. rice industry, the attention of the Trade Ministry that now understands the U.S. rice industry is not going to accept being unfairly treated in government tenders, and with our crystallized strategy we believe we have a path forward that will let us ride out this rollercoaster to position us at the forefront of this important but unpredictable market. 

Jim Guinn is vice president of international promotion at USA Rice.



THE ABCs OF RICE TRQs

BY BOB CUMMINGS

ARLINGTON, VA – Trade agreements can be a bit like a famous Rolling Stones song: “You can’t always get what you want, but if you try sometimes, you just might find, you get what you need.”

When it comes to bilateral and multilateral trade agreements, the gold standard is to have absolutely zero import tariffs or duties on U.S. rice. Sometimes our industry and U.S. negotiators are successful in hitting that mark, as with the North America Free Trade Agreement where Mexico’s import duties (or taxes) on U.S. rice were reduced to zero over ten years and our own duty-free access to Canada was locked in. Mexico is now the number one export destination for U.S. rice and Canada is in the top five.

More often than not, however, the political sensitivity of rice in foreign countries means that duties on imports from the United States are either not eliminated, or elimination takes a very, very long time. Sometimes U.S. exporters receive only partial tariff-free access in the form of what’s called a tariff rate quota, or TRQ. In short, the importing country agrees to let in a set quantity of U.S. rice at a much reduced, or zero, tariff. That quantity might grow over time or remain fixed, and tariff elimination sometimes occurs while a TRQ is in place.

While TRQs are definitely not the first choice, if managed correctly they can bring additional benefits to rice farmers, millers, and exporters that are greater than simply more tons moving to market. Here are two cases where smart TRQ administration has been working for the U.S. rice industry, one for almost two decades.

The Ups and Downs of the EU TRQ

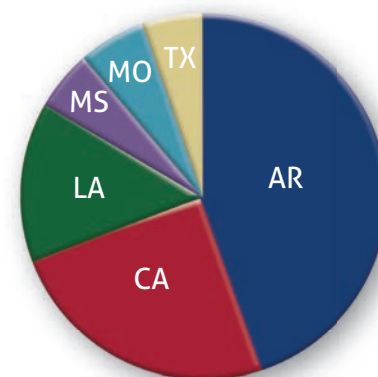
In late 1995, the United States and the European Union (EU) reached agreement on trade concessions to be provided by the EU to the United States because of the admittance of Austria, Finland, and Sweden to the EU. The concessions included TRQs for 38,000 metric tons of U.S. milled rice to enter duty-free and 8,000 metric tons of U.S. brown rice to enter at a much reduced tariff level. U.S. negotiators got the EU to agree to TRQ administration on this side of the Atlantic. That is, allocation of licenses to export under the TRQs would be handled by a U.S. nonprofit entity and the money bid for these licenses would remain in the United States.

Licenses, sometimes called “certificates,” are bid on at an auction by exporters of U.S. rice who agree to pay a certain amount per ton. The certificate entitles the bearer to import U.S. rice into the country in question under the terms of the TRQ – likely duty-free. The challenge for the exporter is to make the bid for the license competitive, but lower than the cost of the duty so that the deal ends up being profitable.

Following intensive discussions within the U.S. industry, all parties agreed to the establishment of a nonprofit organization – The Association for the Allocation of Rice

NET REVENUE FROM FEBRUARY & JUNE COL-RICE AUCTIONS

Arkansas	\$7,410,407	●
California	\$3,335,137	●
Louisiana	\$2,265,355	●
Mississippi	\$835,021	●
Missouri	\$971,456	●
Texas	\$850,230	●



Total 2015 Revenue as of June:
\$15.7 million

Quotas (AARQ). Since 1999, AARQ has auctioned off licenses to exporters of U.S. rice to ship under the TRQs three or four times per year. Net auction proceeds from the bids are split among exporters (78 percent) and The Rice Foundation (22 percent). Ninety percent of proceeds received by The Rice Foundation are allocated to rice research. The research funds are shared among the rice states based upon production. Under the AARQ agreement, all funds for the states are distributed to The Rice Foundation first and then to the rice research boards in the six individual states. Each state can also opt to have The Rice Foundation hold its funds in escrow.

Receiving the lion’s share of funds because of production figures, the Arkansas Rice Research and Promotion Board (ARRPB) opted to have the funds held by The Rice Foundation to be invested and accrue interest, and only spent at the direction of the ARRPB. Thanks to the EU TRQ program, the ARRPB has been able to allocate more than \$5 million for research, all conducted in Arkansas, including endowing the Rice Industry Chair for Variety Development and a gift that helped construct the new University of Arkansas Division of Agriculture Rice Research and Extension Center in Stuttgart. EU TRQ funds also support ongoing varietal development research, including current efforts to develop an Arkansas aromatic variety.

The EU rice market has changed considerably since 1995. The EU has had internal policy reforms and also granted duty-free access to rice from the least developed countries. And there have been external shocks like the LibertyLink® crisis. As a result, AARQ revenue is currently much reduced from initial levels, but still bringing more than \$700,000 to the United States in 2014.

Colombia TRQ Generates Millions for Rice Research

It is fortunate that a new, and larger, source of money for rice research has emerged through TRQs provided to U.S. rice in the U.S.-Colombia free trade promotion agreement (TPA) that went into effect in 2012.

Under the agreement, Colombia’s import duty on U.S. rice, currently 80 percent, will begin decreasing in 2018 until reaching zero in 2030. In the meantime, Colombia



Photo Courtesy of LSU AgCenter



Rice research funds are shared among the rice states based upon production.



provides annual TRQs for U.S. rice to enter the country duty-free. The TRQs began in 2012 (for 79,000 metric tons on a milled equivalent basis) and increase 4.5 percent each year until Colombia's import duties end in 2030.

As with the 1995 agreement with the EU, the Colombia TPA allows for a U.S. nonprofit to administer the rice TRQ. And similar to the EU experience, the industry came together in 2012 and agreed on the establishment of Colombia Rice Export Quota, Inc. (COL-RICE) to handle the auctions of licenses for the import of U.S. rice into Colombia. But there are some important differences:

- The COL-RICE board has directors from the U.S. and Colombian rice industries.
- The net proceeds of the auctions are split 50/50 between the U.S. and Colombia rice sectors.
- All net proceeds to the United States are allocated to the six rice states to be used *only* for rice research in the first ten years. In year eleven and forward, the funds can also be used for rice promotion.

The first auction was held in late 2012, and the COL-RICE board has subsequently agreed to three to four auctions each year, the most recent in June. The final auction for 2015 will take place on October 15.

Through 2014 these returns brought in \$8.3 million in research, and even more substantial sums in 2015 as seen in the chart.

As with its share of the AARQ proceeds, the ARRPB has designated The Rice Foundation to hold Arkansas's share of COL-RICE's net proceeds. Any use of the funds will be directed only by the ARRPB, which has committed to spend all future funds on research — even after the funds are eligible to be used for promotion. ARRPB has already allocated more than \$4.5 million to the University of Arkansas for research projects, equipment purchases, and for construction of a new Rice Foundation Seed facility. ARRPB is also working to develop a plan of action to invest TRQ funds in a way that benefits the Arkansas rice industry for years to come.

As we saw in the EU, market conditions are not static, and revenue from COL-RICE auctions is a function of rice prices here and in Colombia and the level of Colombia's rice import duty, which will decline beginning in 2018. Nonetheless, rice farmers in Arkansas and the other states continue to enjoy the benefits of smart quota administration while USA Rice continues to press for the elimination of global tariffs on rice.

Bob Cummings is chief operating officer for USA Rice and previously served as senior economist in the agricultural affairs office of the Office of the U.S. Trade Representative.

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