

WHOLE GRAIN



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Shucking Oysters for Rice

BY CHARLEY MATHEWS, JR.



EVERYONE READING THIS LIKELY KNOWS that rice is one of the most, if not the most, trade-dependent agriculture commodity in our country. In any given year we export about half of our crop to 120 countries around the world. This means the world is, quite literally, our oyster. But if you've ever tried to shuck an oyster you know it's tricky.

International trade is difficult under normal circumstances – confusing tariff schedules, non-tariff barriers to trade, protectionism, and other political, economic, and natural obstacles can get in the way. But we find ourselves now in an even more complicated time as we are midway through the first term of a President who has completely turned the trade world on its head.

President Trump's team is renegotiating long-standing agreements like the North American Free Trade Agreement (NAFTA) that was so beneficial to ag and applying significant pressure to trading partners to open new possibilities for us, like in China. He's also holding to account our trading partners who are not living up to their World Trade Organization obligations, like India and others.

I have faith that in the end, balance and fairness will be restored to these and other agreements and the U.S. and our ag sector will benefit in the long run. But right now, it is making things difficult. But that's what opposing sides do when they start negotiating – they try to make the other side hurt a little to strengthen their own position.


So what is USA Rice's role in all of this, and what am I doing as your new chairman to address it?

I believe we need to be front and center, now more than ever, within the halls of our government to make sure rice and our concerns are not excluded, forgotten, or pushed to the side. We're doing this through regular contact with the Office of the U.S. Trade Representative, the U.S. Departments of Agriculture and State, our embassies around the world, and with Members of Congress. And for temporary relief, we are advocating for, and participating in, trade disruption mitigation programs for our industry.

But equally important is to keep talking to our overseas customers. They need to know that we value them as customers, that we hear their concerns and preferences, and they need to understand that we are working with our government to protect and enhance our relationships.

I was fortunate to just last month lead a delegation of USA Rice members to our largest export market, Mexico, where we accomplished a great deal to enhance our relationship. I'm pleased that a delegation from Central America – our fourth largest market as a region – is attending the USA Rice Outlook Conference in San Diego this December, and meeting with U.S. rice traders about the challenges and opportunities in their market.

I will continue to offer my leadership in any market and with any government official where it can be of use.

Times may be tough at the moment, but we will prevail. Together, we will shuck this oyster and, with any luck, find a pearl or two as we trade from a position of quality and strength. 

"Times may be tough at the moment, but we will prevail. Together, we will shuck this oyster and, with any luck, find a pearl or two..."



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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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2018: A YEAR OF DISRUPTORS

BY BETSY WARD

DISRUPTORS ARE PEOPLE, BUSINESSES, OR THINGS

that stop a process, system, or event from continuing as usual or as expected. Disruptors are often described in negative terms, but that's usually by the industry being disrupted.

Few words fit President Trump's approach to government better than "disruptor." His approach to trade, international relations, his cabinet, and even to the leaders of his own party in Congress has frequently been... unexpected, and you can read about some of the trade results on pages 6 and 24.

Business disruptors are all around us as well. Think about the last time you saw a record or video store (thanks Apple and Netflix). Airbnb and Uber are taking huge chunks out of the hospitality and local transportation business, and there are more examples popping up all the time. Meal kits are a relatively new disruptor to both the grocery and restaurant sectors, and we write about them and their approach to rice on page 12.

Now USA Rice has gotten into the act. We become a disruptor via our latest domestic promotion program — the Think Rice Road Trip.

Our teams traveled around the country, covering 5,000 miles through nine states personally interacting with thousands of consumers. We quite literally disrupted their days — in a good way — to talk to them about U.S.-grown rice.


Whether heading into a grocery store, exploring a farmers' market, or just walking down the street in a major American city, consumers were suddenly *thinking rice* thanks to our representatives and our festively-decorated truck.

We will be analyzing the impact of the promotion for some time, but you can read all about the program, the people we met, the story we told, and what resonated most with consumers starting on page 15.

We'll also be talking about disruptors — past, current, and future — at this year's Outlook Conference in San Diego.

Author and journalist Daniel Stone will educate us about late 19th Century food explorer David Fairchild who completely revolutionized the way Americans eat and the crops we grow; Riviana's Paul Galvani is sharing his analysis of current retail disruptors that have changed the way we live and shop in his riveting breakout session, "The Future of Retail;" and our keynote speaker, Dr. Morgaine Gaye, is a food futurologist who will share her insight into some of the disruptions that are on the horizon that we maybe can't even imagine today.

All in all, disruptors are simply a fact of life, and I think they are good for our society. They keep things fresh and moving forward. Maybe bad luck for the disrupted, but it doesn't have to be — if you stay on your toes and keep innovating, you will be a disruptor, not a disrupted.

That's what USA Rice is doing, and I will proudly accept the mantle of Disruptor for the Think Rice Road Trip! 

"All in all, disruptors are simply a fact of life, and I think they are good for our society. They keep things fresh and moving forward."



This Portland waitress couldn't believe her luck and wouldn't start her shift at a nearby restaurant until she got her cooker and rice!

BLOCKCHAIN EXPLAINED

BY LESLEY DIXON

ARLINGTON, VA — Blockchain is everywhere these days and agriculture has started to take notice. From Archer Daniels Midland (ADM) to Walmart, large companies with a big stake in U.S. ag are increasingly looking to Blockchain to solve age-old problems and inefficiencies in the sectors of shipping, logistics, marketing, sustainability, and even food aid.

But what exactly is Blockchain?

Blockchain is a distributed, decentralized, public ledger technology. It can be used to exchange any kind of information, whether it's a monetary transaction, shipping data, or even medical records. Each transaction or piece of information forms a new "block" in the chain. Blockchain is a public record, which means every participant can see every transaction, and once a block has been created, it cannot be changed or deleted. Access to proprietary and sensitive information can be restricted.

Blockchain's proponents claim that it is far more secure than traditional means of exchanging information for three reasons. First, it is decentralized, meaning everyone participates and has access to all blocks in the chain; no one person controls it. Second, this transparency lends itself to accountability. Third, each block is powerfully encrypted, making it virtually impossible for anyone to tamper with the information once it is entered into the chain. This doesn't necessarily stop bad actors from inputting false data into the Blockchain in the first place but it does make it much easier for other participants in the Blockchain to spot inconsistencies and errors.

Shipping and logistics are two of the main sectors that have begun to take advantage of what Blockchain has to offer. A supply chain for any commodity can be convoluted and long, especially if being distributed overseas, and many records are still largely paper-

"Blockchain allows every stakeholder in the supply chain to have a single version of the truth ..."

THINK RICE WHEN YOU DRINK RICE (BEER)

BY KRICKETT SCHMIDT RACCA

LAKE CHARLES, LA — Every September is National Rice Month, the annual month-long celebration of U.S.-grown rice and the American farmers who produce the mighty grain. Those of us in southwest Louisiana who love all things rice have found another great reason to celebrate and enjoy rice year round, namely rice beer.

When Crying Eagle Brewing Company here sought to create a hyper local beer using as many locally sourced ingredients as possible, they looked no further than Farmers Rice Milling Company (FRM), a neighboring business with an abundance of Louisiana-grown rice — a perfect beer brewing ingredient.

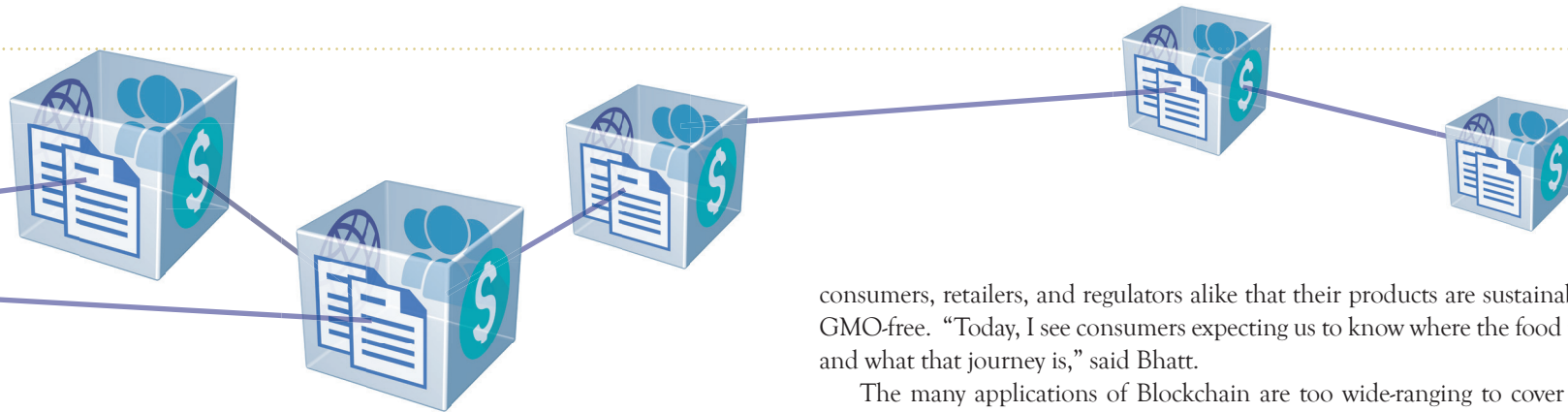
Working side by side, the two businesses developed Louisiana Lager, Crying Eagle's number one seller since its release in June 2017.

"When we launched the brewery in 2016, we started with some tried and true recipes from my home brewing days," said Crying Eagle Head Brewer Bill Mungai. "I knew right away that we needed to have a recipe that focused on some local ingredients. Being southern Louisiana, we really do not grow barley or hops, but as I drove past Farmers Rice Mill every day on the way to work, I knew I had to get some rice into one of our beers."

"The folks at FRM were fantastic to work with," Mungai said. "Here is a local company shipping Louisiana rice all around the world, and they were more than happy to help us out with what was a very small amount at first. As soon as the first batch of what became our Louisiana Lager hit the taps, we knew we had a home run."

"We've been in business now for more than 100 years," says FRM's General Manager Nick Bernhard. "Over that period of time, we have developed many strong





based, which opens the door for fraud and corruption on top of being hugely inefficient. But if each participant in the supply chain – from farmer to miller to packager to trucker to cargo shipper to inspector to retailer – input their data into the Blockchain, everyone involved would immediately have access to that data. So if an unscrupulous middleman wanted to dilute or contaminate a product, or a corrupt customs official tried to interfere with a shipment, the transparency and security of information on the Blockchain would thwart such efforts.

Several major players in the industry are already exploring their options. ADM recently partnered with three of the other largest agriculture companies to digitize international grain trading by using Blockchain, making practices more efficient, transparent, and cost-effective. Anheuser-Busch earlier this year successfully tested a Blockchain solution that could eventually eliminate the need for printed or digital shipping documents and save the freight and logistics industry hundreds of millions of dollars annually.

“Blockchain allows every stakeholder in the supply chain to have a single version of the truth when it comes to transactions concerning that food as it moves through the journey,” said Tejas Bhatt, senior director of food safety innovations at Walmart, during the International Food Information Council’s (IFIC) Food Innovation Summit in Washington, DC, last September. “Right now, our suppliers have their records, and we have our own. There may be inconsistencies, discrepancies, or inaccuracies in those different ledgers. Blockchain replicates the information across that ecosystem. Anyone that has permission to see the data on the Blockchain will always see the same data no matter who you are or where you are in the supply chain. So it’s radically transforming the way we enable transparency.”

Walmart is already harnessing the profound implications of Blockchain for food safety. When an outbreak of E.coli or salmonella occurs, it can take retailers and distributors weeks or even months to trace the contaminated product back to its source, leading to massive recalls and food waste. According to Bhatt, Blockchain can accomplish the same goal in mere seconds, tracking a contaminated batch of lettuce back to its exact origin so that entire stocks need not be destroyed.

Blockchain could also have serious value for producers who want to prove to

consumers, retailers, and regulators alike that their products are sustainable, organic, or GMO-free. “Today, I see consumers expecting us to know where the food is coming from and what that journey is,” said Bhatt.

The many applications of Blockchain are too wide-ranging to cover in one article. Governments and non-governmental organizations (NGOs) are employing Blockchain to distribute food aid, fighting many entrenched issues like waste, fraud, and corruption in order to get food or vouchers to refugees and famine victims. Businesses and industries that generate extra renewable energy can trade it for profit in Blockchain marketplaces. There are Blockchain solutions available for companies to analyze the effectiveness of their marketing and advertising strategies.

And Anheuser-Busch has even developed a beer vending machine that verifies the purchaser’s age using Blockchain technology.

The international rice market is already familiarizing itself with Blockchain. David Ritter is CEO of Penta Global, a foundation that designs Blockchain solutions. His team created Blockchain Rice, a traceability and food supply chain project that allows consumers to ensure food safety in China. The project connects with more than 30,000 rice growers in mainland China, working with a state-owned agriculture company.

“Consumers buying rice with the Blockchain Rice solution can scan a QR code on the bag and see comprehensive data showing the entire supply chain, from farm to point of sale,” said Ritter. “Since implementation, the actual sales price of a bag of rice with the Blockchain Rice solution has increased three to four times, acknowledging the real-world value of distributed ledger technology.”

According to Ritter, rice provides a great use case for Blockchain trials due to its ubiquity as a food staple all around the world; adding efficiencies and value to that supply chain could benefit tens of millions of people. While the political situation, economic infrastructure, and rice farming practices in China are obviously vastly different than in the U.S., Ritter is optimistic about bringing a similar project to the domestic market. “Since the cost is relatively low and the value proposition is globally beneficial to farmers, businesses, consumers, and governments, it is reasonable to assume that Blockchain solutions will find their way into the agriculture industry expeditiously.”

Regardless of industry or country, Blockchain is not just on its way – it’s already here. [WE](#)

Lesley Dixon is a longtime writer, editor, and journalist, and a general liberal arts buff who is but a greenhorn when it comes to the mysteries of the tech world.



Great things happen when millers and brewers in Calcasieu Parish collaborate using the best local ingredient – Louisiana rice.

relationships all over the world, but our unique relationship with Crying Eagle is something we are extremely proud of. Not only do we get the opportunity to support our local brewery right here in Lake Charles but this relationship also helps to support our local rice farmers and their families.”

Flavor-wise, Louisiana Lager is Crying Eagle’s most simple beer with a subtle hint of malt, very low hop presence, and a crisp clean finish. However, it is by far the brewery’s most difficult beer to brew.

Working with raw rice requires additional steps in the mash to gelatinize the rice starch so that the barley enzymes can convert it to sugar for fermentation. Rice is used to add fermentable sugars to the initial mixture, called the wort, while keeping the color light and contributing little flavor, producing a beer that goes down easy in the south Louisiana heat.

“Due to the nature of our business and international export, we don’t get to see our customers enjoy our final product,” said Bernhard. “Our rice is not on the grocery store shelf or in the local market place, so to have the opportunity for our rice to be featured in Crying Eagle’s Louisiana Lager is quite a privilege. We’re honored to be a part of this relationship and its spin on the growing popularity of farm to table. But I guess in this case, you’d have to call it farm to pint!” [WE](#)

Krickett Schmidt Racca is the marketing and special events coordinator at Crying Eagle Brewery in Calcasieu Parish. Crying Eagle takes its name from the word “Calcasieu,” which roughly translates to “crying eagle,” the name of a legendary local Atakapa Indian chief who charged into battle with a fearsome cry.

CANADA JOINS U.S. & MEXICO IN A NEW NAFTA CALLED “USMCA”

BY BOB CUMMINGS

WASHINGTON, DC — Following more than a year’s worth of heated negotiations, a new trilateral trade agreement between the United States, Mexico, and Canada was agreed to on September 30, replacing the twenty-plus year old North American Free Trade Agreement (NAFTA). The U.S.-Mexico-Canada Agreement (USMCA) was a key trade policy objective of the Trump administration, and met the objectives of the rice industry.

“USA Rice had long called for the conclusion of negotiations to modernize NAFTA in a way that preserves and strengthens access for U.S. rice in Mexico and Canada, two of our largest export markets,” said Bobby Hanks, chair of the USA Rice International Trade Policy Committee and a Louisiana miller. “The USMCA does this by preserving duty-free access and improving on the sanitary and phytosanitary provisions of the deal. We applaud the administration for bringing these talks to a close.”

The United States and Mexico first reached agreement on modernized text but several difficult issues including Canada’s dairy policy and access for U.S. exports, dispute settlement provisions, and the treatment of auto imports from Canada under pending U.S. trade actions caused negotiations with Canada to go down to the wire.

“While there are a number of procedural hurdles to go through on the U.S. side in connection with statutory requirements for congressional consideration and approval of the USMCA, this agreement is good news for U.S. rice producers, millers, and exporters,” concluded Hanks.

Following signature of the formal legal text by leaders of the three countries, the U.S. House requires an economic review by the U.S. International Trade Commission, submission of implementing legislation by the Administration to Congress, and then a specific timeline for consideration by both the House and Senate. This puts Congressional votes in early spring 2019.

Until the USMCA is approved by Congress, NAFTA remains valid and U.S. rice continues to have duty-free access to Mexico and Canada. 

Bob Cummings is USA Rice COO.



“USA Rice had long called for the conclusion of negotiations to modernize NAFTA in a way that preserves and strengthens access for U.S. rice in Mexico and Canada ...”

— BOBBY HANKS, CHAIR OF THE USA RICE INTERNATIONAL TRADE POLICY COMMITTEE

U.S. INDUSTRY PERSISTS IN UNPREDICTABLE IRAQ MARKET

BY LESLEY DIXON

ARLINGTON, VA — The road to Iraq’s purchase of 120,000 MT of U.S. rice in August and September was a long one. It began more than two years ago and was made possible by the hard work and collaboration of both U.S. and Iraqi officials and policymakers with leaders in the rice industry. The purchase speaks to the cumulative effort of years of negotiations, meetings, and agreements, and secures a valuable market for U.S. rice while providing Iraq with food security through access to the high-quality rice that is a staple of the country’s diet.

The origins of the deal go back to July 13, 2016, when then U.S. Ambassador to Iraq Stuart Jones signed a Memorandum of Understanding (MOU) with Iraq’s Trade Minister, providing new opportunities for U.S. rice to be purchased for Iraq’s food ration system. Under the MOU, the government of Iraq signaled its intent to provide regular and predictable tenders for U.S. rice.

The agreement was mutually beneficial to both countries — Iraq would have access to competitively priced, reliable U.S. rice and the U.S. Embassy would promote awareness and facilitate participation in the tenders by qualified rice suppliers.

“Iraq is a crucially important market for us,” said then-Chairman of USA Rice Brian King while attending a meeting of USA Rice members and Iraqi experts at the State Department in February of 2017. The meeting was an example of the persistence and commitment leaders of the rice industry demonstrated after the MOU was signed to remind officials of the priority they place on Iraq as a market.

“We look forward to a continuation of the strong and lasting relationship the Memorandum of Understanding established ...”

— USA RICE PRESIDENT & CEO BETSY WARD

The meeting made a clear impact. Just three months later, in May of 2017, Iraq made its first purchase under the MOU of 30,000 MT of U.S. rice, helping U.S. rice exporters gain a critical foothold in the Iraqi market in what was to be a promising development for future sales. “This could not have come at a better time for the U.S. rice industry, and we are grateful for the cooperation of the Iraqi Grain Board and the Ministry of Trade,” said USA Rice President & CEO Betsy Ward at the time.

Over the coming months, USA Rice worked closely with U.S. and Iraqi officials to strengthen the trade relationship. In June 2017 USA Rice orchestrated a coordinated effort with the U.S. State Department and Embassy officials to ensure a six-month extension of the MOU.

The following month, a USA Rice delegation representing four of the largest U.S. long grain rice exporters met in Washington, DC, for high-level talks with Iraq’s trade minister. As part of its ongoing commitment to prioritizing the Iraq market, the delegation focused discussions with the Minister on gaining additional access for U.S.-grown rice.

This perseverance paid off in November of 2017 when Iraq purchased 90,000 MT of U.S. long grain milled rice under the MOU. As with other successful tenders, it came down to the last minute, and even the Iraqi Minister of Planning was involved in final deliberations. Sarah Moran, USA Rice vice president international, said the sale was “a testament to the transparent process we hoped to achieve with the MOU.”


All roads are bound to have a bump or two, but the relationship so carefully forged under the MOU proved strong in the face of complications. In early 2018, Iraq instituted a new tendering rule that would have precluded the U.S. from participating in future tenders. At USA Rice’s request, Congressmen Rick Crawford (R-AR) and



Ralph Abraham (R-LA) were quick to send letters to U.S. Ambassador to Iraq Douglas Silliman in Baghdad urging his assistance, and the issue was resolved in an efficient and practical manner with a waiver from the Iraqi Grain Board that cleared the way for U.S. participation in tenders.

In the fall of 2018, Iraq purchased 30,000 MT of U.S. rice on a public global tender, which had not been won by U.S.-origin rice for several years. Iraq then quickly followed with an additional 90,000 MT purchase under

the MOU, bringing the total amount of U.S. rice trade generated by the agreement up to 210,000 MT since its inception in July 2016.

“This has been a great success story, and it took an enormous team effort for it to succeed,” said Ward. “We look forward to a continuation of the strong and lasting relationship the Memorandum of Understanding established, and we’re grateful to everyone who came together over the past several years to make it thrive.” 

Rep. Ralph Abraham (R-LA) at the Port of Lake Charles helping pack the latest shipment of U.S. rice headed to Iraq.



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USA RICE VISITS UK TO PROMOTE MARKET INTERESTS

BY ESZTER SOMOGYI

LONDON, UNITED KINGDOM — A delegation of more than a dozen USA Rice members and staff representing some seven companies traveled to the United Kingdom (UK) two months ago to meet with rice importers, UK trade officials, participate in the UK Rice Symposium, and visit rice wholesalers who are currently stocking identified U.S. rice brands on their shelves.

The trip coincided with the Trump Administration's announcement of its intention to begin negotiations with both the UK and the European Union (EU) on Free Trade Agreements (FTA).

Much of the discussions centered around the UK trade regime after leaving the EU on March 29, 2019 and the U.S. rice industry's long-term goal of duty-free access to the UK — the largest market for U.S. rice in Europe — as well as free rice trade in a US-EU deal. The UK government is currently in the midst of negotiating the conditions of its departure from the EU as well as the degree of future cooperation. There is much uncertainty for the business sector, including rice importers, millers, and end users about the implications for the rice industry of the UK withdrawal and the resulting duty structure to follow. There are several faithful U.S. rice importers who would prefer duty and tariff free access for U.S. rice but at the same time want to ensure that they have duty-free access to the EU market — it remains to be seen whether the two are compatible.



There is much uncertainty for the business sector...about the implications for the rice industry [due to Brexit].

USA Rice team visits the sales floor at Wanis, an international food wholesaler, to learn about consumer trends in the UK market.

At present, U.S. rice enters the EU under a limiting and complex tariff rate quota (TRQ) and tariff scheme that adds cost for importers to buy U.S. rice. Added on top of the already challenging trade arrangement are the 25 percent retaliatory tariffs imposed in June of this year on U.S. milled rice.

The U.S. delegation held a meeting with UK officials from DEFRA (Department for Environment, Food and Rural Affairs) to discuss the implications of the different Brexit scenarios for U.S. rice exports and communicate interest in an FTA with the UK. The biannual UK Rice Symposium is the most important gathering for the UK rice industry, where USA Rice President and CEO Betsy Ward and VP International Sarah Moran presented on the U.S. rice crop, as well as consumer trends in the U.S.

The trip ended with a visit to the new U.S. Embassy and a meeting with FAS Agriculture Minister Counselor Stan Phillips, Ag Specialist Steve Knight, and Ag Marketing Specialist Julie Vasquez-Nicholson followed by market visits to Afro-Caribbean and Chinese wholesalers who stock and promote U.S. grown rice.

“As Brexit is nearing and there are still so many questions around what and how it will happen, it was opportune timing for us to travel to the UK and show our appreciation to the UK rice industry, as well as to meet with local trade officials to communicate our strong interest in an FTA, and zero duty access for U.S. rice,” said Ward. “We hope the U.S. administration will work and support U.S. rice in order to get this trade barrier removed.”

Eszter Somogyi is the USA Rice marketing program director based in Hamburg, Germany.

TRADE MISSION TO MEXICO STRENGTHENS BONDS

BY SARAH MORAN

MEXICO CITY, MEXICO — A USA Rice member delegation traveled to Mexico last month to meet with key customers in the rice industry's largest export market. Over the span of three days, the delegation met with influential players in the trade, gaining valuable insight from the largest millers, wholesalers, and distributors of rice in Mexico.

The team of a dozen USA Rice members and staff enjoyed a timely briefing from the U.S. Department of Agriculture's Foreign Agricultural Service Minister Counselor Melinda Sallyards and Agricultural Trade Office Director Erich Kuss on the political and economic situation in Mexico, the new policies expected from Mexican President-elect Obrador who will come into office on December 1, and an overview of trade relations given the renegotiation of the North American Free Trade Agreement (NAFTA).

There were detailed discussions in all the meetings about the position of U.S. rice in the Mexican market, growing competition from alternative suppliers, and concerns about U.S. rice quality compared with rice from other origins such as Uruguay and Thailand. Members of the USA Rice delegation explained the scientific factors that affect and ultimately determine the appearance and cooking characteristics of U.S.-grown rice. The importers were pleased to discover that U.S. varieties exist that will satisfy specific characteristics that their consumers demand.

A visit to Mexico City's Central de Abastos (Central Market) gave the delegates a personal view of customer preference and buying habits in the market place. There, U.S.-grown rice and other goods are sold side-by-side in wholesale and retail displays.

While the United States is still the largest supplier of rice to Mexico, new players have entered the market and displaced U.S. rice sales. In 2003, Mexico imported rice from three countries and the U.S. had nearly 100 percent market share. By 2017, Mexico imported rice from eight countries and the U.S. market share fell to 78 percent. Despite the decrease in market share, Mexico, which primarily imports paddy rice, continues to be the number one






“Mexico is unique in the world as it is an open market for U.S. exporters ... An amicable relationship is key, and I think this trip has brought the U.S. rice industry much closer to that objective.”

— USA RICE CHAIRMAN CHARLEY MATHEWS, JR.

export market in quantity for U.S.-grown rice. The renegotiation of NAFTA (or TMEX as they call it in Mexico), has brought stability and maintained the United States’ tariff-free access to Mexico that will allow the U.S. rice industry to further capitalize on its tremendous logistical advantage.

The already strong bond between the Mexican trade and U.S. suppliers was strengthened as a result of the visit and USA Rice delegates said there is a clear need to address Mexico’s concern about U.S. quality. A follow-up trip is planned for early 2019 to showcase some of the U.S. varieties that will meet the needs of grain length and appearance that quality conscious segments of the Mexican trade demand.

“Mexico is unique in the world as it is an open market for U.S. exporters unlike many World Trade Organization (WTO) countries,” said USA Rice Chairman Charley Mathews, Jr., who led the delegation. “An amicable relationship is key, and I think this trip has brought the U.S. rice industry much closer to that objective.” 

Sarah Moran is USA Rice vice president international.

From the board room to the marketplace, USA Rice members and staff go the distance to assure customers in Mexico of the industry’s commitment to delivering a quality product.




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LOUISIANA 'LETS THE GOOD TIMES ROLL' FOR USA RICE CHEF TOURS

BY MICHAEL KLEIN

CROWLEY AND LAKE CHARLES, LA — Chefs, quality assurance, and nutrition and marketing specialists from well-known brands, along with food writers from top industry publications came to Louisiana rice country last August for the third iteration of USA Rice's Foodservice Farm & Mill Tours to learn how the mighty grain they know, eat, and serve gets to their kitchens.

"We start them out on the farm, and for many, it is their first time on any farm, let alone a rice farm," said Cameron Jacobs, USA Rice manager of domestic promotion who organized the tour. "Then we take them through the mill and walk them through the entire process - from a truck pulling up with rough rice to bags of milled rice being palletized and heading out to market. It's fun to go on the journey with them."

New this year was accreditation hours for attendees from the Academy of Nutrition and Dietetics which included presentations on the history, plant anatomy, and nutritional profile of rice, and the latest in rice uses, applications across all foodservice dayparts, and foodservice trends for rice.

The chefs, who represent almost 2,000 restaurants from Outback, Fleming's, Bonefish Grill, Carrabba's Italian Grill, P.F. Chang's, and Roti Mediterranean, all pride themselves on local sourcing for their ingredients, and told USA Rice they were interested in learning about U.S.-grown jasmine. And the timing looked to be perfect.

GF&P Zaunbrecher Farms worked overtime harvesting some long grain so that the chefs could take part in harvest of their brand new Clearfield jasmine (CLJ01). Unfortunately, rain came the morning of the tour and kept the combines idle. But brothers Fred, Paul, and Phillip escorted the group out into the fields to let them smell the aroma, and to explain how rice is grown and harvested, and talk about the challenges of being a rice farmer and all the conservation steps U.S. rice farmers proudly undertake.

As lightening danced around the field the group peppered the brothers with questions about everything from water use to crawfish, and from ratoon cropping to tariffs.

USA Rice's Steve Linscombe, who while head of the LSU AgCenter Rice Breeding Program had a hand in developing the jasmine varieties before them, also attended the tour and fielded questions from the chefs on variety development, plant pathology, and more.

"I wish we could have let them ride in the combines with us, but Mother Nature just didn't cooperate with us today," said Fred Zaunbrecher, who led this portion of the tour. "But we let them sit up there and take photos and we got a lot of good questions. I think they left with a much better understanding of what it takes for us to grow a healthy and sustainable crop."

After a lunch of jambalaya back at the farm, the group set off for downtown Crowley for a visit to Supreme Rice Mill where Vice President John Morgan gave an overview of the top export markets for U.S. rice and explained the milling process before Brent Jones, quality control manager, led the group on a tour of the mill highlighting the high efficiency and food safety standards employed.

The group then headed across the street to the Falcon Rice Mill where Rough Rice Supervisor Dana Vidrine gave them a rice grading lesson and CEO Robbie Trahan talked about the history of rice and rice milling in Louisiana and took them through his mill, ending with a tasting of four Louisiana rices: long grain white, medium grain white, jasmine, and Blanca Isabel's purple rice.

The final stop on the tour was the Grosse Savanne Waterfowl and Wildlife Lodge where the participants learned about conservation and the delicate balance between rice farming and the environment. Executive



TOP: A jasmine field ready for harvest serves as a hands-on classroom for a tutorial on rice production. LEFT: Roti Modern Mediterranean's Molly McGrath in the driver's seat. BOTTOM: On location with farmer Fred Zaunbrecher.






Touring two mills in Crowley, LA: Falcon Rice (top) and Supreme Rice (bottom).

Chef George Sittig prepared an exquisite meal of all local ingredients, including rice from the lodge's own farm in both his gumbo and main course of Louisiana red fish.

"I'm very pleased USA Rice let Louisiana represent the industry this year for the chefs," said Acadia rice farmer Jackie Loewer, who attended a welcome dinner for the chefs the night before the tours. "The chefs and writers were a sharp group of young men and women who were clearly hungry for knowledge – and you know when you come to Louisiana, you don't stay hungry for long – feeding you is our specialty."

"It was so interesting to see the entire process from the field to my fork," said Molly McGrath, director of Culinary Research & Development for Roti Modern Mediterranean, a chain of forty restaurants in seven states. "Rice is a staple in our restaurants and we exclusively use U.S. rice, but we don't currently call it out, and after spending such quality time with the industry, I think we should change that."

Jacobs says while the program is obviously a great educational opportunity, it's really about building relationships with key influencers.

"Restaurants can be focal points of communities, gathering spots, and sources of inspiration for home cooks," he said. "The more restaurants we get using U.S. rice – and calling it out – the broader we can spread our messages and awareness of our industry, and maybe change the purchasing habits of a consumer who thinks, 'if my favorite restaurant is using U.S.-grown rice, I'm going to also.'" 

Michael Klein always asks restaurants where their rice comes from and won't order it if it's imported or they don't know.

"It was so interesting to see the entire process from the field to my fork."

— MOLLY MCGRATH, DIRECTOR OF CULINARY RESEARCH & DEVELOPMENT FOR ROTI MODERN MEDITERRANEAN

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GRADING MEAL KIT SERVICES

BY LESLEY DIXON

ARLINGTON, VA — It makes sense that meal kit delivery services got their start back in 2007 in Sweden, home of IKEA, because meal kits are kind of like the IKEA of food. You remove the components from an efficiently packed box, you follow the instructions, and voila, you've got a bookshelf — or in this case, a steak dinner — that costs far less than what you'd pay someone else to make it for you.

Convenience is the name of the game when it comes to meal kits. From young professionals to busy parents, any home cook can tell you that planning and shopping is 90 percent of the battle. Meal kits also appeal to those with complicated dietary restrictions, those who don't live near a decent grocery store, even those who are inexperienced at cooking.

Convenience is all well and good, but there's a bigger question that we in the rice community ask ourselves when purchasing any meal, whether it's homemade, whipped up in a restaurant, or delivered to our doorsteps in a box: does it contain U.S.-grown rice?

Meal kit subscription services hit the U.S. market in 2012, when industry giants Blue Apron, Hello Fresh, and Plated materialized at roughly the same time. The popularity of meal kits exploded, and since then has increased every year, growing to a \$2.2 billion industry by 2017. What started as three companies vying for dominance of a niche market has ballooned to more than 150 different meal kit services, offering consumers an incredible range of delivery options, dietary considerations, taste preferences, and price points.

And the way these businesses use (or don't use) rice is just as variable.

The choices can be overwhelming for the average consumer! Especially as an ally, supporter, or full-on fanatic of U.S.-grown rice, it's difficult to make a decision when dipping a toe into the meal kit waters. Most meal kit companies are not transparent about where they source their rice, even if their websites wax poetic about local produce or organic, grass-fed meats.

USA Rice has done some digging to provide the rice-savvy consumer with guidance on which meal kit services offer U.S.-grown rice — and which don't.

BLUE APRON, which held the largest share of the meal kit market until just recently, gets an A+ because they use jasmine from Arkansas and brown rice from Missouri, as well as Colusari red rice from California. While a handful of their rice blends and rice products are imported from Italy and Asia, the majority of the rice they use is U.S.-grown, and their weekly menu typically includes at least two rice-based recipes.

It's refreshing that Blue Apron chooses to source their jasmine rice domestically. Several other major meal kit services such as Home Chef, Marley Spoon (Martha Stewart's brainchild), and Dinnerly, import their jasmine from Thailand.

STEWART'S MARLEY SPOON prides itself on reducing waste yet then racks up food miles by importing jasmine rather than opting for jasmine varieties grown right here in the U.S. However, they do source their brown rice from the U.S. so we'll give them a B, possibly a B+ if they do some extra credit over the weekend.

PURPLE CARROT, a meal kit service that caters to the vegan diet, may not exactly be your cup of tea, but it's earned a spot on our Honor Roll for exclusively sourcing its rice from the U.S. In contrast, similarly health-oriented meal kit companies that focus on organics and sustainability, such as Sun Basket and Green Chef, are pointedly vague about where they source their rice. For companies that prioritize local ingredients and sustainability, buying U.S.-grown rice simply makes sense, while going with imports would be an exercise in hypocrisy. It's unclear whether the rice you get in a Sun Basket or a Green Chef box will be U.S.-grown, so if you're looking for a meal kit that's geared toward a particular dietary restriction, Purple Carrot is at the head of the class.

GREEN CHEF'S reluctance to share its rice sources is shared by its parent company, Hello Fresh. In March of 2018, Hello Fresh purchased Green Chef and finally overtook Blue Apron for market share. Hello Fresh fails to provide information on where it sources its ingredients partly because it is an international company — serving Europe, the UK, and Australia as well as the U.S. — whereas Blue Apron only delivers domestically. Hello Fresh's ingredients are therefore sourced all over the world at different times of the year, making it nearly impossible to know if the rice you're eating is imported or not.

PLATED is similarly cagey about the origins of its rice. Spawned from an idea pitched on the reality TV show *Shark Tank*, Plated was recently bought by grocery store chain Albertsons, which now sells the meal kits both in stores and via delivery. Plated may offer you another level of convenience, but there's still no knowing where they source their rice.


Most meal kit companies are not transparent about where they source their rice, even if their websites wax poetic about local produce or organic, grass-fed meats.





Ultimately, many meal kit services seem to sacrifice transparency and sustainability in the name of convenience in a market where consumers increasingly demand to know where their food comes from. The companies that are up front about using U.S.-grown rice are few and far between.

“This analysis of the market is valuable, and helpful as we will be targeting these companies to utilize and call out U.S.-grown rice,” said USA Rice Vice President of Domestic Promotion Michael Klein.

A piece of IKEA furniture can wind up entirely useless if you’re missing just one little screw, no matter how much of your blood, sweat, and tears go into assembling it. A meal kit is similar; the recipe could be efficient and convenient, the spices balanced to perfection, and the vegetables ripened beautifully. But if it’s missing U.S.-grown rice, it’s just not going to come together. 

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CONSUMER PROMOTIONS REIMAGINED: THE THINK RICE ROAD TRIP

BY MIKE HUSKE



ARLINGTON, VA — USA Rice’s Domestic Promotion Committee held a strategic planning and brainstorming session over Valentine’s Day in Washington, DC, where they discussed ways to revitalize their consumer promotion programs. By Thanksgiving, a USA Rice team had driven a branded pickup truck more than 5,000 miles from Crowley, Louisiana, to San Diego, California, conducted more than 30 consumer events, interacted with thousands of consumers one-on-one, carving out a space in their consciousness, and forged a new and lasting partnership with the pre-eminent manufacturer of rice cookers, Aroma Housewares.

As quickly as the Think Rice Road Trip was conceived and executed, it became a hit with consumers and became the crown jewel of USA Rice’s domestic promotion efforts in 2018.

“We had discussed a lot of very interesting ideas to take our consumer awareness program to the next level,” said Paul Galvani, senior vice president of Riviana Foods, Inc. and chair of the USA Rice Domestic Promotion Committee. “We kept coming back to a piece of our research that showed the only real potential barrier to entry for rice for some consumers was cooking; they reported being intimidated by the process. We decided to address this head on. We determined to give away as many rice cookers as we could to make it easy for consumers in the thinking that this would increase overall use. And a classic American road trip seemed like a good way to spread the word.”

The committee also saw the Road Trip as a good opportunity for USA Rice to collect consumer e-mail addresses – to follow up with coupons, recipes, cooking tips, and more. The team then added some survey questions to the card.

“It wasn’t going to be super-scientific, but it seemed like it would be a terrible waste to have a several-minute audience with a few thousand consumers and not ask them a few key questions,” USA Rice Vice President of Domestic Promotion Michael Klein said. “We asked them about rice

consumption frequency and whether they cooked it at home or ate it while dining out, and we asked them what would make them eat even more rice.”

SUPPLY RUN

First up, the team had to acquire rice cookers. USA Rice staff entered into discussions with major manufacturers of the appliances and while all were interested, it was San Diego-based Aroma Housewares that was the most enthusiastic and made USA Rice an offer they couldn’t refuse: 3,000 household rice cookers at cost along with 25 commercial cookers that would be donated to charitable organizations throughout the campaign.

“At Aroma, increasing awareness for the consumption of rice has always been one of our goals as we have been committed to the rice industry for over 40 years,” said Kevin Lin, director of marketing and corporate branding for Aroma. “Being America’s favorite rice cooker brand, we were thrilled to be part of these efforts and collaborate with USA Rice to showcase the ease of cooking and eating rice in all U.S. homes. This initiative, which helped introduce Americans to cooking and eating more rice, aligned perfectly and allowed us to expand into new areas.”

Meanwhile, Klein and his team were working on the route for the road trip – and securing a vehicle.

“To be honest, I was inspired by the Oscar Meyer Wienermobile,” Klein said. “The brand has this unmistakably recognizable vehicle that people are excited to see and it makes them think about the product immediately. I wanted something like that for us.”

Of course a Ricemobile would probably resemble more of a Trident submarine and may not be very practical for the road trip.

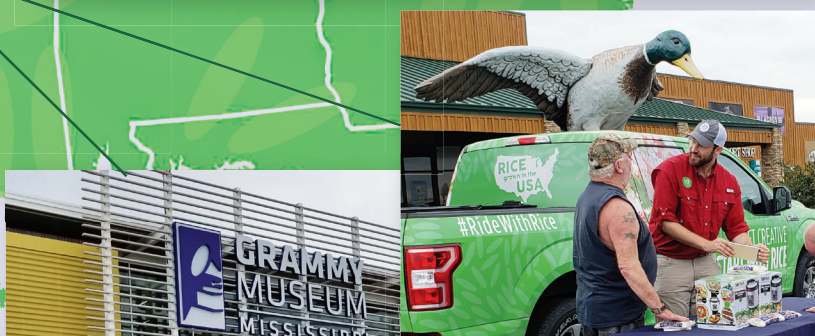
“I pitched the committee on a pickup truck that would be extremely practical to haul cookers, rice, and the crew around,” Klein said. “And we had the idea that when the promotion was over, we could raffle off the truck. If we sold enough tickets it would cover the cost of the truck itself – maybe even more of the program’s costs. It came together really well.”

Ford and Chevy were approached at the corporate level (both declined to participate), but Cavanaugh Ford in Jonesboro, Arkansas, was intrigued by the concept, and with some nudges from Arkansas rice farmer and Cavanaugh customer David Gairhan, they made USA Rice a great deal on a 2018 F-150 XLT.

The next step was turning a shiny red pickup truck into an eye-catching wienermobile-inspired ricemobile.

Enter USA Rice Director of Strategic Initiatives Katie Maher who spent several years working in domestic promotion and now serves as, among other things, the guardian of the look and feel of the USA Rice brand.

DOMESTIC PROMOTION



"I wanted to design something that would pop visually using on-trend colors and graphics, showcase our product, impart some information, and make people ask, 'what is this all about?'" said Maher.

And the bright green truck with a rice print was born: with a delicious-looking rice dish on the side, a map and call-out about U.S.-grown rice on the back window, and logos, slogans, and social media identifiers strategically placed, the truck turns heads on the road for sure, urging all who see it to "Get Creative - Start with Rice" or "Think Rice" or follow the truck literally (to an event) and figuratively (online) depending on what part of the truck you see.

THE ROUTE

"We knew we wanted to end in San Diego, site of the 2018 USA Rice Outlook Conference, and we thought it made sense to start in friendly - rice - territory," recalls Klein. "Other than that, the country was an open book. We wanted a mix of rural and urban, heavy rice consumption and low rice consumption, and big and small media markets."

There were several logistical issues that needed to be considered and addressed simultaneously. Like how long could the team be out of the office for each leg? (Answer - 10 days.) How many rice cookers can the F-150 hold in the back? (Answer - 60 plus rice, recipe cards, reusable shopping bags, and other handouts.) And how many rice cookers can fit in the back of a 16' rental truck that would be the team's chase and resupply vehicle? (Answer - 800 with corresponding rice, shopping bags, additional supplies, and the team's luggage.) These and other factors were presented to the committee and they decided on three legs for the trip.

The deal on the truck and the design were finalized about a week before the scheduled National Rice Month Proclamation and Celebration in Crowley, Louisiana, so this became the natural starting point for the first leg of the Road Trip.

The team then carved a path up through the rice fields of northwest Louisiana, Mississippi, Arkansas, and Missouri, into Illinois, finally ending the leg in Milwaukee, Wisconsin.

The truck would then be transported to the second leg's starting point - which was almost Denver, Colorado. The leg

As quickly as the Think Rice Road Trip was conceived and executed, it became a hit with consumers ...



TOP: They were lined up and waiting at the Oregon City Farmers Market.
BOTTOM: The chase truck was never far behind.

would have ended in Salt Lake City, Utah, but the committee decided to push the truck into a more densely populated area and the second leg became The Pacific Northwest Leg – Seattle, Washington, to Portland, Oregon.

The truck would then be transported back into friendly territory – the Sacramento Valley – for the final push through California to San Diego.

STEP RIGHT UP AND LEARN ABOUT U.S.-GROWN RICE

With the truck acquired, the route decided, and 25 pallets of rice cookers on their way to waypoints in Crowley, Seattle, and Arbuckle, California, the team needed to set up event locations and coordinate social media.

“We’ve never done anything like this so we were starting cold,” Klein said. “We were looking at landmarks, well-known, like the Anheuser-Busch Brewery in St. Louis; locally-famous, like Abe’s BBQ in Clarksdale, Mississippi; and off-the-beaten path, like the Seattle Pinball Museum. And we threw in restaurants that serve rice, farmers markets, grocery stores, public spaces, sculpture gardens, and university campuses to give us a good mix.”

Klein said the team quickly formalized a process: the truck would pull into the designated spot – sometimes permitted, sometimes less so – and within two minutes the table was set up, a display pyramid of Aroma Rice Cookers and U.S.-grown rice was erected, survey cards and Think Rice pens were out, and reusable shopping bags were being stuffed in the bed of the truck with a cooker, a bag of rice, recipe cards, and other giveaways. Then the hawking would begin – and it usually started slowly and built.

“People had a hard time believing we were really giving this stuff away for free,” said Deborah Willenborg, director of communications for USA Rice who personally drove all but about 400 of the 5,000 mile road trip. “They’d pretend to be on their phone or ask what the catch was. We’d explain to them that U.S. rice farmers want people to eat more U.S.-grown rice, so they’re making it easy for you by buying you this rice cooker and giving you some of their rice. It was a powerful statement and concept and would trigger so many follow up questions – we had them.”

Willenborg said that consistent with past USA Rice research, many people didn’t realize we grew rice in the United States but were happy to learn they had the choice of buying U.S. when it came to rice.

“We made it a point to show them the Grown in the USA logo on the rice we were handing out and said now that they had been gifted this appliance, they needed to repay the industry by only using U.S. rice in the cooker,” Willenborg said. “We also assured them that while a rice cooker is one of the easiest ways to cook rice – set it and forget it – it’s not the only way.”

LEARNING IS A TWO-WAY STREET

The 30-plus consumer events were designed as disruptions – in a positive way.

“Someone is going about his or her day, and suddenly people in matching Think Rice shirts are talking to them about an industry they maybe didn’t even know existed that morning,” explained Cameron Jacobs, manager of domestic

RIDING SHOTGUN

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TOP: A typical event set up on a Mississippi Main Street.

RIGHT: It was hard not to ‘Think Majestic’ on the run through Redwood National Park.



DOMESTIC PROMOTION

promotion for USA Rice. “They were interested, they were appreciative, and we made a lasting impression on those folks. They walked away with a \$40 rice cooker, some rice grown right here, and a lot of information that they were going to share with friends, family, and co-workers.”

Klein said the promotion team learned as much as they taught.

“We got smarter at every stop – not just in how to run effective events – but in how to talk to consumers,” he said. “This was a really unique opportunity for us to conduct more than 3,000 individual focus groups in very different parts of the country. We talked food miles, cooking methods, wildlife habitat, rice varieties, trade policy, sustainability, and more. Those consumers we interacted with have a better appreciation of our industry and we have a deeper understanding of them too.”

Klein and his team – Willenborg, Jacobs, Maher, and USA Rice International Promotion Manager Asih Grigsby, who accompanied the team in the Pacific Northwest, agree, the trip was daunting and exhausting, but worthwhile. And they could easily put the lessons they learned into a refined and even more effective Think Rice Road Trip 2.

“Always doing the same thing is likely to lead to the same results as last time, so sometimes it’s better to start with a clean slate and try something different,” Galvani said. “That’s what we did with the Think Rice Road Trip. It was not so much how many people we reached on the trip itself but more importantly, it gave us a vehicle to use for social media and public relations to reach a much wider audience.” ^{W-C}

Mike Huske fondly recalls summer road trips of his childhood that may have gone smoother in a Ricemobile.



RideWithRiceTV

The official vehicle of the Think Rice Road Trip was a 2018 Ford F-150 XLT with heated leather seats, a spray-in bedliner, and more. Something the USA Rice team added aftermarket were video cameras. The truck was outfitted with three GoPro HD cameras facing inside and out and USA Rice’s Klein recorded six 10-minute interview shows, RideWithRiceTV, from inside the truck. Guests were: U.S. Congressman Clay Higgins (R-LA), Louisiana rice miller Meryl Kennedy-Farr, Arkansas rice farmer Jennifer James, curator of the Seattle Pinball Museum Charlie Martin, President of Saké One Steve Vuylsteke, and California Rice Farmer Charley Mathews, Jr. The episodes are being posted to USA Rice’s YouTube Channel.





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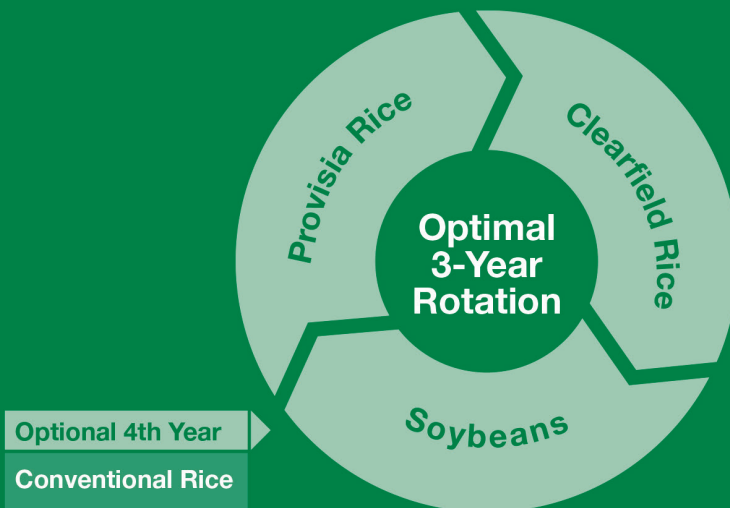
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NEW USA RICE RESEARCH FOCUSES ON INFANTS AND TODDLERS

BY DEBORAH WILLENBORG

WASHINGTON, DC — At the 2018 Food and Nutrition Conference & Expo (FNCE) here in October, USA Rice presented findings on the *Association of Rice Consumption with Nutrient Intake in Infants/Toddlers*. The research study, funded by The Rice Foundation and rice research boards in Arkansas, Louisiana, California, and Mississippi, was conducted and presented by Victor Fulgoni, Ph.D., a scientist with the Campaign for Essential Nutrients, an industry group providing education about the role daily vitamin and mineral supplements can play in providing nutritional support.

Fulgoni studied National Health and Nutrition Examination Survey (NHANES) data to determine how the nutrient intake of infants and toddlers who consume rice differs from non-rice consumers. NHANES is a program of studies designed to assess the health and nutritional status of adults and children in the United States, and is unique in that it combines interviews and physical examinations.



Maximizing nutrient intake with every spoonful of rice.

The research indicates that infants and toddlers (0-23 months old) who reported rice consumption had greater intake of key nutrients like calcium, iron, magnesium, niacin, riboflavin, thiamine, zinc, and vitamins A, B6, and C. Rice consumers also had lower intake of added sugar, cholesterol, sodium, and saturated fats.

Overall, consumption of rice from age 0-23 months is linked to better nutrient intake.

“The takeaways from this research are significant as they demonstrate the link between rice consumption and overall better nutrient intake in infants and toddlers,” said USA Rice Domestic Promotion Manager Cameron Jacobs. “The fact that this research was accepted by the Academy of Nutrition and Dietetics to be a poster session at FNCE is noteworthy because it allowed that audience of dietitians, nutrition scientists, and policy makers to be exposed to our research. Their enthusiastic acceptance of the content bodes well for the future publication of the research manuscript.”

The research will now move into manuscript development for publication. During this process, further analyses on food sources of nutrients in rice consumers and non-consumers along with additional analyses will take place to provide even more understanding of the contribution of rice foods to the diets of infants/toddlers. [W-2](#)

It's been a long time since she's contended with toddler nutrition firsthand but Deborah Willenborg knows eating U.S. rice, at any age, provides necessary vitamins, minerals, and fiber for a healthy diet.

“The takeaways from this research are significant as they demonstrate the link between rice consumption and overall better nutrient intake in infants and toddlers ... ”

— USA RICE DOMESTIC PROMOTION MANAGER CAMERON JACOBS

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IMPACT OF MIDTERM ELECTION RESULTS ON AG POLICY

BY JAMISON CRUCE

WASHINGTON, DC — Almost all midterm elections results are in and the for-
sure case is that Democrats have taken control of the House and Republicans
solidified their hold of the Senate. Democrats in the House gained 38 seats as
of press time with three races yet to be called. Senate Republicans picked up
three seats, with one race still undecided.

Most rice state/district incumbents held on to their seats and will return
to Congress. Exceptions include Missouri Senator Claire McCaskill (D) who
lost to Republican Missouri Attorney General Josh Hawley. In terms of House
races, incumbent Representative Jeff Denham (R) representing California's
10th Congressional District lost his seat to Democratic challenger Josh Harder.
A runoff election in Mississippi between incumbent Senator Cindy Hyde-
Smith (R) and Mike Espy (D), a former U.S. Secretary of Agriculture, took
place on November 27 (before press time). Congressman-Elect Dan Crenshaw
(R) won in Texas' 2nd Congressional District, taking over the seat of retiring
Representative Ted Poe (R).

The change in House leadership for the 116th Congress, which convenes
in January, is sure to continue to keep things in Washington interesting. It's
widely reported that current Minority Leader Nancy Pelosi (D-CA) will again
be Speaker of the House, however, there is no guarantee. House Democrats
will hold official leadership elections on January 3, and Pelosi could face a
challenger vying for the most powerful position in the chamber. Current
Republican House Majority Leader Kevin McCarthy (R-CA) won his party's
nod for Minority Leader during an election held on November 14 since current
House Speaker Paul Ryan (R-WI) is retiring, and current Majority Whip Steve
Scalise (R-LA) ran unopposed for Minority Whip.

If Pelosi becomes Speaker, she has publicly stated several times that shake-
ups to committee leadership is not one of her goals, meaning that current
House Committee Ranking Members will presumably take over as chairs.
In the case of the House Agriculture Committee, Ranking Member Collin
Peterson (D-MN) will take over the gavel and again become chairman. Current
House Agriculture Committee Chairman Mike Conaway (R-TX) will likely
assume the committee's ranking member post.

In the Senate, Leader Mitch McConnell (R-KY) will keep the head post
for the majority and Senator Chuck Schumer (D-NY) will remain Minority
Leader. Senator John Thune (R-SD) was elected to replace Majority Whip John
Cornyn (R-TX) who was term-limited and forced to vacate the seat. Agriculture
Committee Chairman Pat Roberts (R-KS) was not up for reelection this cycle
and should remain at the head of the committee. Ranking Member Debbie
Stabenow (D-MI) won her re-election and will likely keep her post, as well.

The outcome of this election will have an impact on USA Rice's legislative
priorities, from the Farm Bill to trade.

The 2014 Farm Bill expired on September 30. Now that there is a lame
duck 115th Congress, it's critical that a new Farm Bill is passed before the next




**Democrats have taken
control of the House
and Republicans
solidified their hold
of the Senate.**

Congress takes over in January. If a farm bill is not passed by the end of this year and no
extension of the 2014 Farm Bill is passed, then the legislative process must start all over. If
this is the case, a new Farm Bill final product is destined to look much different in the 116th
Congress than what the conferees are currently negotiating.

While it's likely that the Senate bill wouldn't look much different than the bill passed
in June of this year, with Republicans maintaining the majority, a bill out of the House with
a Democratic majority has the potential to be drastically different. Representative Peterson,
the presumptive incoming chair of the House Agriculture Committee, has already stated
publicly that he does not want to write another bill and is pushing for a conference report to
be approved by both chambers before the end of the year.

In terms of trade, barriers could compromise Congress' approval of the U.S.-Mexico-
Canada Agreement (USMCA), NAFTA's proposed replacement, due to Democratic
concerns with the agreement not containing more enforceable labor standards and
environmental protections.

Brokering any legislative win for U.S. trade with Cuba is now also up in the air as
Senator Heidi Heitkamp (D-ND), who secured an amendment in the Senate version of
the Farm Bill to allow for agriculture trade promotion program dollars to be used in Cuba,
lost her bid for re-election. It's yet to be seen if this amendment will be included in the
conference report. 

Jamison Cruce is USA Rice manager of government affairs handling farm and economic policy issues.

**The outcome of this election will have an impact on USA Rice's
legislative priorities, from the Farm Bill to trade.**

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COULD RICE FIND A HOME IN FREE TRADE AGREEMENTS ON THE HORIZON?

BY BOB CUMMINGS

ARLINGTON, VA — Here's a truism that works for rice — rice always wins when it's part of trade agreements. Think Mexico in NAFTA; Colombia in the U.S.-Colombia Free Trade Agreement (FTA); Central America in the CAFTA-DR agreements; Japan and Korea in the Uruguay Round Agreements; and Taiwan when it joined the World Trade Organization.

With President Trump's preference for bilateral trade deals and with his Administration flirting with several new FTAs there could be opportunities for rice to claim valuable real estate. Let's see what's out there and look at some timelines.

When the President withdrew from the Trans Pacific Partnership (TPP) days after his inauguration, many in the rice industry began to look for a second bite at the apple of rice access in Japan. The rice deal in TPP was disappointing. President Trump and Japan Prime Minister Abe announced in late September 2018 that the two governments would negotiate a trade agreement and Trump notified Congress formally of his intention on October 16 to enter into such negotiations. The U.S. government now has the opportunity to negotiate access for more tons of U.S. rice in Japan with less interference by the Japanese government than was achieved in TPP.

As with Japan, rice, and agriculture, the negotiating path forward will not be easy. In the joint statement launching negotiations, both sides acknowledged each other's sensitivities — domestic auto production and jobs for the United States and the limits of agriculture market access concessions for Japan. The negotiations could begin as early as January 2019 and USA Rice is pressing for an increase in U.S. country-specific access in Japan above TPP levels as well a transparent and simplified import auction process.

The October 16 notification to Congress also included intentions to negotiate trade deals with the United Kingdom and the European Union (EU). These future FTAs hold great potential promise for U.S. rice producers and exporters, because, in combination with Brexit, they threaten to upend the status quo of access in Europe which has been a primary restraint holding back recovery of U.S. market share since the Liberty Link contamination of 2006.

The EU is a huge rice import market — more than 1.5 million metric tons — but highly distorted by preferential access and high tariffs and barriers to entry. U.S. exports were less than 60,000 MT in 2017, largely on the strength of a 38,000 metric-ton tariff rate quota. An FTA with the EU that provides for duty-free and quota-free access for

...with [the Trump] Administration flirting with several new FTAs there could be opportunities for rice to claim valuable real estate.

all types and forms of U.S. rice is a prerequisite to allowing U.S. marketers to rebuild the market of several hundred thousand tons the United States enjoyed a decade or so ago.

EU Commission authorities have made clear that their idea of an FTA is one that covers industry goods and regulatory coherence only, not agriculture. This view has been rejected by U.S. negotiators, with the support of USA Rice and nearly all of U.S. agriculture. Nonetheless, this divide will need to be overcome before meaningful negotiations can begin.

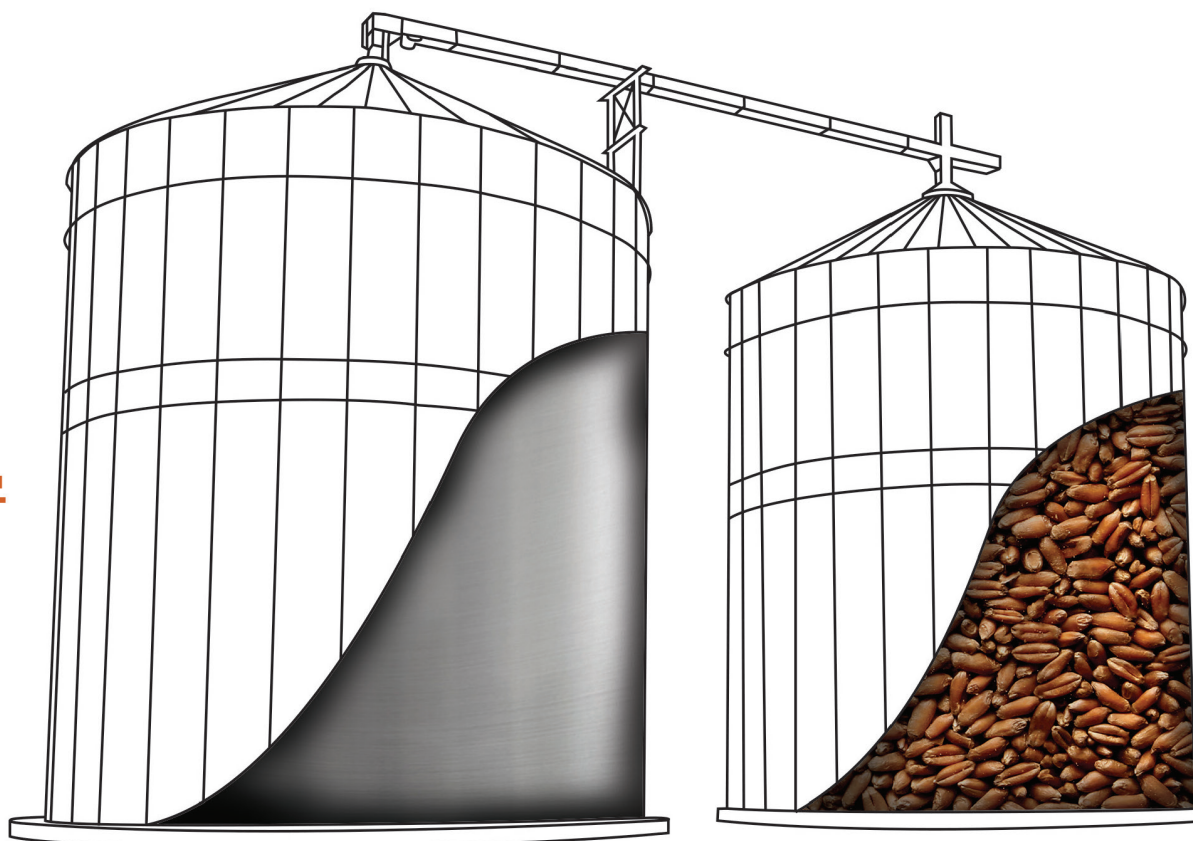
An FTA with the UK should be an easier negotiation once the country leaves the EU at the end of March 2019. While there is a rice milling industry in the UK, there is no rice production and the country is a substantial net agriculture importer. USA Rice will press for a similar outcome — duty-free, quota-free access for all types and forms of U.S. rice. The length of any transition period between the time the UK exits the EU on March 29, 2019, and the completion of a formal trade agreement with the remaining EU will be a key factor in determining when a U.S.-UK FTA could come into effect. [WG](#)

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AS WINTER APPROACHES, RICE LEADERSHIP DEVELOPMENT CLASS FLIES SOUTH

BY STEVE LINScombe

MOUNTAIN HOME, TX — Taking a cue from the many migrating waterfowl that find a resting place in U.S. rice fields, the 2018 International Rice Leadership Class flew south last month, to Argentina, Brazil, and Uruguay, on a trip that was anything but restful.

Class members John Denison (Iowa, Louisiana), Park Eldridge (Gillett, Arkansas), Michael Fruge (Eunice, Louisiana), Collin Holzhauer (Harrisburg, Arkansas), and Joel Stevens (Monticello, Arkansas), spent nine days in the three countries, covering more than 2,500 miles over a vast diversity of landscapes, interacting with producers, millers, ag specialists, and rice researchers all along the way.

In Argentina, the group visited two farms of the Adecoagro Group: the San Joaquin Farm, with more than 25,000 acres of rice flooded from the Parana River, and the Ita Caabo Farm, home to a successful breeding program and more than 18,000 acres irrigated from an elaborate reservoir system.

In western Rio Grande do Sul, the southernmost state in Brazil, the group toured farms owned by brothers Walter and Werner Arns who specialize in center pivot irrigated rice and consistently produce more than 9,000 pounds per acre. A series of stops in the Agudo region gave the class a look at rice production on a smaller scale, on farms ranging in size from 100 – 200 acres.

A highlight of the trip was the visit to Wolkmann Foods which is a vertically integrated totally organic rice farm in Sentinela do Sul. The group also toured the Camil Rice Mill in Camaqua and heard a presentation on the dynamics of marketing Brazilian rice. After seeing the mill, the group toured the AUD reservoir and irrigation project that is a public/private partnership providing irrigation water for a large rice producing area. The last stop in Brazil was to Four Brothers Farm, a large rice, row crop, beef, and dairy operation near Pelotas.

The final two days of the trip were spent in the rice production region of Uruguay. First at the National Institute of Agricultural Research (INIA) near Trente y Tres, a facility that is very similar to rice research stations in U.S. rice producing states and has research projects on variety development, weed control, disease control, insect control, irrigation, and fertilization. The station also has the foundation seed program for the country's rice industry.

The group also had the privilege of attending a Merin Group meeting – a unique system made up of ten producers who once a month gather at a different member's farm for an in-depth overview of the farm's total operation. Following a tour of the farm, group members offer advice and suggestions to improve the operation's production program.



From farm and mill tours to dining out on the continent's traditional barbecue, called churrasco, Rice Leadership class members reap the benefits of warm South American hospitality.

Class members spent nine days in the three countries, covering more than 2,500 miles over a vast diversity of landscapes, interacting with producers, millers, specialists, and researchers all along the way.



The last day in Uruguay the group visited the SAMAN Rice Mill at José Pedro Varela for an overview of the company and its operations around the country, and a tour of the milling and seed plants. The discussion at SAMAN focused on an excellent presentation on the dynamics of marketing the Uruguayan rice crop. Uruguay is a major competitor of the U.S. in a number of export markets and has done an outstanding job of maintaining a very high quality standard for rice produced there. Seeing how they accomplish this was eye opening for class members.

The wealth of information as well as the excellent food offered up throughout the trip, especially the barbeque that each of these countries takes great pride in, will fuel class members for a long time as they return north to winter over in their own rice fields.

The leadership program is sponsored by John Deere Company, RiceTec Inc., and American Commodity Company through The Rice Foundation and managed by the USA Rice Federation. 

Steve Linscombe is the director of The Rice Foundation. In his former life, Steve was the director of the Louisiana State University Rice Research Center.

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EAT REAL RICE COOKBOOK NOW AVAILABLE

BY LESLEY DIXON

LITTLE ROCK, AR — Arkansas Rice has released a new cookbook that shines the spotlight on U.S.-grown rice with 17 recipes inspired by those who farm, mill, and eat Arkansas rice every day. *Eat Real Rice* was created by Tisha Gribble, who does marketing and promotions for Arkansas Rice, in collaboration with Favorite Recipes Press, and contains essential facts and information about rice in addition to delicious recipes for every meal of the day.

One of the unique things about this book is that each recipe can be removed and used as an individual recipe card, a concept developed by Gribble and Favorite Recipes. “You can pull the recipe cards out to put in your recipe box. There’s really nothing like it on the market,” said Gribble. “You could even make the recipe for someone and give them the recipe card along with it.”

From the traditional Spanish rice with sausage to the comforting chicken and rice casserole, many of these recipes are fresh spins on well-loved classics, dishes that will please the entire family – even picky eaters. But the range of recipes is broad, and this little book isn’t afraid to get a little adventurous. The spinach and rice quiche is a French staple with a twist, and the beef stroganoff with tarragon rice is a lighter variation of a meal usually served with heavy egg noodles.

So what inspired *Eat Real Rice*?


Gribble has wanted to create a rice cookbook for years. She hopes that the book will be practical, but also informative. She’s particularly proud that the first four pages are dedicated to Arkansas rice facts, including statistics, maps, nutrition, and a sustainability story. There’s



also a handy guide to cooking the perfect pot of rice, so the recipes couldn’t be easier.

But the book isn’t just for those who love Arkansas rice. It’s for everyone who loves U.S.-grown rice, period. The first two copies Gribble sold went to Texas and Georgia. “It makes a great Christmas gift for friends near and far, whether they’ve got Arkansas roots or if they’re from another rice state.”

The title of the book, *Eat Real Rice* (with “real” emphasized), is a gentle jab at rice pretenders such as riced cauliflower. Gribble wants people to know that the recipes call for real, honest-to-goodness U.S. rice, and that any kind of substitute or imposter would detract from the heart and soul of the dishes themselves.

If you want a copy of *Eat Real Rice*, you can find it on www.ArkansasRice.org along with other merchandise bearing the Eat Real Rice logo. 

... many of these recipes are fresh spins on well-loved classics, dishes that will please the entire family – even picky eaters.





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*FullPage seed will be available for purchase late 2018 or early 2019. **This is not a guarantee of performance nor a warranty of fitness for a particular use.



MEETINGS & MEMBER SERVICES

RICE INDUSTRY WINTER MEETINGS SCHEDULE



Capacity crowds at annual meetings across rice country.

JANUARY 8

ARKANSAS RICE COUNCIL AND ARKANSAS RICE FARMERS

Grand Prairie Center, Stuttgart
8:00 a.m. Meeting call to order

JANUARY 9

LOUISIANA RICE COUNCIL/LOUISIANA RICE GROWERS ASSOCIATION

Grand Marais Event Center, Jennings
4:30 p.m. Trade Show & LaRPAC Reception
5:45 p.m. Meeting call to order

JANUARY 24

CALIFORNIA RICE COMMISSION

8:00 a.m. Colusa Casino Meeting Rm, Colusa
12:30 p.m. Hillcrest Plaza Rm, Yuba City
Contact: Laura Bickle at (619) 387-2264

FEBRUARY 12

MISSISSIPPI RICE COUNCIL

Bolivar County Extension Office,
Cleveland. Contact: Tina Manning at
(662) 686-3356

FEBRUARY 14

NORTHEAST LOUISIANA RICE GROWERS ASSOCIATION (NELA)

New location: Iona Golf Course,
10 Country Club Lane, Rayville
8:30 a.m. Registration
9:00 a.m. Meeting call to order
Contact: Keith Collins at (318) 728-3216

FEBRUARY 14

CENTRAL LOUISIANA RICE GROWERS ASSOCIATION (CENLA)

Rocky's Tails & Shells Restaurant, Bunkie
6:00 p.m. Meeting call to order
Contact: Phillip Lamartiniere at
(318) 563-8782

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