

WHOLE GRAIN



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TIMES ARE TOUGH

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ADDRESS THE STRESS PAGE 18



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A Few Words About Stress

BY CHARLEY MATHEWS, JR.

THERE'S SO MUCH IN THE WORLD we can't control I think it's natural for us as human beings to look for routines to offer us comfort - even subconsciously. It may be starting your day with your favorite coffee mug, or which boot you take off first at the end of the day, it could be where you watch the sunrise, or a favorite song you listen to during your day.

Whether you realize it or not, by doing these tiny rituals you're introducing some order, some control, into your day. And it's very important because stress is actually linked to the six leading causes of death in Americans. They are heart disease, cancer, lung ailments, accidents, cirrhosis of the liver, and lastly, suicide.

And while just about everyone feels stress, many studies show that farmers are among the most affected, and often times in communities that are underserved from a medical stand point to deal with it.

So what about it? What can USA Rice do? What can we do as individuals? Well the answer is, we can do quite a lot. And I think one of the most important things we can do is talk about it.

Not talking about a problem doesn't make it go away. It just means we're not talking about it. And that can actually be pretty harmful in the long run. And we'll be talking about the dangers of stress a lot - in the USA Rice Daily, here in this issue, at the 2019 USA Rice Outlook Conference, and in our communities.

So I encourage you to do three things.

First, read Lesley Dixon's article about stress on page 18. Second, mark your calendar to attend this year's Outlook Conference with a keynote address from Dr. Shimi Kang about the importance of play in our daily lives. And third, I'd like you to reach out to a neighbor, friend, colleague, employee, or someone who looks like they may need a kind word. Ask how they are doing. And listen to the answer. Let them know you were thinking about them and that you care how they are doing. And that if they ever want to talk about things - you'll do your best to make yourself available.



A family road trip is a great way to take a mental and physical break from the day-to-day pressure of farming. California rice farmer and USA Rice Chairman Charley Mathews, Jr. (right) visits Cal Poly San Luis Obispo with his son, Adam, on a recent college tour.

And if you are that person who could use a kind word, who feels like life is out of control and that you need a hand, or an ear - don't hesitate to reach out to someone. Just say hello or ask for help. There's no shame in it at all. We're a family, and like a family, we're here for each other. wa

"I'd like you to reach out to a neighbor, friend, colleague, employee, or someone who looks like they may need a kind word. Ask how they are doing. And listen to the answer. "

TIMES ARE TOUGH. WE'RE HERE TO HELP.

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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.

USA Rice is an equal opportunity provider and employer.

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NEWS YOU CAN USE

BY BETSY WARD

THIS ISSUE OF the Whole Grain is a perfect example of what we set out to do with this newspaper. It contains updates about the many programs we are conducting on behalf of the U.S. rice industry, such as pursuing a federal standard of identity for rice (page 17); holding China's feet to the fire on their subsidies (page 24) and dumping in one of our markets (page 23) while still working to open their enormous market for us (page 22); and bringing some attention to the very serious but underreported



USA Rice President & CEO Betsy Ward

issue of the effect stress has on us all (page 18). There's also fun and games - like catching up with the final location of the Think Rice pickup truck and an interesting piece on traditional ricebased Korean liquor.

But the cover story is just as important and a great source of pride for us here at USA Rice, and it should be for you, too.

It's all about the birth of our Sustainability Report and the industry leaders who shepherded the project through. As you'll read, it was no small task - we've known for years that we do a better job than most when it comes to our environmental impact. But how do you quantify that? Prove it?

Definitions of sustainability vary, and what some find to be the most vital aspect of the overall effort is less important to others. It's all about the lens through which we look at the issue. But the team of industry volunteers, USA Rice staff, and consultants, with a major assist from the U.S. Department of Agriculture's Natural Resource Conservation Service (NRCS), rolled up their sleeves and got it done. It's an impressive report, as was the effort to pull it all together.

I think you'll find these and the other articles and photos worth your time, so thank you for reading. And if you have ideas for topics you would like to see us cover in future issues, don't hesitate to let us know. Thanks, and have a great and safe spring! wa

"Definitions of sustainability vary, and what some find to be the most vital aspect of the overall effort is less important to others. It's all about the lens through which we look at the issue."

U.S. RICE REVIVES SOJU, CLASSIC KOREAN LIQUOR

BY JENNIFER L. BLANCK

BROOKLYN, NY — Although not indigenous to Korea, soju, meaning "burnt liquor," is now the country's national drink. Mongolian invaders brought soju's ancestor from Persia to Korea in the 13th century. In Korea, the liquor was made with rice, because of its abundance.

In 1965, the Korean government banned rice in alcohol distillation due to long-term wartime shortages. As a result, distillers started using ingredients like sorghum and sweet potatoes. Even though the ban was lifted in 1999, many Korean producers continue with those same alternative recipes today.

Slow to catch on in the United States, soju is now becoming more known and gaining traction. It is colorless and more neutral like vodka, but has less of a burn. Before the rice ban, soju was a high proof spirit. During wartime, it was diluted to half the strength, where most have remained.

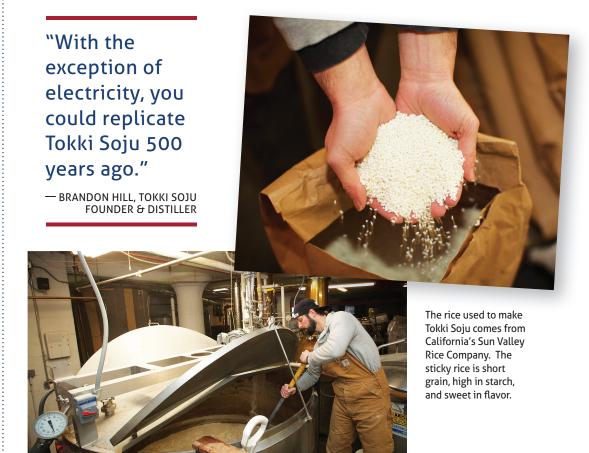
Tokki Soju in Brooklyn, New York, is the first U.S. distillery of soju and the first to produce a traditional rice-based liquor. Founder and distiller Brandon Hill makes soju as true to the old Korean style as possible. He uses recipes from the Choslin dynasty (1392-1910) that he obtained while in Korea. "With the exception of electricity, you could replicate Tokki Soju 500 years ago," says Hill.

Hill's science background led him into brewing and distilling early. So early, in fact, he was making alcohol before he could legally drink it. Hill moved to Korea for two years to obtain a degree in traditional fermentation practices.

After graduating, he moved to New York and made whiskey and rum. A friend opened a Korean restaurant and wanted quality soju to serve with the food. She asked Hill to make a traditional version. Other restaurants started to call, and in February 2016, Tokki Soju was born.

Hill uses traditional fermenting and distilling techniques and outfits his equipment to Korean specifications. Tokki Soju is made with just three ingredients: rice, a traditional wheatbased starter culture called nuruk, and water. In keeping with tradition, Hill uses chapssal, which is the Korean name for sticky rice. He gets his organic sticky rice from The Sun Valley Rice Co., LLC in Arbuckle, California.

Erin O'Donnell, Sun Valley's senior sales agent for Europe, Russia & Specialty Products, describes the sticky rice as a short-grained, opaque, sweet, glutinous rice with a high starch content.



"It has a sweet aroma, but it's not sugary sweet," says O'Donnell. "And 'glutinous' does not mean it contains gluten. It's just a way to describe the rice as very sticky."

Hill has always been focused on purity. "I'll only use the finest ingredients, so you know exactly what you're putting in your body," he says. "None of the high quality soju in Korea gets exported, so most of what's on U.S. shelves is chemicals and sugar. I didn't want to make the stuff you get hammered on in a karaoke booth and have an awful headache the next day." He says the hardest part of his soju is that most people have only had the chemical versions, so they might not recognize it.

He uses short-grain sticky rice because it's high in starch and sweet in flavor. That natural sweetness translates to the distillate, so he doesn't have to add any sugar.

Production begins by cooking whole rice to convert complex sugars to simple sugars. After the mash cools, enzymes are added to start fermentation. While fermenting, the mash divides into two layers: alcohol on top, and rice and water on the bottom. The top layer is racked off and distilled. Using reverse osmosis with filtered water, the alcohol is reduced to 23 percent for Tokki Soju's standard label. There is a black label that maintains a 40 percent alcohol.

Hill currently uses 4,000 pounds of rice each month, and that number is growing. Tokki Soju is sold in California, Connecticut, New Jersey, and New York, with plans to expand.

When he started, there was hardly any craft soju movement in the United States. "The soju story hasn't been told," says Hill. Now that is changing. He hopes Tokki Soju will be a key part of that story, as he works to keep the Korean tradition alive with U.S. rice.

Jennifer L. Blanck is a freelance writer with a love for rice in just about everything. Geon-bae!

Tokki is the Korean word for rabbit and Brooklyn soju brewer Brandon Hill moved to Korea in 2011, the year of the rabbit, to study traditional Korean fermentation practices, hence the name of his craft Korean liquor.





GOVERNMENT AFFAIRS

USA RICE MEMBERS UPDATE AND EDUCATE ON CAPITOL HILL

BY MICHAEL KLEIN

WASHINGTON, DC — USA Rice's annual Government Affairs Conference in early February covered four days of meetings in and around the nation's capital. About 150 members from all six rice-producing states took part in more than 90 meetings with Senators, Representatives, their staffs, and members of the Trump Administration.

Of particular interest was Farm Bill implementation, trade issues, and rice pretenders. "It's not a secret that all the conflict in Washington is impacting government results, but the last Congress did get a Farm Bill through, and we opened every meeting by thanking the Members who voted for it and the staff on the Agriculture Committees for what was a very heavy lift," said Charley Mathews, Jr., a California rice farmer and chairman of USA Rice. "But we are also looking at a large freshman class, many of whom are on the ag committees but don't have a lot of experience in the sector, at least not with rice. So there was a lot of education going on as well, which is very important as we move to the Farm Bill implementation phase."

USA Rice President & CEO Betsy Ward said the rice pretender issue struck chords with several Members.

"The Standard of Identity issue goes beyond rice and products mislabeling themselves as rice," she said. "The dairy industry and the meat industry are all facing similar issues so many Members were familiar with the notion of mislabeled foods creating consumer confusion. There was a lot of interest in clearing things up for American consumers and asking the Food & Drug Administration to act."

And with about 50 percent of the annual U.S. rice crop exported each year, there is rarely a USA Rice government meeting that doesn't at least touch on the topic of trade.

"Our champions are well-aware of our goals here - expanded existing markets such as Mexico, Japan, and Iraq, and finding new opportunities in promising markets such as China," said Sarah Moran, USA Rice vice president international. "In addition to updating Members on developments in these and other markets, we also had the opportunity to push for increased funding for USDA programs that promote U.S. ag products overseas on which we and many commodities rely."

Trade Champions

One would be hard-pressed to find a bigger supporter of U.S. agriculture than USDA Secretary Sonny Perdue and in remarks at the conference, he praised the industry for its outstanding commitment to conservation and made clear to everyone that he knows how important trade is to agriculture - but particularly rice.

Perdue pointed to positive trade developments, such as successful tenders to supply rice to Iraq and China clearing final hurdles that could translate to big business for U.S.



"The positive potential for this whole trade situation is that we are bringing people to the table in a way that we haven't in the past ..."

— JASON HAFEMEISTER, USDA TRADE COUNSEL





Peterson and Filemon Vela (photo 3) and Mike Conaway (photo 1), thanking well-deserved staff for their work on the 2018 Farm Bill (photo 2) and walking the Think Rice walk (photo 4). Flags and bags help carry the message of U.S. rice to the House with Louisiana's Clay Higgins (photo 5) and Arkansas' Rick Crawford (photo 6). Important conversations take place all over Capitol Hill from the hallways (photo 7) to luncheons (photos 10 and 11) and with key Senators John Boozman (photo 9) and Cindy Hyde-Smith (photo 12). And everyone lends an ear when U.S. ag's biggest advocate, Secretary Sonny Perdue (photo 8), makes a special appearance at the conference



rice exporters soon. He also shared that a priority of his is to secure Congressional approval for the U.S.-Mexico-Canada Agreement (USMCA) that is slated to replace the North American Free Trade Agreement (NAFTA).

USDA Trade Counsel, Jason Hafemeister, who spoke at the conference general session, presented analysis that showed USMCA has the potential to grow U.S. ag export revenue by more than \$450 million, but if the retaliatory tariffs remain in place even with USMCA, ag revenue would drop by more than \$1.7 billion. And depending on the level of tariffs imposed by Mexico and Canada, those losses could approach \$8 billion.

Hafemeister said the current climate of trade conflicts is hurting the ag sector, but that as always, these conflicts also present great opportunities.

"The positive potential for this whole trade situation is that we are bringing people to the table in a way that we haven't in the past, and we have a chance for them to consider making reforms that will make it easier for us to export there," Hafemeister said. "We've driven countries to the table in a serious way."

Thank You for Your Service

Before the conference wrapped up, USA Rice Vice President Government Affairs Ben Mosley thanked USA Rice members for taking time away from their farms and businesses to come to Washington and advocate on behalf of industry issues they face

"We appreciate Members of Congress and their staffs for meeting with our members this week," he added. "We also acknowledged the hard work of two people we work closely with on Capitol Hill, Skylar Sowder, legislative assistant for Senator John Boozman (R-AR) handling agriculture and related issues, and Trevor White, who works on the House Agriculture Committee staff. Both received the USA Rice Congressional Staff Award in appreciation for their contributions to the U.S. rice industry." was

Michael Klein's favorite pizza topping is sausage, regardless of how it is made.













GOVERNMENT AFFAIRS

SLOW OUT OF THE GATE, 2018 FARM BILL IMPLEMENTATION PICKS UP SPEED AND STAKEHOLDER INPUT

BY JAMISON CRUCE

WASHINGTON, DC — Implementation of the 2018 Farm Bill has been off to a famously slow start due to the 35-day partial government shut down that began just days after President Donald Trump signed the bill into law in late December. The U.S. Department of Agriculture's (USDA) functions ground to a halt as carry-over funding was extinguished and staff was prohibited from working until the shutdown ended. Fortunately, the timelines in the new law do not require a breakneck pace and, once the shutdown was over, USDA quickly resumed working on implementation efforts.

USDA is taking a different approach for the 2018 bill then it has with previous Farm Bills. Over the past couple of months, various USDA agencies have requested comments and input on how the law should be implemented in advance of a proposed or interim rule. This has allowed stakeholders the opportunity to be even more involved in the rule-making process than before. USA Rice has submitted comments on provisions related to commodity, conservation, crop insurance, international promotion, and food aid programs.

According to the law, Title I, or commodity program provisions, are required to be implemented for the 2019 crop year, which includes fall/winter 2018 plantings and spring 2019 plantings, but given the minimal changes to the Price Loss Coverage (PLC) and Agricultural Risk Coverage (ARC) programs, there is no particular rush to implement these changes. Title I changes do not require a "proposed rule" procedure, but can be implemented under an interim rule. USDA has placed the highest priority on implementing the new dairy program, which statutorily will take retroactive effect to January 1, 2019.

USDA's next priority for Title I programs should be the changes related to Marketing Loans. The marketing loan rate for rice was increased to \$7.00 per hundredweight and is effective for the 2019 crop year. The other relevant provisions that USA Rice is encouraging USDA to place priority on are

USA Rice has submitted comments on provisions related to commodity, conservation, crop insurance, international promotion, and food aid programs.

changes to the family definition for the actively engaged in farming rule that will allow nieces, nephews, and first cousins to be eligible for Farm Bill programs and other payment limit provisions. USA Rice continues to impress upon USDA the importance of these provisions being crafted in a manner that is consistent with the statute when the rule is eventually published.

In regards to conservation programs, these Title II provisions received substantive changes in funding streams for the life of this Farm Bill. There are additional changes to the programs utilized by rice farmers, the Conservation Stewardship Program (CSP), the Environmental Quality Incentives Program (EQIP), and the Regional Conservation Partnership Program (RCPP). These changes are subject to USDA interpretation of the statute and will require implementing regulations to fully grasp the implications of these changes.

Under the Trade title of the Farm Bill, there are a few provisions that USA Rice is watching closely as implementation continues, but we are generally supportive of many of these provisions. Of great importance to USA Rice is how USDA plans to implement certain provisions regarding the allowance of cash-based support to be used in lieu of U.S.-grown commodities for Food for Progress and the McGovern-Dole International Food for Education and Child Nutrition Program. It is imperative that these programs remain focused on food and not give undue preference for the use of cash.

It is possible that USDA could issue the interim final rule for commodity, conservation, and crop insurance programs as soon as summer 2019. Timelines on the other provisions are less clear at this time. USA Rice will continue to work closely with USDA to provide input as Farm Bill implementation endures.

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



Secy Perdue puts boots on the ground at Dow Brantley's farm in England, Arkansas.

GRADUATING RICE LEADERSHIP DEVELOPMENT CLASS PROMISES BIG RETURN ON INVESTMENT

BY DEBORAH WILLENBORG

WASHINGTON, DC — The Rice Leadership Development Program's Class of 2017/19 graduated from the prestigious program during a special ceremony at the 2019 USA Rice Government Affairs Conference. Rice Foundation Chairman Frank Carey and USA Rice Chairman Charley Mathews, Jr. presided over the ceremony, congratulating the graduates and thanking program sponsors, John Deere, RiceTec, Inc., and American Commodity Company.

The class is made up of Scott Franklin, Rayville, LA; Kim Gallagher, Davis, CA; Jarrod Hardke, Hazen, AR; Alan Lawson, Crowley, LA; David Martin, Bernie, MO; and Ross Thibodeaux, Midland, LA.

Scott Franklin served as class spokesperson. He expressed his appreciation to the many people the class met who "made a wise investment in some outstanding young people, who are passionate about our industry.'

The class was immediately put to work representing the rice industry during the conference, participating in multiple meetings with Members of Congress, staff from key Congressional Committees, and agency representatives.

Several agencies within the U.S. Department of Agriculture hosted informational sessions for the class, including the Foreign Agricultural Service (FAS), the Farm Service Agency (FSA), the Economic Research Service (ERS), and the World Agricultural Outlook Board.

The graduates also met with officials at CropLife America to discuss the responsible use of environmentally sound crop protection products, and received a tutorial in the pesticide registration process while visiting the Environmental Protection Agency.

For more information on the Rice Leadership Development Program, go to www.usarice.com/foundation/leadership-program.

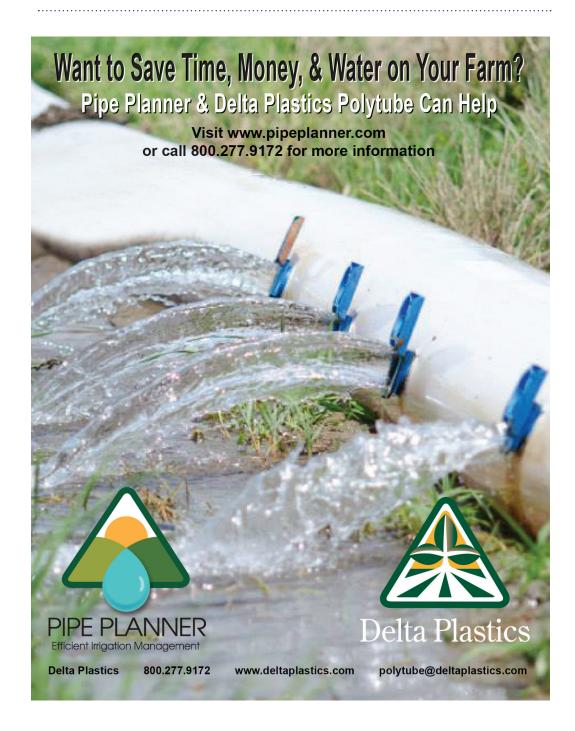
2017/19 Graduates (from left): David Martin, Scott Franklin, Alan Lawson, Ross Thibodeaux, Kim Gallagher, and Jarrod Hardke. Seated, from left: Steve Linscombe (The Rice Foundation), Brian Ottis (Rice-Tec), Nicole Van Vleck and Chris Crutchfield (ACC), and Charley Mathews, Jr. (USA Rice Chairman).



While in Washington, the group also met Ambassador Fernando Llorca of the Costa Rican Embassy to discuss rice trade between the two countries, as well as attended the USA Rice World Market Price Subcommittee meetings.

The Rice Leadership Development Program gives young men and women a comprehensive understanding of the U.S. rice industry, with an emphasis on personal development and communication training. During a two-year period, class members attend four one-week sessions that are designed to strengthen their leadership skills. wa

Deborah Willenborg has a fondness for graduation ceremonies and may actually collect different versions of Edward Elgar's "Pomp and Circumstance" on a Spotify playlist.



SUSTAINABILITY

WALMART FOUNDATION AND ANHEUSER-BUSCH JOIN FORCES WITH RICE STEWARDSHIP PARTNERSHIP TO SUPPORT SUSTAINABLE RICE FARMING

BY EMILY WOODALL

ARLINGTON, VA — Two of the biggest names in corporate America, Walmart and Anheuser-Busch, recently demonstrated their support for creating and maintaining wildlife habitat on working ricelands with major donations to the Rice Stewardship Partnership (RSP), a public - private partnership between USA Rice, Ducks Unlimited, and the U.S. Department of Agriculture that provides growers with technical and financial support to transition to more efficient irrigation, nutrient, and energy practices.

More farmers in Arkansas, Mississippi, and Louisiana can reduce groundwater use thanks to a \$1.5 million dollar grant from the Walmart Foundation. The Walmart grant complements \$6.5 million from the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) to support on-farm work through the RSP.

"The Walmart Foundation's continued support of the Rice Stewardship Partnership is exciting news for rice farmers in the Mid-South," said USA Rice Director of Grower Relations & Rice Stewardship Partnership Josh Hankins. "The program will begin in Louisiana and Mississippi this year with plans to extend to Arkansas in 2020."

With nearly 10 million acres of irrigated cropland in the Lower Mississippi River Valley, irrigation withdrawals in many areas exceed recharge rates. To address concern across the region about falling groundwater levels and to help farmers grow sustainable crops, USA Rice and Ducks Unlimited are working with farmers, the NRCS, and other partners to convert farms to surface water irrigation to reduce groundwater use and, in many cases, improve water quality after on-farm use.

"The Walmart Foundation is excited to provide support for efforts to improve water conservation and nutrient management practices in agriculture," said Karrie Denniston, senior director for sustainability at the Walmart Foundation. "This initiative will help support farmers as they test and advance practical approaches to efficient water management, with the hope of scaling what works over time."

Walmart Foundation funding will also be used to support a research study

"We're proud to stand with USA Rice and invest in a program that will help growers continue to adopt efficient practices and technology. Supporting both the environment and our growers' livelihoods is a clear win ..."

> — JESS NEWMAN, ANHEUSER-BUSCH'S **DIRECTOR OF U.S. AGRONOMY**





AB's Jess Newman on stage (far left) at the Ag & Food Policy Summit in DC last month reiterates the company's commitment to sustainability and U.S. agriculture. The AB swag table touts their spot as the country's number one end user of U.S. rice and their colorful giveaways are a cool reminder of that fact.

by the University of Arkansas-Monticello examining continuation of conservation practices after NRCS conservation contracts expire. Interviews with farmers who received financial assistance through an initial Regional Conservation Partnership Program (RCPP) will help researchers understand which conservation practices are continued beyond the life of the actual conservation contract. This information will be used to better design future conservation programs and improve uptake of conservation practices.

For the third year in a row, Anheuser-Busch is investing in America's rice growers with a \$150,000 donation to the RSP.

"Anheuser-Busch's investment in the Rice Stewardship Partnership will support U.S. rice farmers and their growing operations, as well as allow them to test new technology to improve their operations and meet sustainability goals," said Betsy Ward, president and CEO of USA Rice. "Investments like these are what sustain U.S. rice farmers and provide the opportunities to test new agriculture practices."

As the largest end user of rice in the U.S., Anheuser-Busch sources all of its rice from U.S. farmers, totaling more than \$120 million of rice last year alone.

"We're proud to stand with USA Rice and invest in a program that will help growers continue to adopt efficient practices and technology," said Jess Newman, Anheuser-Busch's director of U.S. agronomy. "Supporting both the environment and our growers' livelihoods is a clear win for our 2025 sustainability goals and, most importantly, for the growers who make our beers possible."

Anheuser-Busch's investment in the RSP will help fund strategies to protect working ricelands, including conservation planning, irrigation efficiencies, nutrient management, and education of decision-makers on water, agriculture, and wildlife habitats. The RSP also helps improve air quality, conserve energy, and support rice growers' bottom line by testing new irrigation strategies.

U.S. Congressman Rick Crawford (R-AR), who represents the largest rice producing district in the country, said, "In Arkansas, the rice industry is a major economic driver, employing more than 15,000 Arkansans. The important Rice Stewardship Partnership will reinforce the identity of rice as a row crop with various benefits enjoyed by people across the world. We appreciate any investment in the rice industry and family-owned farms, which play a key role in the viability of rural American communities." wa

Emily Woodall is based out of Arkansas where her efforts are focused on conservation of our rice farms and implementation of our RCPP programs.



RICE STEWARDSHIP FUNDERS INCLUDE:

The USDA Natural **Resources Conservation** Service, National Fish and Wildlife Foundation, Walmart Foundation, the Mosaic Company Foundation, Nestlé Purina PetCare, Chevron U.S.A., Freeport-McMoRan Foundation, Irene W. and C.B. Pennington Foundation, RiceTec, BASF, American Rice, Inc. – Riviana Foods, Inc., Joe W. and **Dorothy Dorsett Brown** Foundation, Delta Plastics, Anheuser-Busch InBev, Corteva Agriscience, Wells Fargo, Farmers Rice Milling Company, Horizon Ag, Turner's Creek & Bombay Hook Farms, MacDon Industries, Riceland Foods, and Ducks Unlimited.

HELPING SALMON IN THE SACRAMENTO VALLEY

BY PAUL BUTTNER

SACRAMENTO, CA — As part of an environmental initiative to help recover struggling native salmon populations, the California Rice Commission has assembled a strong coalition of scientists, rice growers, and project funding organizations for a \$1.4 million pilot project that will test and refine rice farming practices to provide habitat and food for fish. The three-year Ricelands Salmon Project launched last fall with the goal of determining whether winter flooded rice fields can be used to reinvigorate the salmon population.

"California Rice has successfully worked with partners to specifically manage its floodplain farm fields to benefit millions of birds," said Mike DeWit, the grower managing the winter flooding for the Ricelands Salmon Habitat Pilot Project. "We now look forward to adding to this legacy of conservation by using our "surrogate wetlands" to help fish in the Sacramento Valley."

Included in the first-year goals for the initiative on salmon will be the refining of previous trials to grow salmon in winter-flooded rice fields into standardized management practices for use on farms near Sacramento River tributaries. Researchers will insert micro transmitters into 900 young Chinook salmon to track their journey from the Sacramento Valley all the way out to the Pacific Ocean to determine the survivability of young salmon grown on highly productive winter-flooded rice fields in terms of the percentage of these fish successfully reaching adulthood.

The science elements of this project will be led by the renowned Center for Watershed Sciences at the University of California, Davis, in collaboration with conservation group California Trout. Essential to the program's success is coordination with the California Department of Fish and Wildlife providing valuable scientific expertise and supplying the hatchery fish for the project.

Paul Buttner is the manager of environmental affairs at the California Rice Commission since 2001 leading wildlife conservation.



Farmer Mike DeWit (bottom left) adjusts the screwgate that maintains desired outflow and facilitates passage of the salmon out of the rice field. Crews deploy protective cages (bottom, right) to house juvenile salmon that will receive special telemetry tags enabling researchers to track their progress towards the Pacific Ocean (top).





"We now look forward to adding to this legacy of conservation by using our "surrogate wetlands" to help fish in the Sacramento Valley." — MIKE DEWIT, CALIFORNIA RICE FARMER

U.S. RICE SUSTAINABILITY STORY: MAKING A REPUTATION

BY LESLEY DIXON

ARLINGTON, VA — A sterling reputation shouldn't be taken for granted. It's built over a lifetime of laying brick by brick of accountability, commitment, hard work, and transparency. Those inside the rice industry have known for decades that we have a reputation of sustainability. The evidence has always been clearly observable, from the invaluable wildlife habitat rice fields provide to historic improvements in water conservation. But never was the evidence collected, analyzed, and distilled in a centralized place; never was the true impact of U.S. rice's dedicated efforts in sustainability measured precisely and comprehensively for a wide audience.

Now, with the launch of the U.S. Rice Sustainability Report, the story is a lot

The groundwork for the report began at USA Rice's July 2017 Business Meetings in Irving, Texas, when a group of folks from USA Rice, the U.S. Department of Agriculture's Natural Resource Conservation Service (NRCS), and Ducks Unlimited, decided it was high time to put rice's sustainability narrative on paper. The subject was increasingly important to consumers, and these visionaries felt the stage needed to be set for future improvements in the industry. Everyone agreed rice had a special sustainability story to tell that didn't exist yet in any formal way.

"Many of the sustainability measurements today do not fit our unique cropping system due to the fact rice is grown in a flooded environment," said Jennifer James, chair of the USA Rice Sustainability Committee. "We have been working hard for years to tell the complete story of rice sustainability. As an industry we felt like that story wasn't being told in any one place."

After USA Rice was awarded a generous grant from the NRCS, The Rice Foundation and the Sustainability Committee got to work on a project that would, over the course of the next one and a half years, expand into something more challenging and rewarding than anyone could have predicted.

"We have been working hard for years to tell the complete story of rice sustainability. As an industry we felt like that story wasn't being told in any one place. "

— JENNIFER JAMES, USA RICE SUSTAINABILITY COMMITTEE CHAIRMAN





Getting Started

In the beginning, it was a bit of a slog. There was some head-butting the job ahead was immense, and everyone involved was passionate about sustainability. The data the report would include encompassed all six rice states, hundreds of farms and mills, and 36 years of rice farming history from 1980 to 2015. The initial phase of the project meant meetings, meetings, and more meetings.

"It was literally like being back in a college class," said Christian Richard, who chaired the Communications Subcommittee at the time. "It was just so much information to process from different angles and ideas. When I first got the call from Jennifer James asking me to chair this subcommittee, I thought to myself, 'this can't be too hard.' And then the conference calls and meetings got started, and I thought, what did we get ourselves into? It was almost overwhelming."

It was a monumental task that would require the help of consultants Bruce and Julie Knight and their firm Strategic Conservation Solutions (SCS), as well as other contractors to aid in writing and compiling the report. Rice Foundation Director Dr. Steve Linscombe gave the Knights parameters to help them define which subjects to focus on, which areas to look at, which existing data sources to plumb, and what new data to generate. SCS then pulled anything and everything related to rice sustainability they could track down.

"SCS was a natural choice for us to do this research, because they're so familiar with the rice industry and they've been our sustainability consultant for six years," said Linscombe. "There was an immense amount of material they had to sift through, and getting it distilled into the report was a feat in and of itself. And of course there's so much context that had to go into it."

That context turned out to be one of the biggest challenges of compiling the report. The sheer diversity of geography, climate, and farming practices in the rice industry made compiling and synthesizing the data accurately no easy task. Even language was a hiccup in the process-the writer of the report was not always familiar with local jargon, like bushel versus hundredweight, row rice versus furrow irrigation, or ditch versus canal.

"One big challenge is just the diversity of the regions where rice is grown," said Brian Ottis, co-chair of the Sustainability Committee. "All the different areas face different challenges. In the Grand Prairie area of Arkansas they've got to drill 500 feet down for water, while in some of the areas along the Mississippi River they've got water coming out of the wells because the table is so high. So one thing that's interesting to me about the report is seeing how the different geographies of rice production are facing the water challenge, and how we can steward water as an industry."

In the report's early stage, one of the biggest difficulties was pinning down what "sustainability" even means. Finding a common, yet comprehensive, understanding of the term was one of the main goals of the report. The story had to be painted with a broad brush, but be as specific as possible at the same time.

"Making sense of all the data was tough," said Robbie Trahan, former co-chair of the Communications Committee. "If this number is good for one farm, does that mean it's good for another farm? How do we define sustainability in these different areas?"

"It's really tough to put your finger on what sustainability is, and it was a lot of work," said Richard. "It was like throwing darts at a wall, and wherever it landed, that was still sustainability, but we needed a standard or a benchmark. The report consolidated everything."

Research ramped up over the course of 2018, and the sheer scope of rice grower and miller sustainability efforts began to come into focus. Due to the sprawling variety of the six rice-growing states' farming methods,

continued on page 14



SUSTAINABILITY

continued from page 13

the report had to adapt to cover more and more ground, including technology advances, precision ag, economic benefits and jobs, charity and food aid, lowered carbon emissions, and energy reductions, on top of water and wildlife habitat stewardship.

Spreading the Word

By the fall of 2018, after a year of intensive research, the first draft of the U.S. Rice Sustainability Report was ready to be edited, revised, and polished into its final form. It was the most comprehensive documentation of U.S. rice's sustainability efforts ever created, and it exceeded everyone's expectations.

"The NRCS was very excited and pleased with the results," said USA Rice's Manger of Regulatory Affairs Lydia Holmes, who, along with Linscombe, led efforts on the report. "None of this would have been possible had it not been for the farmer leadership on the Sustainability Committee. The groundwork they've laid and the relationships they've developed, and through the Rice Stewardship Partnership, have made all of this happen, and put us in a place where we can take this report and everything we've built and launch it to the next stage."

The next stage involves a series of webinars and educational materials generated from the wealth of data contained in the report, geared at farmers, crop consultants, and conservation experts, that will be available on the USA Rice website. The benefits and possibilities of these resources are wide ranging and long lasting. The materials will help growers not yet involved in sustainability practically apply the practices to their own farms, allow crop consultants to specialize in rice sustainability, and provide conservation experts—who often move from state to state—with background on regional rice sustainability methods.



"None of this would have been possible had it not been for the farmer leadership on the Sustainability Committee. The groundwork they've laid and the relationships they've developed ..."

— LYDIA HOLMES, USA RICE'S MANAGER OF REGULATORY AFFAIRS





Ottis believes the report will be a boon for growers interested in getting more involved in sustainability. "For those farmers that may be new to the sustainability idea, who live in areas where maybe it doesn't get as much press, the report lets them see what other folks are doing and gives them ideas for things they can implement on their own farm."

But the report was never meant to be for rice industry eyes only. As an exhaustive portrait of sustainability in the rice industry, it is invaluable for getting the message out to end users, consumers, and policymakers. It also provides important benchmarks for the industry as it works toward even greater sustainability in the future.

"This gives us a really solid foundation from which to tell our story," said Holmes. "We've got the data now. As things come up in this new Congress that affect rice or agriculture, this gives us the basis to make our case for why we're doing what we're doing, where our industry is going, and how rice is one of the most sustainable crops out there."

"Now we have something tangible that we can use to tell the rice story as it pertains to sustainability, which will be very valuable going into the future," said James.

A reputation may be based on unsubstantiated rumors or anecdotal evidence. But rice's hard-won reputation as an industry dedicated to sustainability and conservation is now bona-fide, ironclad, and quantifiable, and the U.S. Rice Sustainability Report will help us tell our story for years to come. wa

Lesley Dixon is a writer and editor from Texas who has lived pretty much all over the U.S. and now resides in Washington, DC, with her husband, Bryan, and her cat, Alex. As an animal and nature lover, she is always excited to report on USA Rice's sustainability mission

AMERICAN COMMODITY COMPANY RECEIVES 2018 USA RICE SUSTAINABILITY AWARD

AT THE 2018 USA RICE OUTLOOK CONFERENCE in San Diego, California, USA Rice presented the second annual Sustainability Award to American Commodity Company (ACC). Last year, the inaugural award went to a very deserving grower and the 2018 winner was from the next step in the supply chain,

ACC was started in 1999 as a paddy rice exporting operation. All the rice ACC markets is sourced from its ownership group as well as selected rice growers who have chosen ACC to handle and market their rice. They currently market rice in more than 50 countries worldwide on six continents.

ACC has incorporated sustainability at virtually all levels of their operation. This includes how they use and generate power using solar installations at their milling facility in Williams. In fact, they produce more energy than they use, partly due to the investments they made by installing highly efficient lighting and other energy conserving technologies. They have also made major strides in the areas of water quality, waste reduction, and recycling at their facilities.

"Our company has come to understand how sustainability prevents not only weakening the integrity and



Taking the long view: The ACC facility in Williams, California, constantly searches for ways to not only reduce the company's overall impact on the environment but also to offer good stewardship practices to their employees, growers, suppliers, and customers worldwide.



DOMESTICPROMOTION

THINK RICE TRUCK KEEPS ON TRUCKIN'

BY **LESLEY DIXON** | ALL PHOTOS BY KATHRYN DUNCAN

ARLINGTON, VA — Michael Fruge wasn't expecting the call when he and his wife, Sarah, were stuck in traffic in Metairie, Louisiana. It was December 7, the last day of the 2018 Outlook Conference, and they were on their way to watch the Louisiana state high school football championship game in New Orleans after leaving San Diego, the site of this year's conference, early.

When he realized it was A.J. Sabine on the other end of the line, and that he was on speakerphone with an auditorium full of his colleagues and friends in the rice industry, Fruge was at a loss for

"I think all I said was 'wow," Fruge said, laughing as he remembered the moment he realized he had won the Ford F-150 in the Think Rice truck raffle. "I wish I'd had something better to say than I did. I was just shocked. It was exciting."

Four and a half months after setting off on an historic tour of the continental United States, the Think Rice truck made it to its forever home in Louisiana where Fruge will keep it as his personal vehicle and, of course, put it to good use.

"The only vehicle I have right now is a Horizon Ag company truck, so I'm going to hold on to the Think Rice truck and use it on the farm "

Fruge has removed the Think Rice graphic wrap, but while it was still in place it was certainly a conversation starter.

"We had a big Christmas party at our house so I parked it out in the yard, and when people drove up their response was: 'what the heck is that?"

The Think Rice design continued to garner attention as the truck made appearances at rice industry events including Louisiana grower meetings earlier this year.

In addition to the truck, Fruge received a suite of six rice cookers from Aroma as part of the raffle prize in sizes from 3 to 20 cups, so he's well prepared to cook as much rice as he can handle.

While the #RideWithRice crew will miss the Think Rice truck they're thrilled that it's gone to such a good home and excited to see it begin its civilian life. It was an amazing experience to hand out 4,000 pounds of rice and 3,000 rice cookers across the country, engage with the public at events, donate to food banks, and spread the word about U.S.-grown rice in such a unique way.

"It was really cool just having the opportunity to participate in this raffle," said Fruge. "I really appreciate everything y'all do for us as rice farmers."

After getting the news that they won the truck, Michael and Sarah brought their good luck to that football game, where Eunice High School (Sarah's alma mater) won the championship, rounding out a day of big wins for the Fruges. wa







"It was really cool just having the opportunity to participate in this raffle. I really appreciate everything y'all do for us as rice farmers." - MICHAEL FRUGE, ONE LUCKY GUY

LOUISIANA WILL STOP AT NOTHING TO 'START WITH RICE'

BY KANE WEBB

WEST MONROE, LA — Analysis is in on a new marketing effort undertaken by the Louisiana Rice Promotion Board and the results are even better than expected.

Last year, the Louisiana Department of Agriculture and Forestry (LDAF) made new promotion funds available for use in state as a part of the Certified Louisiana program. The Louisiana Rice Promotion Board was successful in obtaining a \$100,000 grant through the program and used the funds to encourage Louisianans to "Start with Rice."

With the caveat that the money had to be spent promoting Louisiana ag products in Louisiana, the Board developed an aggressive regional program that built on earlier market research conducted by USA Rice.

"The 'Start with Rice' message that had emerged after a few rounds of national USA Rice research resonated with us, and we decided to roll it out to the public and see if they agreed," explained John Owen, Rayville rice farmer and chair of the Louisiana Rice Promotion Board.

The program consisted of 17 unique radio commercials that were broadcast across 11 radio stations almost 6,000 times; as well as two large billboards and several prominent bus benches in the Shreveport/Bossier City and Monroe markets. The radio stations supplemented the program with digital leaderboards and banners on their websites as well.

On average, residents heard the Louisiana rice radio spots more than 18 times while the billboards were seen approximately 5.5 million times during the six-week campaign.

"Following the program we went back into the market to gauge our effectiveness on three levels," said Owen. "We tested for ad awareness and recall, to see if the ads had an impact on people's attitude towards rice, and finally to see if it encouraged consumers to purchase more rice. We are very pleased with the results."

Recall was high with consumers who said they saw the ads being significantly more likely to associate rice with the positive attributes mentioned in the ads (quick preparation, versatile, nutritious, creative, empowering), and 54 percent were able to correctly identify the ad sponsor.

Owen said consumers who were aware of the ads were statistically more likely to indicate they were going to use/purchase rice three or more times in the next month.

It's not just the Louisiana Rice Promotion Board that is pleased with the results, the LDAF also took note and approved another \$100,000 grant for the promotion board for this year to

"We're excited and encouraged by the results and appreciate the support of (LDAF) Commissioner Strain and his team who are helping us 'stop at nothing' to get consumers to "start with rice," Owen said. ws

Kane Webb is the USA Rice director of field services in Louisiana. As a life-long resident of South Louisiana and an avid supporter of all things Oryza sativa, his mantra is: No pretenders sil vous plait!

Louisiana promotion goes BIG!





ARKANSAS OUTLAWS RICE PRETENDERS

BY MICHAEL KLEIN

LITTLE ROCK, AR — Rice pretenders, that is food, usually vegetables, masquerading as rice, may be gaining traction at specialty retailers like Whole Foods, but they're now contraband in Arkansas thanks to a new truth in labeling law signed by Governor Asa Hutchinson last

The bill, HB 1407, introduced by Representative David Hillman (R-Almyra), prevents the false and misleading labeling of agriculture products intended for human consumption, including beef, pork, poultry, and rice.

"This is legislation that protects consumers who have an expectation and a right to know what they are purchasing and feeding to their families," said Lauren Waldrip Ward, executive director of the Arkansas Rice Federation who testified before the Arkansas Senate in support of the legislation.

The bill establishes a standard of identity for rice, something the rice industry has been asking the Food and Drug Administration (FDA) to do at the federal level for years.

The Arkansas legislation defines rice as "whole, broken, or ground kernels or by-products obtained from the species Oryza sativa L. or Oryza glaberrima, or wild rice..." which means the spate of products calling themselves some variation of "rice" but that are actually made of vegetables engineered to look like rice, could no longer be sold as "rice."

"We are not suggesting consumers shouldn't have access to these products," explained Betsy Ward, president and CEO of USA Rice. "However, we do demand that they be called what they are and not marketed deceptively to consumers, trading on our good name, solid nutritional profile, and outstanding environmental record. Rice is a grain, not a shape."

She said the industry has lodged complaints with several food manufacturers and retailers, urging them to label and display their products honestly and accurately.

In March, similar legislation was introduced in Louisiana and Missouri may soon follow suit.

"A vegetable, such as cauliflower, that has gone through the process of being riced should be sold as 'riced cauliflower,' 'minced cauliflower,' or 'cauliflower crumbles,' but definitely not as 'cauliflower rice.' And lentils or chickpeas that have been processed to look like rice, still aren't rice and shouldn't be called rice," CEO Ward said. "Now in Arkansas it's illegal to do otherwise, and we look forward to FDA following these common-sense guidelines and adopting a federal standard of identity." wg

MEETINGS & MEMBER SERVICES

AG COMMUNITY URGED TO ADDRESS THE STRESS

BY LESLEY DIXON

ARLINGTON, VA — The Centers for Disease Control and Prevention (CDC) and the Journal of Rural Health published studies last year that show suicide rates among farmers and farm workers are some of the highest of any industry, and are on the rise. This disturbing trend has brought to light the many unique stressors and hardships that farmers face and the growing need for healthcare resources and support in rural areas.

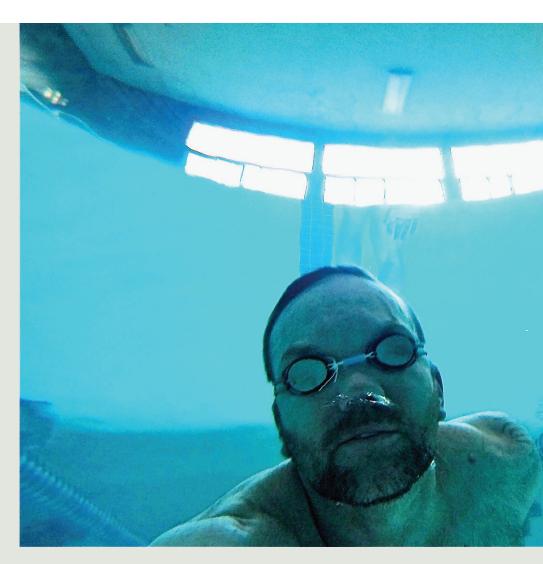
In March, USA Rice joined a coalition of dozens of agriculture organizations in signing a letter calling for Congress to fully fund the Farm and Ranch Stress Assistance Network (FRSAN) included in the 2018 Farm Bill. Congress provided \$2 million in the fiscal year 2019 appropriations bill for a pilot of FRSAN, which should lead to full implementation by 2020. The program provides grants for extension services, state departments of agriculture, nonprofit organizations and other entities to provide stress assistance to farmers, ranchers, farmworkers, and other agriculturerelated occupations. Resources will include farm helplines and websites, training programs and workshops, outreach services, and home delivery of assistance.

The letter notes that up to 60 percent of rural residents live in areas that lack adequate access to mental health resources. Many farmers live in counties that don't even have a doctor or a hospital, much less a counselor or therapist, and they may have to drive for hours to seek treatment. Compounding the problem is that mental health professionals often don't have the specialized knowledge to understand what farmers go through; they may not be informed on the complications of tariff issues, for example, or the particular pain of losing a multi-generation farm. Studies show that farmers who work on smaller farms-11 people or less-may be at higher risk of depression or suicide.

Several states, including Virginia, Arkansas, and North Dakota, have already begun adopting policies and developing programs that aim to increase mental health support for agricultural workers. The University of Arkansas System Division of Agriculture has recently implemented a free, hour-long educational program aimed at farmers that covers causes of stress and healthy ways to cope.

"Farmers are proud of their ability to make it through hard times, and they want to be able to handle it on their own. We're trying to overcome that stigma and make mental health a normal thing to talk about."

> — BRITTNEY SCHRICK, ASSISTANT PROFESSOR OF FAMILY LIFE AT THE DIVISION OF AGRICULTURE UNIVERSITY OF ARKANSAS



"It's tough, because farming starts at sunrise most days, so I have to be up that much earlier to fit in a swim," says California rice farmer Kurt Richter. "But an hour in the pool is more valuable than an extra hour of sleep, so even though it's tough to drag myself to the pool some mornings, I still do it, knowing it will benefit me more in the long run."



"These women are my tribe," says Arkansas farmer Jennifer James (second from right). "They speak the language of agriculture and they get it, they get ME. They have my back and cheer for my success. If you have not found a group like this in your life keep searching. The hardest part is being vulnerable enough to let them in on the whole story so they can support you. Sometimes that isn't easy but it is worth it!"



literally gets away from the farm by spending time with his kids in the great outdoors of The Natural State. Here they are atop Sugar Loaf Mountain in Heber Springs, Arkansas, his favorite spot in the whole state.



Louisiana grower Kane Fontenot knows the importance of unplugging from the farm at times and says nothing takes his mind away from the stress of farming more than Friday night football. Geaux Blue Jays!

"People under heavy stress may turn to unhealthy coping mechanisms, like substance abuse or working harder to solve the problem when what's really needed is rest," said Brittney Schrick, assistant professor of family life at the Division of Agriculture. "We also offer group trainings, and an eight-hour training course for our county agents and our extension personnel, to arm them with some tools they can take out into the field."

Schrick says that these agents may be in the best position to have candid discussions with farmers about mental health. "We're hoping to train them for what signs to look for, how to respond, and how to utilize the resources available to them when someone seems like they're in a crisis."

In these times of economic stress, trade disputes, volatile markets, large farm consolidation, and unpredictable weather, it is more important than ever for those in farming communities to have access to good mental healthcare. Depression and anxiety could put farmers in real physical danger by causing exhaustion or loss of concentration that may affect safety protocols. Farming is a high-pressure job with long hours and unpredictable outcomes, and it's not always easy for farmers to communicate the mental and emotional strain they may be experiencing.

"When you're talking about a population that is historically known for its self-sufficiency, it can be difficult to overcome the stigma of mental healthcare," said Schrick. "Farmers are proud of their ability to make it through hard times, and they want to be able to handle it on their own. We're trying to overcome that stigma and make mental health a normal thing to talk about."

A sense of community support is another crucial component of addressing mental health in rural America. Arkansas rice farmer Jennifer James saw the need for a safe, open space for women farmers to discuss issues they deal with on the farm, and created a women's peer group in 2014 that stretches across five states.

"We are full disclosure with one another," said James. "They challenge me, support me, and cheer me on. We have become a very close-knit group and trust and rely on one another. I feel certain that if my mental health were in jeopardy and I needed help, each one of these women would race to my aid."

Just unplugging from the farm for brief periods of time can be a great stress release. Fourth-generation California rice grower, Kurt Richter who grew up understanding how stressful farming can be uses physical activity to recharge. "I was a competitive swimmer my entire childhood, starting at 8 years old. I quit racing when I was 16, but never stopped swimming. Now it's my lone form of exercise, and my primary stress management tool," said Richter. "There's nothing quite like the peacefulness of being in the water. You're cut off from any external stimulus. All you see is the bottom of the pool, all you hear is the water swishing past your ears. I can let my mind wander off to less stressful thoughts, or I can use it as an opportunity to reconcile what's stressing me out. It's whatever I need it to be, and meanwhile I'm getting a great workout, which also helps curb stress."

Not everyone in rural areas has the benefit of a strong community support network like James's or Richter's ability to "get away" every day, so the significant efforts being made by state and local farm agencies to create more honesty around mental health and provide better access to healthcare come at a crucial time.

The CDC report was a wakeup call for agriculture. For those in the farming community who are suffering, these new resources will shine a light in darkness. wa

MEETINGS & MEMBER

2018 USA RICE OUTLOOK CONFERENCE -THE RIGHT PLACE AT THE RIGHT TIME

SAN DIEGO, CA — This traditionally sunny city experienced a deluge during the 2018 USA Rice Outlook Conference and while attendees may have been disappointed in the weather outside, they had a jam-packed schedule of speakers and breakout sessions inside to make up for it.

Day One opened with a host state welcome from Captain Roy Love, commander of Naval Base San Diego and a posting of the colors flag ceremony by the U.S. Naval Base Point Loma Color Guard. USA Rice Chairman and California rice farmer Charley Mathews, Jr. also welcomed the crowd to San Diego and encouraged everyone to make the most of their time at the conference, including visiting with exhibitors and sponsors who make the three-day event possible.

With four separate venues to choose from - the Innovation Stage, Sustainability Theater, Farm & Food Forum, and the Business Hall – attendees took an individualized approach to scheduling, sampling from a long list of breakout sessions on topics ranging from conservation, workers compensation, and the future of retail, to customize their educational experience.

For general consumption, keynote speakers like food futurologist Dr. Morgaine Gaye and National Geographic's Daniel Stone joined tried and true conference headliners, Nathan Childs and Jim Wiesemeyer. And there's always a crowd at the Annual Awards Luncheon where industry leaders get welldeserved recognition for their contributions.

"This year it was about being in the right place at the right time and all that depended on your personal preferences," said USA Rice President & CEO Betsy Ward. "The wide range of topics and the caliber of speakers made for an engaging, informative experience with something for everyone." wo

Focus on the future was a major theme at Outlook 2018 starting with food futurologist Morgaine Gaye (photo 1) who passes time with USA Rice Chairman Charley Mathews, Jr., announcement of the new Rice Leadership class (photo 5), and recognition of Louisiana's Caroline Benoit, winner of the National Rice Month scholarship grand prize (photo 6). Panel discussions (photo 2) and breakout sessions (photo 3) rounded out the event's many "networking" opportunities (photos 4, 7, and 8).











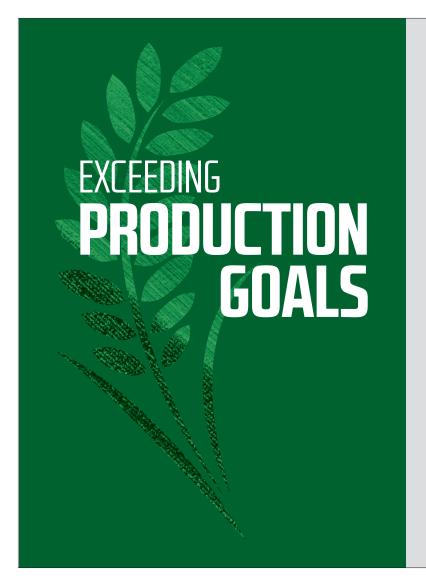




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safety, planning for your future, and more

and our hectic world

U.S. RICE QUALITY PUT TO THE TEST IN NICARAGUA

BY ASIHA GRIGSBY

Right: Dr. Linscombe is on hand to answer any and all questions about U.S. rice quality.

Below: USA Rice staff Asiha Grigsby and Steve Linscombe check out the competition at a grocery store in Managua, Nicaragua.

MANAGUA, NICARAGUA — USA Rice traveled to Central America in March to distribute long grain rice samples to the two principal rice industry leaders in Nicaragua, Agri-Corp and Samuel Mansell S.A. Together they represent 80 percent of the market share in the Nicaraguan rice industry and are both longtime purchasers of U.S. rice.

For years, Nicaragua had imported more than 100,000 metric tons of U.S. rice annually, but in 2010 they began to diversify their suppliers to include Brazil, Uruguay, and more recently Guyana due to concerns about U.S. rice quality. Nicaragua also has developed more advanced systems and technologies to improve the yield and quality of their national production, so much so that currently 70 percent of their national consumption is supplied by rice grown in country.

Quality of U.S. rice was the main topic for discussion during the meetings. The leadership of each organization spoke candidly about the importance of an alliance with the United States and how they were forced to consider other suppliers who provided the quality of rice preferred by their customers. From a Nicaraguan consumer perspective, quality is based on whiteness, grain uniformity, little chalk, and above all, no stickiness. U.S. rice lagged behind the competition on all fronts.

"We appreciate the opportunity to openly discuss our concerns with USA Rice, and we



THIRTY-TWO U.S. RICE FACILITIES NOW APPROVED AS SUPPLIERS TO CHINA

BY SARAH MORAN

ARLINGTON, VA — In late February, the General Administration of Customs in China announced that all 32 U.S. rice facilities interested in exporting milled rice to China have been approved to do so. The announcement comes after Chinese inspectors visited several mills across the country last year, and the initial approval of seven facilities at the end of 2018.

USA Rice worked with the U.S. Department of Agriculture (USDA) to push for the approval of the facilities that demonstrated their ability to export to China and adhere to the requirements of the U.S.-China phytosanitary protocol. Facilities that would like to export to China but have not yet been approved should contact USA Rice for additional

"Now that all U.S. facilities that wish to export milled rice to China have been approved by the Chinese government, the next hurdle to overcome is for China's importers to receive the go-ahead from their government to actually make purchases," said USA Rice COO Bob Cummings.

China is the largest importer of rice, bringing in over 5 million tons last year. China could consume the entirety of U.S. rice production in just 18 days and so the U.S. rice industry has spent substantial effort in gaining access to this important market. For more than a decade government and industry officials worked on a phytosanitary agreement to clear the way for U.S. to China trade. That agreement was signed in

2017, but U.S. exporters then had to fill out a detailed questionnaire from the Chinese government if they intended to export rice to China.

"The questionnaire was unprecedented as it relates to phytosanitary protocols because none of it dealt with plant health or safety," said Chris Crutchfield, chairman of the USA Rice Millers' Association Phytosanitary Task Force. "Rather, it was an exercise in food and worker safety, as well as a request for proprietary and confidential information - some of which could not be legally answered under U.S. privacy laws. Our efforts to provide a response centered around a systematic approach explaining the Federal and state laws governing food production of our members."

Thirty-two facilities came together and worked with U.S. government regulatory agencies to compile answers to the questionnaire that satisfied Chinese officials and did not violate any U.S. laws.

The U.S. is now one of 12 other countries that can export rice to China and so the next step for USA Rice is to promote the differences between U.S. rice and other origins. We know there is demand for U.S. rice which has renowned food safety and quality attributes, and we are confident there is a strong market for U.S. rice. wa

USA Rice Vice President for International Sarah Moran is excited to think the first shipment of U.S. rice to China may occur during her lifetime.





"It is in our best interest to have a strong business relationship with our U.S. counterparts..."

— FERNANDO MANSELL, GENERAL MANAGER OF SAMUEL MANSELL S.A.





desire to work with North American suppliers to once again promote U.S. rice as the premium product in the country," said Fernando Mansell, general manager of Samuel Mansell S.A. "It is in our best interest to have a strong business relationship with our U.S. counterparts, however, our priority is to provide the Nicaraguan market with the product they demand."

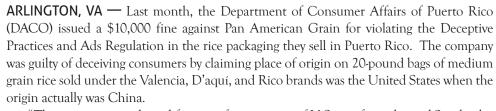
"There is no doubt that we have some quality concerns from our Nicaraguan counterparts," said USA Rice's Dr. Steve Linscombe who conducted the tests. "I am confident they can be addressed if we have the wherewithal to ensure that the rice distributed to the country is of the quality standard that they require."

Later this year, USA Rice is organizing a trade mission to the U.S. for Central American buyers interested in specific U.S. varieties and willing to pay a premium. This identity preserved (IP) visit will showcase U.S. varieties that meet the required quality characteristics and demonstrate how our exporters can deliver the desired products to Central American customers. was

Asiha Grigsby is the USA Rice manager of international promotions. She studied International Development in various Latin American countries and is fluent in Spanish.

PUERTO RICO RICE SHIPPER FINED FOR FALSE ADVERTISING

BY JESICA KINCAID



"This is a victory and good first step for exporters of U.S. rice from the mid-South who have seen a steady decline in sales at the hands of imports from China," said Keith Gray, chair of the USA Rice Millers' Association and a Texas miller.

The action by DACO follows a meeting between USA Rice staff and legal counsel and the San Juan office U.S. Customs and Boarder Protection (CPB) in January to outline our concerns about country of origin mislabeling by Pan American Grain and the extremely low prices at which the rice from China was entering the United States. Customs regulations prohibit the type of country of origin labeling used by Pan American Grain, and USA Rice urged CPB to launch an investigation.

Puerto Rico is a substantial medium grain market, with annual consumption of 217,674 cwt in the most recent three years. Independent marketing reports show a decline in rice marketed on the island originating in the United States while retailers sourcing from China have gained market share steadily.

"As the U.S. rice industry continues its decade-plus fight to sell rice to China, China's state trader is taking advantage of the open U.S. market to capture a significant share of the business in Puerto Rico, with what appears to be rice improperly labeled and being sold well



below prevailing world prices," said USA Rice COO Bob Cummings who led the mission to defend this important market.

Cummings explained that U.S. Customs regulations require the country of origin of imported goods be clearly identified to U.S. consumers, but that the rice in question was labeled, "Product of China and/or USA," which is not allowed. USA Rice sent a cease and desist letter to Pan American Grain demanding that the company stop its deceptive practices concerning the marking and sales of imported Chinese rice on the U.S. Commonwealth.

"We made our case to U.S. Customs officials in San Juan and asked for appropriate enforcement," he said. "The rice from China also appears to be short grain, but is packaged and labeled as medium grain, and we have followed up on this labeling violation with the U.S. Food and Drug Administration (FDA) and are seeking regulatory action from FDA. Our goal is to restore this market for U.S. rice in the face of a competitor who continues to not play by the rules," Cummings concluded.

Jesica Kincaid is USA Rice manager of international policy and has zero personal experience with even library fines.

INTERNATIONAL PROMOTION

U.S. RICE VARIETIES SPARK KEEN INTEREST IN MEXICO

BY SARAH MORAN

GUADALAJARA, MEXICO CITY, & VERACRUZ, MEXICO

- There's nothing like the personal touch when it comes to sales so last January, USA Rice's Dr. Steve Linscombe and Asiha Grigsby along with USA Rice consultant Marvin Lehrer met with the top wholesalers, millers, and packers in Mexico to provide samples of several varieties of high quality U.S. rice suitable for the Mexican market.

This tour was a follow-up to a USA Rice trade mission last November in Mexico City that brought together a 10-member delegation of U.S. rice industry leaders and the most important stakeholders in the Mexican rice industry to discuss trade relations and obstacles for future exports.

The United States enjoyed nearly 100 percent market share of rice exports in Mexico but that market dominance began to deteriorate in the last decade as competitors entered the space. Last year Uruguay nearly unseated the U.S. as the principle supplier of milled rice in Mexico and is increasingly preferred by importers as the quality leader. At the end of 2018, the U.S. market share fell to 76 percent for all types of rice.

The January itinerary included meetings with major Mexican companies and buyers who showed interest in sourcing U.S. rice during the November trade mission. The USA Rice team visited the headquarters of the top millers, Schettino and Promexa, 22 of the top wholesalers at Mexico City's Central Market, and the country's top rice packer, Verde Valle.

"It's an honor and a great opportunity to have the USA Rice team at Verde Valle," said German Rosales, the company's president and CEO. "It allows us to compare U.S. rice varieties to the quality that we are looking for and opens the possibility of once again purchasing from this country. We have come to an understanding and gained valuable knowledge from the USA Rice team." The Verde Valle brand is the gold standard for long grain white rice and previously used U.S. rice in their products until quality concerns forced them to diversify their suppliers. They currently source long grain white rice from Uruguay.

At each stop on the tour, eight samples of U.S. rice were distributed in a blind test, and evaluated by industry experts based on preferred rice characteristics in the Mexican market. The same three varieties were consistently chosen by the importers in every region. The exercise provided overwhelmingly positive feedback that USA Rice will use to further liaise with their members and Mexican counterparts to provide competitive rice varieties.

"It is obvious from our meetings that most of these companies would like to source higher quality rice from the U.S.," said Linscombe. "The November trade mission

and our tour should facilitate accomplishing this

Mexico is our largest export market and the number one export market for paddy rice. In 2018, the U.S. exported 762,368 MT of all types of rice to the country. wa

partners evaluate samples of U.S. rice and provide feedback on preferred rice characteristics







moving forward."



The scrutiny is intense as Mexican trading

WTO: CHINA IS GUILTY OF SUBSIDY VIOLATIONS ON RICE, CORN, AND WHEAT

BY JESICA KINCAID

WASHINGTON, DC — The World Trade Organization's (WTO) dispute panel recently announced its ruling that China's domestic subsidies for rice, wheat, and corn are in violation of its WTO obligations.

"USA Rice is pleased with this outcome," said USA Rice COO Bob Cummings. "The ruling from the WTO has been anticipated for several years, with USA Rice beginning work on combating illegal foreign domestic subsidies

Over-subsidized production and exports have the effect of suppressing global rice prices, leading to unfair competition in key U.S. rice export markets, as well as within the domestic market.

The economic impacts of China's practices are enormous. In 2015, the year before the WTO case was filed, China's "market price support" for rice, corn, and wheat was estimated to be nearly \$100 billion in excess of the levels China committed to when it joined the WTO.

A 2016 Texas A&M study showed if rice subsidies were removed in China and other advanced developing counties, production in China would drop by as much as four percent and imports would increase nearly four-fold as their prices came more in line with world rice prices.

"The WTO ruling vindicates the USA Rice stance that China has for years been undertaking excessive and illegal support programs, and it will set a precedent for the future," said Cummings. "Many other countries are believed to be subsidizing their agricultural producers in excess of their WTO commitments, and we believe this ruling is a compelling reason for them to curb these practices."



"Subsidies by foreign countries in excess of WTO imposed limits hurt U.S. agriculture and we are grateful to the Administration for continuing to pursue this case," said Charley Mathews, Jr., a California rice farmer and chair of

USA Rice. "With about half of our crop exported in any given year, these steps toward leveling the international playing field have enormous consequences for us."

While China can appeal the decision, the country admitted to the WTO prior to the panel report's publication that it had exceeded its WTO domestic support commitments for several years. This acknowledgement may indicate that China will permit adoption of the panel report by the WTO's Dispute Settlement Body and, importantly, that China will come into compliance with

This is important for two reasons. First, China can be held accountable, up to and including trade retaliation, if it does not stop excessive producer subsidies and second, the panel report can be cited in similar dispute settlement complaints against other WTO countries. wa

