

WHOLE GRAIN



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The USA Rice Federation 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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Meet the President and CEO: **BETSY WARD** BY MICHAEL KLEIN



THE U.S. RICE INDUSTRY WOULD BE HARD PRESSED to find a bigger fan and tougher advocate than Betsy Ward. From 2003 to 2005 she ran the domestic and international promotion programs at the USA Rice Federation, and since 2007 she has served as president and CEO of the organization.

In that time, a lot has been thrown at the U.S. rice industry. From LibertyLink® to arsenic, from two Farm Bills to legal challenges to the state programs, Ward says there's been no shortage of excitement.

"There's no such thing as downtime," Ward says. "We're managing our current issue portfolio and preparing for the future."

Ward says the key is remembering who she works for.

"The USA Rice Federation is an all-inclusive organization, we represent growers, millers, and merchants," she explains. "But at the end of the day, we have a grower-driven mission."

"Within a month of becoming CEO, I had been to every member state to meet with the growers and really talk with them," she recalls. "It was both fascinating and invigorating."

Ward never passes up the opportunity to meet with a rice group – even if they're not one of the member states of USA Rice, which she does admit is a problem that needs to be addressed.

"Industry unity is very important, not just because of the old adage about strength in numbers, but because I believe diversity brings credibility," she says. "To be talking with the Secretary of Agriculture, and be able to say we represent every facet of the industry, from seed to ship and plate, is powerful. And not just all the parts of the supply chain, but all the regions – that's very important. It gives us as an industry a power that reaps dividends for everyone."

Ward knows there's work to be done here, but thinks the value USA Rice brings is unimpeachable.

"Going back to the start of just my tenure, we ensured grower interests were represented during the LibertyLink scandal," she says. "Through our domestic promotion efforts we've seen rice consumption rise steadily, and we've worked to secure rice's spot in the U.S. dietary guidelines for Americans." (see articles page 8-9)

INTERNATIONAL PRIORITIES

USA Rice is the global advocate for the U.S. rice industry, and with half the crop each year destined for foreign plates,

this is a major priority for Ward.

She says promotion is certainly key to protect and expand markets, but there are creative approaches as well.

"We know some of our international competitors are breaking the rules, it's indisputable. But until you have evidence, those cheaters will dispute it."

Ward worked with the U.S. International Trade Commission (ITC) and allies in Congress to trigger a thorough investigation of the global rice market (see article page 11).

"From experience we know we can cry foul all we want, but Congress, the Administration, and the World Trade Organization want to see proof before they'll act."

Ward says USA Rice commissioned their own studies so they would know where to tell ITC to look.

"Brazil, Vietnam, and Thailand," she says. "Same old story. They're manipulating the system and it's hurting our guys. It has to stop."

LOOKING AHEAD

People who know Ward says she's not one to sit still, or rest on her laurels. She's always got one eye on the future.

She launched a Viability study of the organization – an in-depth conversation with members and staff to learn what they saw as the main challenges coming over the next five years, and what strategic direction needed to be taken.

Many things have come out of that study, including the focus on sustainability and conservation that Ward says is critical to the industry's license to operate. And it is that license that ensures the industry will continue to grow and be vibrant and profitable into the future.

"I cherish the fact that what we do every day at USA Rice absolutely impacts the bottom line of our members. We make a real difference for them, and I always remind the staff of that, and remind myself too. It's why we fight so hard for our industry, and it's why we're able to fight above our weight class so effectively. Because we have to." 



"...WHAT WE DO EVERY DAY AT USA RICE IMPACTS THE BOTTOM LINE OF OUR MEMBERS."

LEFT: Ward and Brian King, Arkansas rice merchant and chairman of the USA Rice Western Hemisphere Promotion Subcommittee, survey U.S. rice offerings at a Sam's Club in Mexico City.

RIGHT: Ward meets with Cuban Ambassador José R. Cabañas Rodríguez.



Meet the Chairman: DOW BRANTLEY

THE WHOLE GRAIN HAD THE OPPORTUNITY to interview Dow Brantley, the chairman of the USA Rice Federation. Brantley is a rice producer from England, Arkansas and his family has been involved in the rice industry since the mid-1950s. He assumed his position as chairman on August 1, 2014 and will serve in that capacity for the next two years.

The Whole Grain (TWG): How did you first get involved with the USA Rice Federation?

Dow Brantley (DB): “I had been working in Washington, DC at the U.S. Department of Agriculture and I came home to join the family farm in 2000. My father was involved with the National Cotton Council, and I thought it would be a good idea for us to both be involved with different organizations to learn as much as we could. The Leadership Program came along, (see story page 4), and I applied and was accepted in 2003, and that was the start of my involvement with USA Rice.”

TWG: What can USA Rice really do for rice farmers?

DB: “It can deliver our message effectively. USA Rice helps to organize our industry to be more efficient and works on our behalf day in and day out. As a farmer I know what’s important to me. I might not know exactly what a merchant’s or miller’s issues are, but with USA Rice, as an organization, we have the opportunity to meet and work together. It’s easier to understand each group’s issues and I think that’s the ultimate goal. USA Rice is here to work with all of us, combine a single message, and decide which way we want to tackle an issue and move forward on it.

“Frankly, it’s one of the things that most impressed me when I was working at USDA. It was the well-organized groups that came in with a coordinated message – they were the successful ones. The ones that got things done for their members. That’s what USA Rice is to me.”

TWG: What’s the most surprising or unexpected thing you learned after becoming more involved with USA Rice?

DB: “Now I truly see how important promotion is, whether it’s domestic or international. I’m still learning how to better participate and understand the promotion side, but it’s that global perspective that is so important. For example, think of our market loss in Europe and how USA Rice is working to help us regain that (see story page 8) Look, I’m just a farmer from Arkansas. I didn’t used to think about world markets when I first got started. I didn’t think about what happened outside of Lonoke County, Arkansas. Today, you see us effectively working on some pretty creative ideas trying to get access into China, improve our access in Japan, grow world

markets in Africa and South America, and protect and grow our top market, Mexico. (see cover story). And of course we’re also trying to expand the domestic use of rice on menus. To me that’s eye-opening just for a small town boy from Arkansas.”

TWG: What do you hope to accomplish most during your term?

DB: “I want to get results for our members. I’d like to see us work through our government to conclude the trade agreements that we’re still working on – TPP with Asia and T-TIP with Europe. And of course rice industry unity is so important. Again, it goes back to my time in Washington, and it’s also common sense, the groups who work together, who have a united message, I think they are taken more seriously. I think they can deliver more for their membership. At the end of the day, I want to see continued success for the rice industry, and I want to work on things today that are going to pay dividends 10 to 15 years from now.”

TWG: How has the rice industry changed since you first decided to start rice farming?

DB: “A major change that I’ve seen on the production side is technological advances. We have loads of information at our fingertips, and we have to receive and disseminate that information quicker today than we did 10 years ago.

“Additionally, speaking of information, the consumer wants to know where his or her food comes from. I think we are really doing a good job today telling that story, and I think we’ll have to continue that. We are going to have to depend on technology, people, and research from our land grant universities to help with the success of this industry.”

TWG: What’s the one thing you would like a grower who doesn’t know about USA Rice to come away understanding?



“USA RICE IS A MEMBER DRIVEN ORGANIZATION, AND WE’RE ONLY AS STRONG AS OUR MEMBERS, SO GET INVOLVED.”

DB: “USA Rice is a member driven organization, and we’re only as strong as our members, so get involved. There are opportunities to go to Washington and around the country, and even the world, and be involved, but you can also stay at home – wherever that may be – and still make a difference. You can get involved locally to help make changes to farm policy or promotions, you can speak up not just for your own farm, but for the whole industry and the future generations of rice farms. One thing I know for sure, this is not anything that works from the top down. The policies and strategies we adopt come right out of the fields, so if you want to get involved and make a lasting difference, USA Rice is a good way to do it.” 



LEFT: Brantley hosts Canadian foodservice professionals and media on his farm in England, AR during their tour through rice country in September.

The Social Media Revolution

BY COLLEEN KLEMCZEWSKI

Depending on how you look at it, social media can be viewed as an epidemic or a revolution. It can sometimes even be a little bit of both. No matter where you go, it seems like people are constantly scrolling through their smartphones completely oblivious that there are other people in the same room. According to recent studies, the average person spends more than three hours and sixteen minutes per day on his or her cell phone. That might not be good news for our social skills, but it's great news when it comes to promoting your business.

With the age of technology and the spread of smartphones and tablets, information has become instantly available at the touch of your fingertip. When we open up an app on our phones, we are bombarded by engaging images that capture our attention and help us visualize new content. It makes the information incredibly accessible and easy for consumers to understand, while creating brand awareness for companies.

This has revolutionized the way companies promote themselves to the public. Facebook, Twitter, Pinterest, and Instagram have allowed businesses to communicate directly with consumers and tailor specific content to consumers. With social media, you are controlling the messages that are delivered to your audience at virtually no cost.

USA Rice has recently launched an Instagram in addition to our Facebook, Twitter, and Pinterest sites. One of our main goals in utilizing social media is to depict all of the stages of rice production from the time it is harvested until it is served on the dinner table.

We're using social media to engage with consumers and promote the use of rice in their daily meals. By sharing fun facts, posting pictures of creative rice recipes, and commenting on news stories, we are generating publicity for the rice industry and directly interacting with people who will think rice the next time they are at the grocery store.

Social media often has a polarizing effect on people. Admittedly, I've gone to dinner with friends where everyone is posting Instagram pictures of their meal and tweeting about the trendy restaurant we are at, but we are ignoring each other and singularly focused on our phones. If you look around the restaurant, you would be surprised at how many people of all ages are doing the exact same thing.

Is this the downfall of civilization? Perhaps. But the tweeters and instagrammers have also unwittingly joined a promotional campaign. Without intending to, these people are generating publicity for that restaurant, the prepared dish, and the ingredients of the meal—hopefully rice! This is part of the value and power of harnessed social media, and it's something I'm here to help do for the rice industry.

You might not care for the effect social media has on people, but there is no denying its influence. That might not be great news for your dinner party, but it can be great news for our industry if we use it right. ■

Colleen Klemczewski is USA Rice's Social Media and Domestic Promotions Coordinator and through her various work and personal accounts she can reach thousands of people at any time of the day or night!

DEVELOPING A STRONG BASE OF YOUNG LEADERS FOR THE U.S. RICE INDUSTRY

BY CHUCK WILSON



STUTT GART, AR – 'Leadership development' is defined as the strategic investment in, and utilization of, the productive skills and technical knowledge embodied in an organization. Arguably, the most important resource that the rice industry has is not a natural environment conducive to rice production, or even valuable knowledge gained through scientific research, rather it is the people that provide the skills and technical knowledge required to maintain a viable industry.

It makes sense then to identify young industry participants, make-a-difference people, who are committed to growth, and develop their leadership skills to ultimately offer value to the entire industry.

The mission of identifying and developing rice industry leaders is conducted through The Rice Foundation's Rice Leadership Development Program, which is graciously funded by grants from John Deere Company, American Commodity Company, and RiceTec, Inc. The program is developed and managed by the USA Rice Federation on behalf of The Rice Foundation, and as the Director of the Foundation, I implement the program.

Industry participants with potential for leadership are selected by a special committee of rice industry and agribusiness leaders that evaluates applications and letters of recommendation, and conducts personal interviews with finalists to determine the five rice producers and two individuals from rice-industry-related professions who will make up the Rice Leadership Development Class.

To be eligible, applicants must demonstrate leadership potential, derive their primary livelihood as rice producers or from a rice-industry-related profession, and be 25 to 45 years old at time of application. Additionally, they must obtain employer approval prior to applying; if self-employed, agree to devote time away from their operations as required, agree to attend all scheduled sessions, and agree to complete all reports and evaluations as required.

Once class participants are selected, the program is designed to give future leaders a comprehensive understanding of the rice industry, with an emphasis on personal development and communication skills. The class attends four one-week sessions over a two-year period that encompasses studies of all aspects of the rice industry through firsthand observations. They also attend workshops designed to strengthen leadership skills.

Session one is typically conducted in late March or early April in the gulf coast rice growing regions of Louisiana and Texas. Session two is generally in late June in Arkansas and Mississippi, with a trip to the Chicago Board of Trade and to John Deere's World Headquarters and Harvester Factory in Moline, Illinois. During September of the second year of the class, participants travel to California. The final session is held in our nation's capital in conjunction with the annual USA Rice Federation Government Affairs Conference.

The sessions expose participants to a wide variety of valuable experiences, examining industry organizational structures, rice production, milling, research, promotion, harvesting, conservation, marketing, regulatory and governmental agency meetings, and many other first hand learning opportunities. Participants also receive training to improve communication skills, business etiquette, public speaking, and media training.

After two years of intensive preparation, thousands of miles traveled, and thousands of dollars invested in development, the seven rice industry



graduates are expected to put their freshly honed leadership skills to work to ensure they help develop, deliver, and sustain the rice message.

The Rice Foundation Leadership Development program has been wildly successful at equipping volunteer leaders with skills to serve the rice industry. All four major USA Rice organizations (USA Rice Council, USA Rice Producers' Group, USA Rice Merchants' Association, and USA Rice Millers' Association), and The Rice Foundation have been chaired by alumni, as well as numerous boards and committees that are part of the USA Rice governance structure.

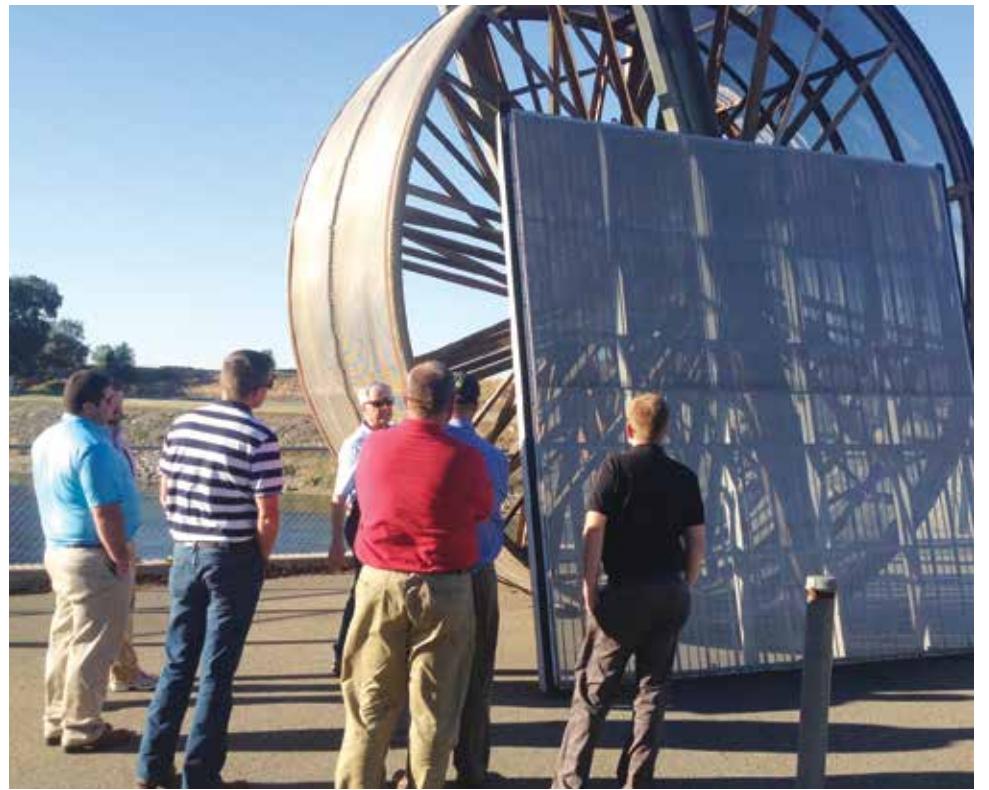
"The Rice Leadership Program has taught me that by assembling different backgrounds, philosophies, ideals and goals, we can find answers to challenges much faster. That is why the rice industry is where it is today," says Charley Mathews, Jr., a rice producer from Marysville, California, vice chairman of The Rice Foundation, and member of the Leadership Class of 1993.

A one-week international session has been added for graduates of the program who have, since graduation, applied their leadership skills to industry service. Sessions have taken place in South America, Japan, South Korea, and most recently, China.

"The Rice Leadership Development Program helped me realize the importance of each segment of the industry in keeping it vibrant and successful," says Jennifer James a rice producer from Newport, Arkansas, chairman of the USA Rice Sustainability Task Force, and member of the Class of 1997. "The contacts and friendships I have developed through the program have proved to be invaluable."

I strongly encourage young rice industry participants with an interest in contributing to the overall long-term success of this valuable industry to consider applying for the Rice Foundation Leadership Development program. For more information you can contact the Rice Foundation at 870-673-7541, email me at cwilson@usarice.com, or find us on the web at www.usarice.com. ■

Chuck Wilson is from DeWitt, Arkansas and he holds the rice industry very dear.



Leadership Class members learn the intricacies of the Glenn Colusa Irrigation District during the class session in California this year.

WHY MEMBERSHIP MATTERS

BY AMY DOANE

ARLINGTON, VA –The USA Rice Federation says it's "the global advocate for the U.S. rice industry," and while that's accurate, let's get personal and talk about why your active engagement in the group is important.

There are a host of reasons someone in the rice industry should be involved with USA Rice: connecting with other industry leaders, providing guidance on industry priorities, gaining access to data and information, and attending educational conferences are just a few. But perhaps the best reason is that USA Rice is the united voice for our industry and through our union comes strength.

From farm to table, all aspects of the industry are represented here. Growers, millers, merchants, and end users work together to provide the best solutions for the entire industry.

"Before getting involved with the Rice Leadership Program, my primary concern was my farm," says Joel Stevens, a member of the 2013 Rice Leadership Program and rice producer in Monticello, AR. "Now, I see the responsibility each grower has for the industry as a whole. I have a greater appreciation for trade, conservation, and policy efforts and can see the benefits of membership paying off tenfold."

Stevens is not alone.

"Getting involved definitely takes time away from the farm and my family, but at the end of the day, it is a sacrifice that pays off," says Nicole Montna Van Vleck, a producer in Yuba City, CA, who has been in the rice business most of her life, and currently serves as vice chairman of the USA Rice Producers' Group. "I can easily say that my active participation has made me a better rice producer. I am proud of the work USA Rice does for the industry and feel my contributions to those efforts help make a difference."

STEP RIGHT UP

USA Rice is the only national group representing the rice industry that brings growers, millers, and merchants together. We're one of the few agricultural organizations to take this critical step. And while this "big tent" approach is daunting to

some, for USA Rice it's the only way that makes sense.

"As a grower, the time I spend in meetings and at networking events with millers and merchants as a result of my involvement in USA Rice has been truly eye-opening," says Blake Gerard, a rice grower from Cape Girardeau, MO and vice chairman of USA Rice's Communications Committee. "Isn't there a lesson about walking in another person's shoes? My interaction with folks involved in other aspects of the industry helps me understand and appreciate the different challenges they face doing their jobs."

A united industry is also one that, frankly, wields more influence in Washington. Lawmakers and policymakers know that when they hear from USA Rice, they are hearing from a broad coalition within our industry which is why they seek us out – as they frequently do on trade and regulatory issues, and during the last Farm Bill, for example.

FOR THE GREATER GOOD

From talking to members – whether growers in the Delta, millers in California, or end users in the northeast – there is a certain intangible value in being a member of an organization like USA Rice.

"I feel great satisfaction knowing that I'm volunteering my time to help not just me and my operation, but my entire industry, for future generations, here in Louisiana, but also in Mississippi, California, Texas, Arkansas, and Missouri," says Louisiana rice grower and USA Rice Federation Board Member Jackie Loewer. "I've learned an awful lot in this business over the last 30 years, and I enjoy the opportunity to share what I know. Working with USA Rice is a way we can do that – help our own businesses, but also give back to the industry to which we've dedicated our lives."

USA Rice, like all member-driven organizations, is here to serve the members and the industry. That we represent every segment of the industry makes us exponentially more effective. I hope you agree, see the value in your membership, and continue to stay involved. And if you're not actively engaged in USA Rice, there's no time like the present. ■



"I can easily say that my active participation has made me a better rice producer. I am proud of the work USA Rice does for the industry.."

— Nicole Montna Van Vleck,
Rice producer, Yuba City, CA
(Pictured above with Congressman
John Garamendi (D-CA))

Amy Doane is originally from Kansas and she likes nothing more than getting out on the road to meet with USA Rice members, present and future. You can reach Amy at adoane@usarice.com.

MEXICAN MARKET UNDER SIEGE:

USA RICE MEETING CHALLENGES HEAD-ON IN TOP DESTINATION FOR U.S. RICE

BY SARAH MORAN

Arlington, VA — For the majority of the past two decades, Mexico has been the number one export market for U.S. rice. Nearly a quarter of U.S. rice exports end up on our southern neighbor's plates. Over the past few years, however, we've seen a dramatic change in Mexico's rice market.

In addition to Mexico's imports trending more towards milled rice, they have been diversifying origins in that market. In 2010, milled rice imports constituted seven percent of Mexico's rice imports. By 2012, it increased to 15 percent, and through the first nine months of 2014 it had increased to 34 percent. At the same time, U.S. market share of those milled imports has been eroding, first by good quality rice from Uruguay, and more recently by cheaper rice from Asia.

Mexico remains the top destination for U.S. paddy rice, taking nearly 50 percent of all U.S. rough rice exports, but with the Mexican milled market expanding, rough rice is, of course, impacted.

The U.S. had been the only market able to export paddy rice to Mexico, but recently Brazil secured a phytosanitary protocol for paddy rice, although no exports have occurred as of our publication date. In the first nine months of 2014, the paddy rice exports reduced 27 percent to 423,000 MT compared to 2013.

US, NOT THEM

The U.S. has had beneficial trade relations with Mexico because of the NAFTA agreement, logistical advantages, trade support, favorable financing, joint venturing, high quality rice, and competitive pricing. However, in 2008, Mexico eliminated tariffs on rice from all origins, significantly eroding a trade advantage we enjoyed.

With the ability of the Mexican buyer to source milled rice from anywhere in the world, the U.S. rice



DID YOU KNOW: Rice and beans is not a staple Mexican dish. In fact, Mexicans do not eat much rice — about 15lb/ person — less than the average American!

DID YOU KNOW: The U.S.-Mexico border is the most frequently crossed international border in the world.



Authentic American Rice logo



LEFT AND FACING PAGE: Rice sales increase as much as 150 percent following in-store demonstrations like this one in a Mexico City grocery store.

industry needs to be very aggressive and rebuild this essentially new market.

This means that we cannot rely on what worked in the past to secure our future. Promotional activities will surely play a role in maintaining U.S. market share, but a shift is required to U.S. origin specific promotions.

MAKING U.S. RICE STAND OUT

To accomplish this new goal, USA Rice has created an American origin logo (pictured) that we are using in the consumer market and with the trade. Additionally, during all USA Rice promotional activities, we stress a food safety message that we know resonates with consumers.

The U.S. has one of the strongest and most reliable food safety systems in the world; there are federal, state, and local regulations that ensure U.S. rice is safe. Mexican consumers have faith in American rice farmers and rice, and we need to constantly remind them of our reliability.

USA Rice meets regularly with the trade and end users to ensure promotional activities are effective and beneficial, and to seek their guidance on ways to enhance the U.S. presence in the market.

USA Rice promotional activities run the gamut from in-store demonstrations, where we teach consumers how to cook rice dishes and encourage them to purchase U.S. origin rice, to student chef competitions, encouraging future chefs to include more rice dishes in their menus.

By year's end, USA Rice will have conducted over 100 in-store demonstrations at grocery stores throughout Mexico, and more than 60 student chef seminars/competitions throughout the country. Additional activities include trade shows, consumer cook-offs, rice festivals, recipe books, and media placements.

This year, USA Rice commenced restaurant promotions with two restaurant chains: Sanborns (with 200 casual restaurants) and Grupo Los Canarios (10 upscale restaurants). The restaurants included the American origin and USA Rice Federation logos on their menus and offered rice dishes sourced from U.S. origin rice.

WORKING THE MILLED MARKET TOO

We are coordinating activities with Mexican millers, wholesalers, packers, and importers of milled rice with a focus on identifying U.S. origin. Only by taking an active approach to Mexico's changing rice environment will we be successful in retaining the dominant U.S. market share.

A BRIGHT FUTURE

Promoting U.S. origin rice requires the consumer to understand the differences between origins and then develop a preference and purchasing habit for U.S. origin. The numerous promotional activities USA Rice conducts in Mexico help educate various audiences about the health, food safety, and quality benefits of choosing U.S. rice. In the past when U.S. rice held 99 percent of Mexico's import market, a generic promotional program benefitted the U.S. rice industry. Now that our market share has decreased over the past several years, tactics need to change and origin must be stressed so that the U.S. rice industry continues to benefit from USA Rice marketing activities. USA Rice will continue to conduct a dynamic marketing campaign in Mexico, adjusting to changing realities as they arise. 

Sarah Moran covers the Western Hemisphere for USA Rice. She and her husband welcomed their first child, Jack, in November.



ABOVE: USA Rice contractors Marvin Lehrer (l.) and Gaby Carbajal brief Mexico's new Agricultural Trade Office Director Joe Lopez (r.) on promotion activities for U.S. rice in the Mexico market. Lopez came away impressed and said he looked forward to supporting our efforts.

A COMEBACK, FINALLY, FOR U.S. RICE IN EUROPE

BY MICHAEL KLEIN

ARLINGTON, VA – Between 2000 and 2005, the United States averaged exports of 270,000 metric tons of long grain rice to the European Union annually. That amount dropped suddenly and rapidly after the LibertyLink® contamination was announced in August 2006; consumer rejection in Europe to genetically modified foods and EU regulations made it almost impossible to sell long grain U.S. rice. Europe was, for all intents and purposes, lost to the United States as a market.

Eight years later, prospects are finally turning our way for a resumption of sales in the United Kingdom.

A USA Rice delegation traveled to the U.K. in mid-October and met with selected wholesalers that sell identified U.S.-grown rice, held discussions with a major U.K. retailer about the re-introduction of U.S. rice into this important market segment, and visited local Chinese retail and wholesale chains that offer several identified U.S. rice brands to the Chinese community, the most loyal consumer base for U.S. rice in the U.K.

The team also met with four major U.K. rice importers and millers, stressing the increased competitiveness of U.S. rice and expected high quality of the 2014 U.S. rice crop.

“The U.K. has been an important market for U.S.-grown rice, and I’m optimistic that it will be again, but we need to demonstrate our commitment to the market

by ramping up our promotion with key trading partners, industrial users of rice, and others,” says Betsy Ward, USA Rice’s president and CEO, who accompanied the delegation.

The USA Rice team also took advantage of a biannual Rice Symposium in London sponsored by the U.K. Rice Association, where Ward gave a detailed presentation on the U.S. rice crop situation, including the assurance that GMOs have been successfully eliminated from the U.S. supply, and that the newly passed Five Year Farm Bill will provide grower, and supply, stability. USA Rice’s Chief Operating Officer Bob Cummings followed with a presentation on government subsidies and their effect on the world rice market.

“We have demand again in Europe for U.S. long grain, and we’re refocusing our promotion activities in those markets where we can support our exports,” says Cummings. “The successful removal of the LibertyLink trait from the commercial supply by U.S. rice farmers and millers, a positive attitude towards U.S. rice by the ethnic market in the U.K., and this year’s high quality, competitive supply of U.S. rice means we have a good shot to get back into this market in a meaningful way.” 

Michael Klein created the legendary Raider Rice Bowl for the concession stand at his daughter’s high school in Falls Church, Virginia.

DOMESTIC PROMOTION

MAINTAINING HEALTH CREDIT FOR RICE

BY KATIE MAHER

BETHESDA, MD – The *Dietary Guidelines for Americans* (DGA) looms large in USA Rice’s domestic marketing program because it serves as our nation’s main nutrition policy and can have a major impact on food purchasing decisions.

Every five years, the U.S. Department of Agriculture (USDA) and Health and Human Services (HHS) appoint a panel of leading nutrition experts, known as the Dietary Guidelines Advisory Committee (DGAC), to update the DGA based on the latest scientific nutrition findings. The DGAC will send recommendations to USDA and HHS by the end of the year and a new DGA will be released in 2015.

“Our goal is to maintain the gains we’ve made for brown rice and to ensure the nutritional benefits of enriched white rice are recognized,” says Fred Zaunbrecher, Louisiana rice producer and chairman of the USA Rice Domestic Promotion Committee. “The DGA influences Americans whether they realize it or not, so it’s very important that rice is included.”

Zaunbrecher says the benefits of rice are communicated to the DGAC in several ways.

USA Rice submitted a letter to the DGAC detailing research that confirms the role of enriched white rice and whole grain rice as part of a healthy, balanced diet. USA Rice also submitted the rice industry’s sustainability studies showing that U.S. rice farmers

CONTINUES NEXT COLUMN >>



“Scientific research drives nutrition policy development which can influence consumer purchasing patterns...”

— Fred Zaunbrecher, Louisiana rice producer, chairman of the USA Rice Domestic Promotion Committee, and USA Rice Council chairman

SAVE THE DATE

2015 USA RICE
OUTLOOK CONFERENCE



NEW ORLEANS, LOUISIANA

DEC 9 - 11, 2015

NUTRITION POLICY CREATES SALES OPPORTUNITIES FOR RICE

BY KATIE MAHER

WASHINGTON, DC — Whether you realize it or not, as a consumer, you come in contact with government nutrition programs and policies on a daily basis, which is why the USA Rice Federation devotes resources to these important policies.

Think about the Nutrition Facts Label on packaged foods, or perhaps you've noticed the healthier menu options at your child's school. While dining out, you may observe that chain restaurants are disclosing the calorie content of standard menu items. They are all part of our nation's food policy, and it is constantly evolving.

Remember the iconic Food Pyramid? Now it's called MyPlate and it is a visual, healthy eating guide based on the Dietary Guidelines for Americans.

Intended to inform consumers and help them make healthy dietary choices, these policies

are producing more rice with less resources, and that rice growing has a unique relationship to wetlands, habitat, and wildlife — important factors for consideration by the DGAC.

On behalf of the grain industry, Professor Joanne Slavin, RD, PhD, of the University of Minnesota, testified at a public hearing here of the DGAC emphasizing the nutritional value of grain foods.

Grain groups endorsed maintaining the current DGA recommendation encouraging Americans to consume at least half of all grains as whole grains. Because Americans have yet to achieve the current DGA recommendation for grains, the recommendation's goal is still valid and vital, Slavin says. She also asked the committee to recognize the valuable role of enriched grains in a healthy diet, a key component of which is fortification with folic acid.

"Scientific research drives nutrition policy development which can influence consumer purchasing patterns," says Zaunbrecher. "So submitting rice nutrition studies and participating in the DGA updating process helps to secure a place for U.S.-grown rice on the American plate." 

eventually result in catchy slogans that are drilled into our heads, like "Eat 5 a Day" (fruits and vegetables), or "Make Half Your Grains Whole."

It's this last one that USA Rice leans on as it proclaims the health benefits of rice to target audiences. And it certainly helps secure a spot for brown rice on school menus around the country as menu planners work to meet nutrition standards.

USA Rice accomplished this by working with many government agencies, but at the core of this and all nutrition policy work is the Dietary Guidelines Advisory Committee (DGAC).

"It's vital we as an industry conduct and fund research into the health and nutritional benefits of rice to communicate to the DGAC," says Byron Holmes, Arkansas rice producer and chairman of the USA Rice Nutrition Subcommittee. "But increasingly they are taking

a very holistic approach and looking not just at nutrition, but at sustainability as well. Luckily, rice has a great story to tell here too."

Holmes says after a commodity makes its case to DGAC, that committee makes recommendations to the U.S. Department of Health and Human Services and the U.S. Department of Agriculture that can long influence federal nutrition policy and be felt in sales figures for years to come.

"Nutrition policy absolutely trickles down to the marketplace and can impact rice usage and sales," he says. "It is our goal to ensure that the public has a positive perception of U.S.-grown rice as a healthy, delicious, safe, and sustainable food they can feel good about eating and feeding to their families. That's why we're engaged on nutrition policies at every level." 

Katie Maher is all things domestic promotion for the U.S. rice industry and you can reach her at kmaher@usarice.com.



USA RICE ENLISTS REGISTERED DIETITIANS TO AMPLIFY THE RICE MESSAGE

BY KATIE MAHER

ARLINGTON, VA — USA Rice communicates the benefits of U.S.-grown rice to influencers, like registered dietitians (RDs), because they are a credible, third-party source of nutrition advice for consumers. In fact, research shows that RDs influence the purchasing decisions of nearly one million consumers every day.

"USA Rice is an active member of the MyPlate National Strategic Partnership because it helps promote and extend the positive messaging of U.S.-grown rice as a part of a healthy diet," says Byron

Holmes, Arkansas rice producer and chairman of the USA Rice Nutrition Subcommittee. "Nearly seventy-five percent of RDs use MyPlate and the *Dietary Guidelines for Americans* in their nutrition recommendations, so we know our efforts are in the right place."

USA Rice joined with other MyPlate partners to develop the *Meeting Your MyPlate Goals on a Budget* toolkit for consumers and RDs. The toolkit was posted on the U.S. Department of Agriculture's website in July and with more than three million downloads, it is by far the most popular MyPlate tool available.

RD Christine Palumbo spreads the word at this year's FNCE show in Atlanta.

CONTINUED ON PAGE 10



DIETITIANS FROM PAGE 9

Another avenue to reaching the RD audience is the Academy of Nutrition & Dietetics annual conference (FNCE), which attracts thousands of RDs and health professionals from across the country. Each year, USA Rice sponsors a booth to distribute new rice nutrition research and materials for RDs to use with patients.

“The dietitians are already huge proponents of brown rice, but they are even more enthusiastic to learn that rice is grown right here in the U.S. so they can recommend a safe and nutritious food while also reducing food miles,” says Christine Palumbo, well-known registered dietitian and author. “Conversations with this group also help keep USA Rice current because they let us know the type of information they need when working with select audiences like diabetic or gluten-intolerant patients.”

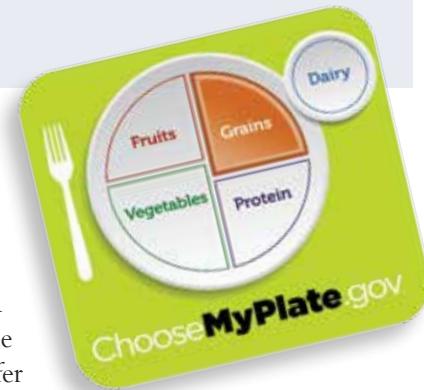
RDs are now making their way into grocery stores. One-third of supermarkets have a registered dietitian on-site and 86 percent employ registered dietitians at a corporate level. The growing need to help shoppers with food and nutrition issues places supermarket RDs in a unique position to impact public health, while at the same time supporting the business of food retail.

As an extension of the outreach to health professionals, USA Rice developed a toolkit specifically for SRDs to use with consumers during September National Rice Month (NRM). The toolkit was downloaded 5,000 times and eight retail chains used the materials in their consumer outreach during NRM.

“Retail dietitians are an important group to target because of their growing number and ability to directly influence

consumer purchases,” says Paul Galvani, USA Rice Retail Subcommittee chairman. “They offer product recommendations, recipe ideas, and educational seminars on health-related topics as well as provide healthy eating tips on social media channels and appear in local media and at community events.”

“As food and nutrition experts, RDs translate nutrition science into simple, practical advice that resonates with consumers,” says Holmes. “Our continued work with these powerful partners helps to extend our reach and keep rice top-of-mind.” 



NATIONAL RICE MONTH

SEPTEMBER 2014

CLOCKWISE FROM UPPER RIGHT: Arkansas rice industry food bank donation, cooking demonstration in New Jersey, nationwide supermarket sushi promotion, Louisiana food bank donation, and Missouri students learning about the rice grown in their state.



CONGRESS REQUESTS STUDY OF GLOBAL RICE MARKETS

BY MICHAEL KLEIN

WASHINGTON, DC — Tariffs and non-tariff barriers to trade are an unfortunate part of the global economy, and with rice as one of the most broadly-consumed, and widely-traded staples around the world, it's no wonder that the U.S. rice industry often cries foul.

"The deeper I look into this, the more I find myself not competing with rice farmers in other countries grower-to-grower, but rather as a single grower against an entire system, engineered from top to bottom against the interest of the U.S. farmer," says Michael Rue, a California grower and vice chairman of the USA Rice International Trade Policy Committee.

But crying foul and proving foul are two different things.

Enter rice industry ally and member of the House Ways & Means Committee, Congressman Charles Boustany (R-LA).

"We worked very closely with Congressman Boustany and his staff to demonstrate the competitive disadvantage the U.S. rice industry faces on the world stage," reports USA Rice Chief Operating Officer Bob Cummings. "We showed them lots of data we had gathered over the years, and then we all agreed: we needed to take things up a notch."

Boustany looked to the U.S. International Trade Commission (ITC), an independent, quasi-judicial Federal agency with broad investigative responsibilities on matters of trade, to take up the issue.

In June, Ways & Means Committee Chairman Dave Camp (R-MI), at the request of Boustany, sent a formal request to the ITC for a study of the various factors and policies affecting the global competitiveness of the U.S. rice industry. The study is known as a Section 332 investigation and culminates in a report to Congress.

"The broad study will include information on the rice industry in the U.S. and in major producing and exporting countries, such as China, India, Thailand, Vietnam, Uruguay, and Brazil," explains Cummings. "It will likely contain a comparison of the competitive strengths and weaknesses of rice production and exports in the U.S. and other major exporting countries, covering production costs, pricing and marketing regimes, and government policies and programs."

Cummings says USA Rice staff has met several times with ITC investigators, offered testimony, and helped connect industry leaders with investigators.

"The more information we can provide, the more thorough the final report will be," he says. "And this report will inform a lot of policy decisions going forward, for the industry, for Congress, and for the Administration."

The final ITC report is expected to be delivered to Congress by June 2015. 

Michael Rue (far right) meets with a contingent of investigators and economists from the U.S. International Trade Commission in the USA Rice offices.



U.S. RICE MAKES TAKE-OUT



Greek-Style Rice Salad Wrap

ALWAYS WORTH COMING BACK FOR.

Busy consumers are getting more to-go foods than ever before. Meals made with U.S.-grown rice look and taste sensational no matter how far they travel. That's why 94% of chefs say rice is perfect for take-out. And why your customers won't stop once. They'll come back for more.

For inspiring recipes and menu ideas visit:

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THE MAKING OF A RICE EXPORT VICTORY: IRAQ 2014

BY MICHAEL KLEIN

ARLINGTON, VA – The south saw a much publicized Iraqi tender in November – 120,000 metric tons of long grain. A sale of that size is certainly impactful and will be noticed, and USA Rice played a major role in making it happen.

MARKET BACKGROUND

Rice has always been a staple in this country of 33 million, and Iraqi citizens have stated a preference for the taste and texture of U.S. rice. At one time Iraq was a major destination for U.S. rice until trade was disrupted by sanctions and wars. The market rebounded in the mid-2000's, but trade dropped again recently because U.S. rice was not price competitive, and there were technical issues that needed to be addressed.

USA Rice has been working hard over the past two years to increase trade with Iraq.

STEP BY STEP

First up, and quite helpful, was a declaration by a third-party private laboratory that U.S. rice is GMO-free. One issue resolved.

“We knew in order to address the remaining technical issues once and for all we needed to better acquaint the Iraqi officials with U.S. rice production, processing, and shipping procedures,” says Jim Guinn, vice president of international promotion for USA Rice. And address it we did.

Earlier this year, USA Rice set up a fact-finding mission for representatives of the Iraq Grain Board (IGB), the group responsible for importing more than 1.4 million metric tons of rice annually.

ON THE ROAD

For a week this Spring, USA Rice members and staff hosted three high-ranking and influential IGB members: Mr. Hassan Ibrahim, Director General of the IGB; Laboratory Manager Mr. Ali Mensheid; and Import Manager Ms. Nuha Al-Musawi. The group toured mills and laboratories in Greenville, Mississippi; Stuttgart, Arkansas; and at an ADM export facility in Destrehan, Louisiana, as well as a large family farm in England, Arkansas.

But it was the face-to-face interactions that many think were the most valuable aspects of the tour.

“It’s important that people who can make decisions about importing Arkansas rice get the opportunity to see how it’s grown, processed, and stored here,” said then Governor Mike Beebe who attended a reception in Little Rock for the delegation. “It gives them a comfort level and assurances that we can meet their expectations, but it’s also a good cultural exchange. You get to know each other, trust each other, then maybe you can do business over the phone. It’s educational, but also a friendship building opportunity.”

“We knew the Iraqis preferred 50 kg bags as opposed to bulk rice shipments, and it was during the tour of the Mississippi facility we learned why,” Guinn says. “They were worried about contamination, which was likely coming from rust and dirt on the ships’ hatches, so we agreed to more thorough inspections.”

Guinn said chalk and kernel length were also factors, but through the technical meetings the groups learned

they were measuring things differently.

“It became clear that the IGB was only looking at whole kernels to determine chalk levels,” Guinn says. “USDA procedure is to cut open suspected chalky kernels and only count them as chalky if the inside is chalky as well. The IGB said they would revisit their inspection procedures in light of their greater understanding of USDA standards for rice gained on this trip.”

MILLING EDUCATION

Parboiling also opened the delegation’s eyes.

“The American parboiled rice was amazing,” said Ibrahim, the head of the delegation, after tours at Riceland and Producers Rice Mill in Stuttgart. “I think there is a chance to open the market to American parboiled rice because we need rice with low chalkiness and the parboiled is one of the solutions.”

Guinn also said the IGB agreed to review their broken percentage requirements in view of the fact that there would be little impact on consumers to go from a maximum of 3-4 percent broken to a 5 percent maximum.

WORLD CLASS OPERATIONS

Overall, the delegation seemed impressed with what they saw.

“We saw very good technical production facilities, a very clean bulk loading facility, and a mill laboratory with very good procedures,” said Ibrahim. “They are using good machinery on the farm and this visit gives me the confidence that American rice is able to meet our specifications.”

“Rice is a principle food for the Iraqi people and they always ask for American origin,” said Ms. Al-Musawi. “We hope once the technical issues are resolved we can import American rice at the levels we had in the past.”

“I think this visit is very important for the Grain Board of Iraq to open the market widely to American rice,” Ibrahim said in a television interview during the trip.

“The delegation was very positive about the potential





Last spring, USA Rice hosted a delegation from the Iraq Grain Board (IGB) on a comprehensive tour of rice locations in the Delta. The weeklong tour included stops at a loading facility in Greenville, MS (above left); mills and laboratories in Stuttgart, AR (left); a family farm in England, AR (above right), and an ADM export facility in Destrehan, LA.

pay close to \$2 million more for the almost 150,000 metric tons of rice they purchased from South America.

USA RICE CAME OUT SWINGING

“The results made no sense,” says Betsy Ward, president and CEO of USA Rice. “The U.S. is price competitive, the quality is excellent, the logistics are perfect, so why would the IGB want to pay significantly more than they have to?”

PRESSURE POINTS

USA Rice’s advocacy machine switched into high gear, and given that there was an Iraqi tender about to close, the clock was ticking.

Within hours of learning of the failed sale on November 6, Ward says USA Rice had placed several media stories blasting the Iraqi decision, set up meetings with high ranking officials at the USDA, communicated with U.S. officials in Baghdad, and reached out to allies in Congress to get them primed for a fight.

That morning USDA had announced a new Deputy Undersecretary for Farm and Foreign Agriculture Service (FFAS), Alexis Taylor. USA Rice’s vice president of government affairs Ben Mosely arranged a meeting with her that afternoon.

“I was there talking with her about the situation basically before she had unpacked,” Mosely jokes. “I said, ‘I know you’re just getting started, but we need your help now.’”

Taylor jumped right in. She briefed Undersecretary of Agriculture Michael Scuse and together they put pressure on the State Department to talk with the Iraqis to find out what had gone wrong with the earlier tender.

THE DELTA DELEGATION WEIGHS IN

USA Rice turned to elected officials for help as well. Senator Mary Landrieu (D-LA) sent a strong letter to Secretary of State John Kerry asking for his help on behalf of Louisiana’s rice farmers, but then she went further.

She picked up the phone and personally called the U.S. Ambassador to Iraq, Stuart Jones, who then held a face-to-face meeting with the Iraqi Minister of Trade.

As the window on the tender was closing, Senator John Boozman (R-AR) and Congressman Rick Crawford (R-AR) sent Kerry their own joint letter urging action. So did Louisiana Agriculture Commissioner Mike Strain.

SUCCESS

On November 20th, the sale was confirmed. While the tender was officially for 30,000 metric tons, the U.S. rice industry was awarded 120,000.

Ward knows the success came at a very opportune time for the industry, and that there were many to thank.

“We were like the chorus director, but there were a lot of voices in the choir,” she says. “Ambassador Jones, Undersecretary Scuse, Administrator Taylor, Senators Boozman and Landrieu, Congressman Crawford, Commissioner Strain, and dozens of staffers made this happen.”

Ward says the industry is grateful to be back in business with Iraq, and with such a large high quality crop, there’s more rice to sell if the Iraqis will keep on the current course. The task at hand now, she says, is to build on this success. 

“THE U.S. IS PRICE COMPETITIVE, THE QUALITY IS EXCELLENT, THE LOGISTICS ARE PERFECT, SO WHY WOULD THE IGB WANT TO PAY SIGNIFICANTLY MORE THAN THEY HAVE TO?”

— Betsy Ward, President and CEO of USA Rice

for increasing U.S. rice imports into Iraq in the coming months and years,” says Hartwig Schmidt, USA Rice’s regional director of international market development, who accompanied the delegation. “Given the technical understandings we’ve jointly identified, along with some of the new marketing initiatives we’re developing in concert with the IGB to establish a U.S. ‘brand,’ I think we have a good outlook in Iraq.”

IMMEDIATE DIVIDENDS

Less than three weeks later, in the first rice tender following the trip, the U.S. was awarded 30,000 metric tons, bringing the August 2013 to July 2014 total exports to 131,000 metric tons. The trip seemed to have filled the sails of the U.S. rice industry, and U.S. exporters were feeling good as they headed into the next Iraqi tender in early November.

But stormy seas were ahead.

PASSED OVER

The U.S., with its large and high quality crop, was starting to get price competitive again, and as was learned later, supplied bids below like bids from Uruguay and Brazil for the next tender.

Inexplicable, the U.S. was shut out, and U.S. rice farmers were left scratching their heads as the IGB opted to

2014 ELECTION ANALYSIS

BY BEN MOSELY

THE MIDTERM ELECTIONS brought a lot of change, but in many respects things are still the same. We still have a divided government. We will still have opportunities. And we will face more than our share of challenges.

With the election results, changes will come to the House and Senate Agriculture Committees as well as other congressional panels of interest to agriculture.

Rep. Mike Conaway (R-TX) will be the next Chairman of the House Agriculture Committee, with Chairman Frank Lucas (R-OK) term-limited at the end of the year. Rep. Collin Peterson (D-MN) will remain the Ranking Member. Like Lucas, Reps. Conaway and Peterson are strong friends of America's rice industry. There are at least four vacancies to be filled on the committee as well due to Democratic retirements or defeats.

Senator Pat Roberts (R-KS) will become the new Chairman of the Senate Agriculture Committee, with Senator Thad Cochran (R-MS) moving to take the helm of the Appropriations Committee. Senator Debbie Stabenow (D-MI) intends to serve as Ranking Member. Stabenow and Cochran worked hard to complete the Farm Bill and Senator Roberts has vowed to protect the new law from being reopened. There are also at least four vacancies on the Committee, including the seat held by Senator Saxby Chambliss (R-GA), a longtime friend of rice who is retiring.

Senator Roy Blunt (R-MO) is in line to chair the Senate Agriculture Appropriations Subcommittee, although the rice industry lost another strong friend and ally in the Senate after the panel's current Chairman, Sen. Mark Pryor, was not reelected. The top Democrat on the

Subcommittee to replace Pryor had not been determined as of press time.

Rep. Robert Aderholt (R-AL) and Rep. Sam Farr (D-CA) will remain in their leadership posts on the House Agriculture Appropriations Subcommittee.

With the Farm Bill in place through 2018, the Agriculture Committees are expected to work on reauthorization of the Commodities Exchange Act as well as a child nutrition and school lunch bill. The committees are also expected to engage in oversight of USDA programs and Farm Bill implementation.

While not under the jurisdiction of the Agriculture Committees, both panels will likely weigh in on regulatory relief measures, including the blocking of EPA's Waters of the U.S. and climate change regulations, and the advancement of trade promotion authority and new trade agreements.

While farm policy contributed significantly to deficit reduction during the Farm Bill that does not necessarily take the target off our back. Critics of farm policy who offered harmful amendments during the Farm Bill, some that were only narrowly defeated, are expected to continue their assault on agriculture and rural America. America was once a nation of farmers, with nearly 95 percent of the population participating in the farm economy. Today, less than 2 percent of the population is involved in agriculture. Most families are generations away from the farm and have no concept of the many challenges facing production agriculture today. With misperceptions instigated by radical environmental and other groups, it is vitally important that we educate our

BELOW: Missouri rice producers Blake Gerard (l.) and Rance Daniels (r.) visited with Senator Roy Blunt (R-MO) during USA Rice's annual Government Affairs Conference in Washington, DC last February.



representatives and the public about current production practices and the benefits of rice consumption.

Fortunately, we have allies in Congress who worked to pass the new Farm Bill. They will also lead us in confronting challenges presented by the new Congress. USA Rice will continue to stand by their side. The USA Rice PAC contributed to 83 races during the 2014 midterm election cycle. Overall, ninety-four percent of USA Rice-backed candidates won their elections. In Senate races, five of seven USA Rice-supported candidates were victorious and in House races, 73 of 77 USA Rice-supported candidates won. [W.G.](#)

Ben Mosely is the vice president of government affairs for USA Rice and can be reached at bmosely@usarice.com.



LEFT: Texas producer Daniel Bergland (r.) presents Representative Mike Conaway (R-TX) with a 'Friend of the U.S. Rice Industry' award. Conaway is the new chairman of the House Agriculture Committee.



DUCKS AND RICE FORGE LASTING, LONG-TERM SUSTAINABILITY PARTNERSHIP

BY DEBORAH WILLENBORG

WASHINGTON, DC – On October 1st, the USA Rice Federation and Ducks Unlimited submitted their first national Regional Conservation Partnership Program (RCPP) proposal outlining the planning, design, and installation of conservation practices on working rice lands. RCPP approval is scheduled to be announced by year's end.

Funding for the \$33.7 million effort includes \$20 million from the National Resource Conservation Service (NRCS) and \$13.7 million in matching funds, both cash and in-kind, from USA Rice-DU Stewardship Partnership members.

"The participation both from companies and organizations that are part of the rice production supply chain and end users was significant," says USA Rice President and CEO Betsy Ward. "We appreciate the support of the 44 contributors to this effort and also want to thank those folks who worked tirelessly to put the RCPP proposal together."

The Regional Conservation Partnership Program, created in the 2014 Farm Bill, is a new conservation program under which qualified organizations may develop proposals that pair private contributions with existing federal conservation dollars and programs to create new conservation opportunities.

The USA Rice-DU plan is a unique, two-year proposal that preserves critical wildlife habitat and enhances water quality and irrigation efficiency while maintaining working rice lands on the landscape. If approved, the project will be offered in all rice producing counties in the six major rice producing states of Arkansas, California, Louisiana, Mississippi, Missouri, and Texas.

"We know what's good for rice is good for ducks and vice versa," says Jeff Durand, a Louisiana rice farmer and co-chairman of the USA Rice-DU Stewardship Partnership Committee. "But what's good for both of them, is also good for the environment as a whole. The critical habitat U.S. rice farms provide for waterfowl and other species is valued at more than \$3.5 billion to replace. And today, rice farmers are bearing about \$70 million in wetland maintenance and upkeep costs that a lot of people take for granted."

"There are many worthy conservation projects out there, but given the geographic scope of ours, and the enormous return on investment we're offering, I think our proposal stands out, which is why we believe it will ultimately be successful" says Al Montna, a California rice farmer, DU Board member, and the other co-chairman of the Stewardship Partnership Committee.

The historic stewardship partnership between USA Rice and DU was formed in 2013 so the groups could pool energy and resources and work collaboratively to conserve three

NRCS Chief Jason Weller praises USA Rice and Ducks Unlimited (DU) for their partnership while Betsy Ward, Louisiana producer and chairman of the USA Rice Producers' Group John Owen (center), and Arkansas rice farmer and DU President George Dunklin look on.



critical natural and economic resources that are common to both groups: working rice lands, water, and waterfowl.

"The RCPP is a unique opportunity for companies and organizations that are part of the rice production supply chain and end users to partner in an effort to support rice production while advancing their own sustainability initiatives," Ward says. "Companies participating with us will be able to demonstrate to their constituents their commitment to a sustainable rice industry and the environment. It's a win-win situation." 

Deborah Willenborg successfully raised a daughter, now she and her husband raise natural beef on their central Virginia farm.

What's good for RICE is good for DUCKS

Over half of North America's dabbling ducks winter in one of the following regions:

- California Central Valley
- Mississippi Alluvial Valley
- Texas and Louisiana Gulf Coast

50% of North America's dabbling ducks winter in one of the following regions.

Which overlap with virtually all of the rice lands in America

Rice farmers manage and pay for winter-flooded rice habitats providing **35%** of all food energy for dabbling ducks that winter in rice growing areas.

Water is precious to both rice and waterfowl. Limits on farmers' access to water has dramatic harmful effects on wildlife habitat.

The cost of replacing existing rice habitat with managed natural wetlands is more than **\$3.5 billion**.

That's **3.5 times** the original price tag of the North American Waterfowl Management Plan.

DUCKS UNLIMITED **USA RICE FEDERATION**

Mark Petrie. *Estimating the Biological and Economic Contributions that Rice Habitats Make in Support of North American Waterfowl Populations.* 2014.

REGULATORY OUTLOOK

BY STEVE HENSLEY

FROM THE PRODUCER PERSPECTIVE, this has been a rough year for regulations. The current administration has published a host of new or revised regulations and USA Rice has submitted comments on each (listed below).

SPRAY DRIFT GUIDANCE

The Environmental Protection Agency (EPA) has been trying to finalize controls for spray drift for over a decade. Each version has been a little harder for producers and applicators to work with than the previous version. The 2014 version was the most challenging yet, with default settings, based on decades-old data, that would create large buffers around field edges unless acceptable buffers are pre-established on each pesticide label. EPA also backtracked on a prior-approved safety edict for aerial applicators. USA Rice commented to EPA that they should look at other drift platforms that offer daily buffer requirements based on current conditions of that field, and that the default buffers would remove too much farmland from production. This guidance is still not final as many agricultural groups commented on the unworkability of the document.

WORKER PROTECTION STANDARDS

Another proposal this year would revise the Worker Protection Standards for agricultural workers. In addition to unworkable requirements for rural farm owners, such as being able to acquire medical attention for any worker within 30 minutes, or being responsible for when and how a contract aerial applicator sprays, the draft rule would add another 100-foot drift buffer around all field edges regardless of wind direction during time of spraying. This rule is not final yet due to the volume of negative comments received by the agency.

Arkansas producer Roger Pohlner (center) and Betsy Ward talk regulatory burden with Congressman Rick Crawford (R-AR)



This direct final rule was given the shortest comment period available but still received a number of negative comments from Congress, state governments, and concerned citizens, so the EPA announced the withdrawal of the rule. However, when a direct final rule is withdrawn, it can then be republished as a proposed rule with another comment period, which is exactly what happened. USA Rice submitted comments to the EPA expressing opposition to the rule during the second comment period.

CONCLUSION

Any one of these regulations can or will affect rice producers in a negative way. But the rule that could cause the most damage is WOTUS. If every rice ditch or canal needed a permit each time you cleaned it, or if every field needed a permit to level or plant it, then the rice industry would come to a halt under the combined burden of permit costs, limited permitted practices, and the time it takes government to issue permits.

“Producers need to become politically active and contact their state and federal representatives when these draft regulations appear,” said Ray Vester, an Arkansas producer and chairman of USA Rice’s Regulatory Committee. “Farmers need to stay informed on the regulations heading their way, and be aware of how we can work towards a favorable outcome. Most importantly, they need to be willing to take the time away from the farm to protect the farm. USA Rice can help with all that, but in the end, you need to be active.” 

Steve Hensley tracks regulations for USA Rice. He is rarely impressed.

WATERS OF THE U.S. (WOTUS): INTERPRETIVE RULE (IR)

This “interpretive” rule went into effect immediately with binding requirements on U.S. agriculture that, in effect, made it a regulation. Publicized by the EPA and the Army Corp of Engineers (COE) as a clarification to reduce permitting for farmers, the rule appeared to actually narrow what were considered ‘normal farming practices’ under the Clean Water Act (CWA) by requiring even innocuous farming practices, such as fencing and brush clearing, to follow Natural Resources Conservation Service (NRCS) standards or face the task of acquiring a CWA Permit for these activities. This document resulted in both the NRCS and the COE stopping the approval of some permits or activities because they didn’t understand the IR and/or were afraid of making a wrong decision. Despite being final, both agencies received so many negative comments that the issue is still in play.

WATERS OF THE U.S.: DRAFT RULE AND DEFINITIONS

The good news in this rule was that EPA and COE said that rice fields were exempt from permits. The bad news is the agencies didn’t exempt any canals, ditches, or piping that took water to and from rice fields. In addition, the fields were only exempt if exclusively used for rice farming; no exemption was made for activities such as crop rotation, bird watching, or crawfish farming. This issue is still in play.

WAGE GARNISHMENT DIRECT FINAL RULE

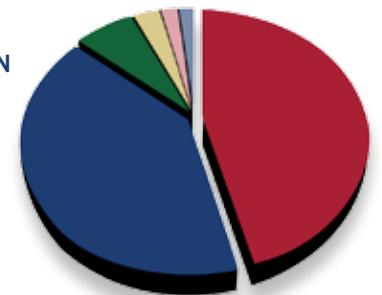
In midsummer, the EPA issued a direct final rule declaring that the agency would start to administratively garnish the wages of Americans that it considered to be environmental scofflaws. A direct final rule goes into effect immediately if no adverse public comments are received and is usually reserved for rules believed to be noncontroversial.

USA RICE FEDERATION FINANCIAL INFORMATION

FOR THE YEAR ENDED JULY 31, 2014

COMPILED BY
LINDA SIEH
USA RICE
CHIEF FINANCIAL OFFICER

Rice Council Dues	4,794,000	46%		USA RICE FEDERATION REVENUE
USDA Export Promotion Funds	4,221,900	40%		
USA Rice Millers’ Dues	720,700	7%		
Meetings and Sponsorships	316,100	3%		
USA Rice Merchants’ & USA Rice Producers’ Group Dues	208,300	2%		
All Other	189,700	2%		
Total Revenue	10,450,700	100%		



Domestic Promotion & Industry Initiatives	943,100	9%		USA RICE FEDERATION EXPENDITURES
Government Affairs	1,128,100	11%		
USA Rice Funded Export Promotion & Trade Policy	1,171,500	11%		
Management & General	1,256,700	12%		
Communications, Meetings & Member Services	1,729,400	17%		
USDA Funded Export Promotion	4,221,900	40%		
Total Expenditures	10,450,700	100%		

