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Arkansas Rice Federation

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SENATOR LINCOLN NAMED CHAIR OF SENATE AGRICULTURE COMMITTEE

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DISASTER STRIKES
ARKANSAS CROPS



Native Arkansan Robert Holifield, staff director for the Senate Agriculture Committee, and Senator Blanche Lincoln participate in Arkansas agricultural panel.

*“As a seventh-generation Arkansan and farmer’s daughter,
I know my father is smiling down on me today.” -Senator Lincoln*

Sen. Blanche Lincoln was recently named the new chairman of the U.S. Senate Agriculture, Nutrition and Forestry Committee. Lincoln is the first woman and the first Arkansan ever to serve as committee chairman. Lincoln is from a rice-farming family and holds a number of committee assignments on issues such as health care, tax, trade and energy policy.

“I will continue to fight for hardworking farm families and rural communities that provide the safest, most abundant and affordable supply of food and fiber in the world,” Lincoln said.

“The Arkansas Rice Federation congratulates Senator Lincoln on being named chairman of the Senate Agriculture Committee,”

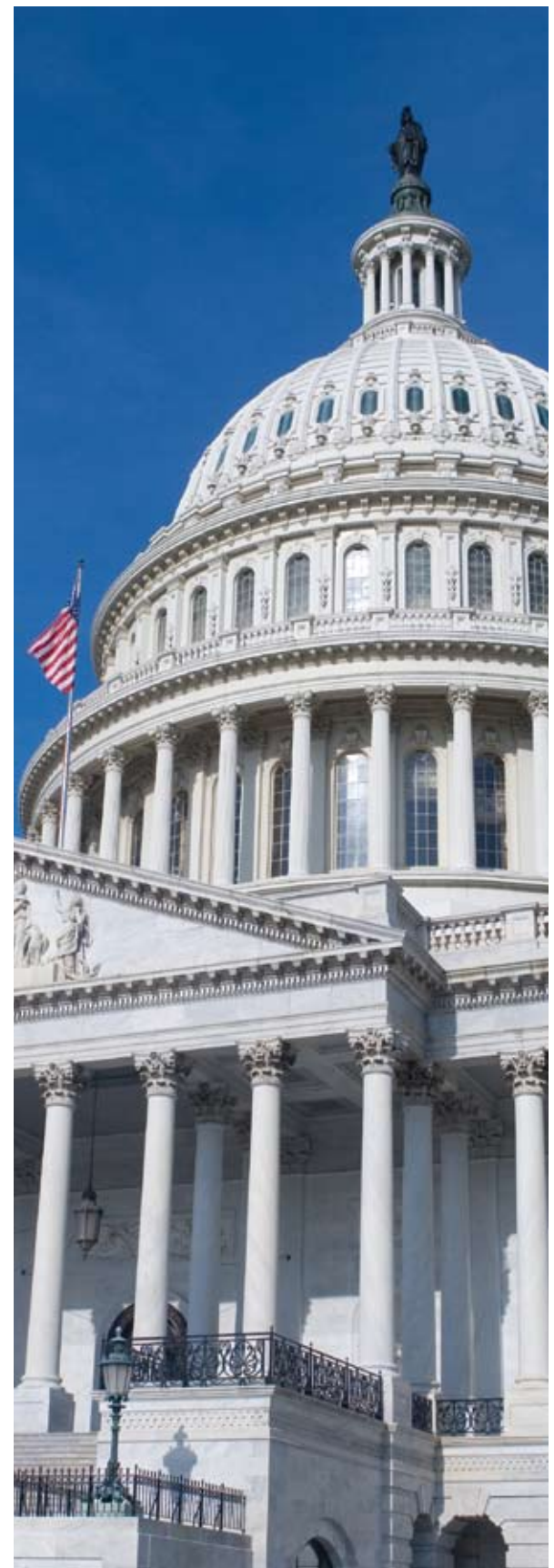
Arkansas Rice Federation Chairman Gary Sebree said. “She has a long history of supporting Arkansas farm families and we believe that this is excellent news not just for the rice industry, but the entire state of Arkansas. We look forward to continuing to work with the senator in her new leadership capacity.”

SENATOR LINCOLN LEADS AGRICULTURE PANEL IN ARKANSAS

Making quick work of her new appointment, Senator Lincoln hosted a roundtable on November 23 with business leaders from across the state. Arkansas Rice Federation Chairman Gary Sebree served on the panel and discussed the key challenges facing the rice industry. “Weather has certainly been our largest

challenge here at home in 2009,” Sebree explained to Lincoln. “The Arkansas Rice Federation and the USA Rice Federation have reviewed the disaster legislation you recently introduced with Senator Cochran, and we support your efforts. Timeliness is the key and the delivery mechanism you propose

Continued



FACT : Arkansas grows more than 1.3 million acres of rice each year.

Continued from cover



Senator Blanche Lincoln

would provide assistance when farmers need it." The University of Arkansas's Division of Agriculture released a report estimating Arkansas crop losses for the 2009 harvest have risen to more than \$300 million.

This does not factor in the more than \$80 million of lost wages of agriculture-related jobs. In addition to on-farm losses, the report also shows a decline of nearly \$162 million in economic value-added, which encompasses soy, corn and rice processing, cotton ginning and reduced household spending by Arkansans whose incomes are tied to agriculture.

The measure would ensure that producers receive relief in a timely manner by providing an estimated \$1.3 billion in direct payment assistance to producers in counties declared "primary" disaster areas by USDA. Direct payments, rather than payments from the Supplemental Revenue Assistance Program (SURE), are utilized because SURE is not expected to be available until January 2011. Farmers would not receive relief in time for them to plant the next crop. To date, the U.S. Department of Agriculture (USDA) has designated more than half of Arkansas's counties as primary natural disaster areas.

"Agriculture is the backbone of Arkansas's economy and many of our state's producers are facing difficult times," Lincoln said. "Today's event was an opportunity to hear firsthand from various segments of the agriculture industry and business

leaders on steps we can take to put our economy back on the right track. This is my number one priority, and I will use my chairmanship to reverse the devastating effects our ailing economy has had on Arkansans." Sebree also discussed the challenges the industry is facing abroad, including trade negotiations. "As for challenges abroad," Sebree said, "we face constant hurdles on the trade front. On behalf of the Arkansas Rice Council, the Arkansas Rice Federation and the USA Rice Federation, we appreciate your continued leadership in working to expand trade markets for U.S. products and, furthermore, your work to hold foreign countries accountable for the agreements that are already on the books. Rice is always a sensitive commodity in trade negotiations, and we appreciate your willingness to hold our trading partners and our own government accountable."



Arkansas rice finds its way to WIC plates



Arkansas Rice Federation Executive Director Ben Noble thanks Susan Handford, WIC Program Interim Director, for the addition of rice to WIC.



The health and nutrition of nearly nine million women and children significantly improved recently as the U.S. Department of Agriculture and the states fully implemented the revised Women's, Infants and Children's (WIC) food packages that for the first time include healthy foods, such as fruits, vegetables and whole grain foods, including brown rice.

Arkansas has 95,000 WIC recipients who are at nutritional risk. WIC is a federally funded, state administered supplemental nutrition program for women, infants and children up to age five.

The Arkansas launch September 28 caps a five-year-long advocacy effort by the USA Rice Federation and its Arkansas members to urge the U.S. Department of Agriculture to include

brown rice in its first overhaul of the WIC program in over 30 years. For rice industry WIC backgrounders and recipes, go to www.usarice.com/WIC.

In light of this new development, Arkansas Rice Federation Executive Director Ben Noble met with Arkansas WIC Program Interim Director Susan Handford to thank Handford for her help in implementing this new policy. The two also discussed the launch of the revised WIC Food Program packages.

"Arkansas WIC is pleased to offer nutritious new foods to the participants our program serves," Handford said. "We have appreciated the rice industry's support during this time." All but four states will offer one pound of brown rice per month for women and two pounds

for children as a whole grain option, making it available to 75 percent of WIC recipients.

The rice industry worked with state WIC staff as they developed the new food packages, and donated hundreds of one-pound bags of brown rice for training sessions of dietitians and staff who work with WIC recipients. USA Rice has leveraged federal food policy initiatives to drive growth in the brown rice market, including assuring a positive position for rice in the 2005 U.S. Dietary Guidelines for Americans, which recommended three whole grain servings each day, and obtaining a U.S. Food and Drug Administration (FDA) whole grain health claim for brown rice, providing a strong purchasing incentive for consumers.

"As the leading rice-producing state, Arkansas farmers and millers are proud that nutritious brown rice is now included in the state's WIC food packages."

Ben Noble, Arkansas Rice Federation Executive Director

BEEBE'S VISIT TO CUBA COULD GROW RICE SALES FOR ARKANSAS



State Rep. Robert Moore, Riceland President & CEO Danny Kennedy, Alimport President & CEO Igor Monterro, Cuba Chamber of Commerce President Pedro Alvarez, Arkansas Governor Mike Beebe, Tyson Foods EVP-Corporate Affairs Archie Schaffer and State Senator Jim Luker visit during the Arkansas-Cuba trade mission trip in July 2009. Alvarez is the long-time former president of Alimport, the food importing agency for the government of Cuba. Also on the trip (but not pictured above) was Maria Haley, director of the Arkansas Economic Development Commission.



Gov. Mike Beebe said that his recent trip to Cuba in July 2009 produced no trade agreements for Arkansas rice and chicken but he thinks it improved relationships that could lead to more sales.

Accompanying him on the trip were Maria Haley, director of the Arkansas Economic Development Commission, Sen. Jim Luker, D-Wynne, and Rep. Robert Moore, D-Arkansas City, Archie Schaffer of Tyson Foods, and Danny Kennedy and Bill Reed of Riceland Foods. Luker and Moore recently held a public hearing at the state capital to highlight several aspects of the trip.

“With regard to Riceland and other agricultural products, I came away with the impression that [Cuban officials would buy] more if they could,” Beebe was quoted in an article in the *Arkansas Democrat-Gazette*.

“What they wanted to do required them to have the money to do it. That ties back into federal policy. I made very clear I didn’t speak for the federal government and didn’t want to speak for the federal government.”

Riceland already sells rice to Cuba, Beebe said. But whether that trade increases is largely dependent on agreements between the two nations, he said. “The only way [Cubans] are going to get more money [to buy from America] is tourism,” Beebe said. “The only significant way they’re going to get more tourism, they believe, is American investment and American tourists.” He said he’d like Arkansas to get a greater share of trade with Cuba, which largely trades with Vietnam, Singapore, Russia, Thailand, Spain and Brazil.

Bill Reed, Riceland’s vice president for public affairs, said the company started trading with Cuba when the United States allowed food and medicine to be traded in 2000. But he said trade slowed when the federal government tightened trade rules in 2005. So far this year, Cuba has bought no U.S. rice. He said Vietnam sells the most rice to Cuba but it’s “visually” unappealing, having shorter and broken grains. He said Cuba would prefer the high quality of Arkansas rice, but Vietnam sells the rice on credit.

Congress recently approved an “omnibus” appropriations bill that includes language to suspend for Fiscal Year 2010 the requirement that agricultural exports to Cuba must be paid for before they leave U.S. ports. Instead, this change will put agricultural exports to Cuba on a footing similar to other global market cash sales, requiring payment when the title of the shipment changes hands.

Arkansas is uniquely situated to provide products that Cubans need. The proximity to Cuba – just 90 miles off the coast of Florida – means that Arkansas rice can be shipped in less time and sent on smaller ships, allowing access to a greater number of ports around the country, not just the capital, Havana, making it advantageous for both countries.

This trip proved to be fruitful for laying the groundwork for future trade with Cuba. Many are optimistic that U.S. relations with Cuba may improve due to recent actions by the Obama Administration and through legislation making its way through Congress.

Arkansas Delegation leads effort to provide disaster assistance

The University of Arkansas’s Division of Agriculture recently released a report estimating Arkansas crop losses for the 2009 harvest have risen to more than \$300 million. This does not factor in the more than \$80 million of lost wages of agriculture-related jobs.

In addition to on-farm losses, the report also shows a decline of nearly \$162 million in economic value-added, which encompasses soy, corn and rice processing, cotton ginning and reduced household spending by Arkansans whose incomes are tied to agriculture. In response to such devastating losses, Senate Agriculture Committee Chairman Blanche

Lincoln (D-Ark.), Senate Appropriations Committee Ranking Member Thad Cochran (R-Miss.), Senator Mark Pryor (D-Ark.) and Senator Roger Wicker (R-Miss.), have introduced legislation to provide disaster assistance to farmers affected by the difficult 2009 growing conditions.

Representatives Marion Berry (D-Ark.), along with Travis Childers (D-Miss.), and Mike Ross (D-Ark.), have introduced companion legislation in the House. The Arkansas Rice Federation, the Agricultural Council of Arkansas and several national commodity organizations support this legislation.



COMPRISED OF OVER 10,000 MEMBERS,
the Arkansas Rice Federation
SERVES AS THE PRIMARY VOICE
FOR THE ARKANSAS RICE INDUSTRY.

UPCOMING MEETINGS AND EVENTS

JANUARY 2010

Arkansas Rice Council/Arkansas Rice Producers' Group Joint Annual
Membership Meeting
Brinkley Convention Center / Brinkley, Arkansas
January 28, 2010

FEBRUARY 2010

Government Affairs Conference
Mandarin Oriental Hotel / Washington, D.C.
February 22-25, 2010

JUNE 2010

RMA Annual Convention
LaCosta / Carlsbad, California
June 20-24, 2010

JULY 2010

July Annual Business Meetings
Four Seasons Hotel / Irving, Texas
July 10-13, 2010

DECEMBER 2010

December Business Meetings
Beau Rivage Hotel / Biloxi, Mississippi
December 4-7, 2010

USA Rice Outlook Conference
Beau Rivage Hotel / Biloxi, Mississippi
December 5-7, 2010

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