



USA RICE

Canada Marketing Representation Market Access Program

REQUEST FOR PROPOSAL

I. INTRODUCTION AND OVERVIEW

USA Rice

USA Rice is a nonprofit trade association representing all segments of the U.S. rice industry, including but is not limited to producers, millers, exporters, and merchants, as well as other entities involved in the production and marketing of U.S. rice. The organization was founded in 1994 by the leadership of the industry's three national associations: the Rice Millers Association, USA Rice Council and the USA Rice Farmers (formerly known as US Rice Producers Group).

USA Rice's grower representation includes approximately 90% of the U.S. rice crop. The organization also represents virtually all U.S. rice millers and processors, as well as the nation's major rice exporters, which account for nearly 100% of U.S. rice supplies and exports. Furthermore, associate members of the USA Rice cover almost the entire marketing and distribution channels for U.S. rice.

USA Rice operates a domestic promotion program as well as export promotion programs in more than 20 countries. Programs are funded by both USA Rice members and through various public programs for which USA Rice competes annually.

USA Rice is headquartered in Arlington, Virginia, and has subsidiary offices in Arkansas, Louisiana and Germany. Consultants and agencies are used as appropriate, for a wide variety of projects, including domestic and international promotion programs.

USA Rice is an equal opportunity employer and prohibits discrimination in all programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, or marital or familial status.

II. MARKET SITUATION IN CANADA

Canada has many similarities to the U.S., yet Canada's size, separate pockets of population density and bilingual government mandate present substantial differences with our domestic market. Canada is one of the more ethnically diverse countries in the world given its relatively favorable immigration policies. In 2020, Canada's population reached a total of 37.59 million. Ontario (39%) and Quebec



(22.5%) combined represent nearly two-thirds of Canada's population. Ontario is primarily an English-speaking province while Quebec is predominantly French speaking.

Canada is the world's 10th largest economy in nominal terms and its GDP output in 2019 was approximately \$1.74 trillion (\$U.S.) (*Source: Investopedia*). The country's political environment is stable, perhaps best exemplified in March 2020 when the COVID-19 crisis forced decisive, measured action. The pandemic prompted the Canadian government to declare a state of emergency, resulting in lockdowns and disruptions to work and homelife for almost all Canadians, some of which linger to date.

The Canadian market is highly accessible and synchronous with that of the U.S. Canada is a top agricultural trading partner for the U.S., with exports exceeding \$24 billion and total two-way agricultural trade topping \$48 billion; they exchange more than \$2 billion in goods and services daily. Canada and the U.S. are each other's largest export markets, and Canada is the number one export market for more than 30 U.S. States. In addition, Canada is the single-largest foreign supplier of energy to the United States. At the present time there are no barriers to trade and U.S.-grown rice enters Canada duty-free. Historically, Canada and the U.S. have enjoyed a mutually beneficial trade relationship. Although the past four years were turbulent, marred by U.S.-imposed tariffs targeting Canadian steel and aluminum (though rice was not affected), which were in turn met with Canadian retaliatory measures, on July 1, 2020, USMCA officially entered into force.

Market Access:

Canada typically ranks as one of the U.S.'s top five rice export markets. Canada does not produce rice and therefore relies on imports to satisfy consumption needs. It is primarily a long grain rice market with both milled and parboiled accounting for most imports. With respect to U.S. rice imports, approximately 71 percent is milled, 16 percent is brown, and 12 percent is broken.

In 2021, Canada imported 231,210 MT of U.S. rice, making it the U.S. rice industry's fourth largest export market in terms of value at \$193.5M. U.S. rice accounted for half of Canada's imports in calendar year 2021, making it the country's largest supplier. For the three-year period, 2019-2021, our closest competitors, Thailand, India and Pakistan accounted for 40% of imports (collective average). The rice imported from these countries is mostly aromatic varieties of white rice, such as Indian Basmati, Thai Mali Rice and Thai Jasmine. The continued rise in popularity of these specialty varieties speaks to Canada's multicultural composition as well as the changing tastes of mainstream consumers. For these reasons, USA Rice has worked closely with U.S. rice agricultural research centers and private companies to develop aromatic varieties that can be grown in the U.S. and compete against these origins, though it takes on average seven years to develop a new variety.

With the last Usage & Attitudes survey conducted in 2017, in December 2020 USA Rice commenced work on the triennial national survey that targeted 1,973 Canadians, probing their attitudes and opinions on a range of rice-related topics. Overall, the findings reveal gains over the past three years



with improvement on positive attitudes towards rice. For example, rice is perceived as ‘healthy’ by significantly more consumers than are potatoes and pasta (70%) and as for U.S.-grown rice, 41% recognize its nutritional benefits (along with high quality and great taste). Rice dishes are less likely to be considered exotic compared to 2017 – perceptions are more mainstream. More children are eating rice (future consumers) and consumers are slightly more confident in preparing and cooking rice with more consumers making rice dishes at home. The report also identified opportunities for meaningful and improved engagement to increase rice consumption. Given only 39% of rice consumers claim that rice provides good nutrition overall, and Canadians in general are interested in living a healthier lifestyle inclusive of better food choices, continuing to leverage the nutrition benefits of rice is an opportunity. Furthermore, educating consumers on the superiority of U.S.-grown rice will remain a campaign cornerstone.

The emphasis on origin messages, particularly at the foodservice level, has gained traction. For example, there has been significant improvement in the percentage of consumers recognizing their rice as having US origin (15% up from 8%) and knowing that their rice has U.S. origin is appealing to four times as many Canadian consumers as those who find it unappealing. Approximately 1 in 4 rice consumers are aware that US is a major rice producer. When it comes to consumption, pasta has overtaken potato consumption on a monthly basis. Canadians stated they ate the following once to three times a week: pasta (51%) potatoes (48%), rice (44%) and other whole grains (7.2%). Approximately one quarter of Canadians state they are eating more rice in the past five years, driven by increased knowledge on how to prepare more rice dishes.

Canada’s once robust foodservice sector went into freefall as government-mandated lockdowns paralyzed the industry resulting in many permanent closures. Foodservice sales plummeted 61% in March and April 2020 compared to February 2020 (*Source: MenuMag*). Many restaurants attempted to adapt by diversifying their menus as well as creating meal kits to accommodate the ‘take out’ model.

In recent years, USA Rice’s promotional efforts here have focused on foodservice collaborations aimed at targeting the value (cost per portion), versatility and applicability (appeals to a range of dietary considerations) of rice on a menu or as an offering. Activities have also emphasized the value proposition of origin identification by creating and leveraging a Think Rice U.S.-grown label. In 2021 and beyond, Canada’s foodservice industry will chart into new territory as it wades into recovery response mode to the pandemic.

Foodservice operators that emerge from the pandemic are expected to strengthen their commitment to climate change through more plant-based menu options, marketing their sustainability efforts and aligning with suppliers who are dedicated to an environmentally sustainable business model. Given that 65% of Canadian consumers say social responsibility is important to them when deciding which restaurant to visit and 50% of Canadian consumers say environmental social responsibility carries weight when deciding on a restaurant to visit, leveraging USA Rice’s commitment to sustainability and leveraging it as the ‘most local source’ of rice in Canada are marketing advantages when



developing promotions and opportunities with potential partners that encourage them to use and/or switch to U.S.-grown rice.

Rice, the original whole grain, has long been a dietary staple around the globe, and, thanks to Canada's multicultural and gastro-adventurous population, it has a place at the table in many homes across the country. The January 2019 release of Canada's new national food guide recommends that whole grains, like brown rice, comprise a quarter of the meal plate, and strongly encourages plant-based eating. In 2020, rice was a recommended grain and featured in recipe suggestions in several e-newsletters issued by Health Canada. Additionally, Health Canada recently created a system that adds symbols to the front label of food packages that are high in saturated fats, sugars and/or sodium – rice is not high in any of those areas and thus will fit into the healthy food choices that are recommended. The new protocol established by Health Canada will be adopted in phases. All food distributors must comply with the front of package labeling regulations by December 2021.

III. USA RICE OBJECTIVES IN CANADA

USA Rice objectives in Canada include:

- a. Increasing both the value and volume of U.S. rice exports to Canada.
- b. Building long-lasting and consistent trade and HRI relationships in the region's rice market.
- c. Providing the Canadian rice trade with the information and services needed to encourage increased rice imports from the U.S.
- d. Positioning the U.S. rice industry as a consistent trading partner for Canadian importers and millers.

IV. SCOPE OF WORK

USA Rice seeks a qualified individual or agency to serve as the trade and promotional representative in Canada to accomplish the following scope of work:

- a. Develop generic digital and in-person activities that promote the benefits of consuming U.S. origin rice including but not limited to material development, digital and print media placements, social media, in-store promotions, restaurant promotions.
- b. Create campaigns that bring awareness to targeted consumers about the economic, nutritional and versatility of U.S. origin rice, as well as stimulate increased sales.
- c. Monitor, report and assist with consumer or market trends and developments related to rice in the Canadian market.
- d. Assist with arrangements and accompany USA Rice Federation staff and/or members on consumer insight development trips to Canada.
- e. Represent USA Rice at conferences, trade shows, USG events and other functions conducted by and for the rice trade in/for Canada.



- f. Keep USA Rice members and staff apprised of market opportunities in the region via the submission of regular communications. A monthly written report will be required and should include an outline of projected activities for the next month as well as a report on all activities conducted during the reporting month. Consultant will also submit trip reports after travel to Canada.
- g. Develop and conduct promotional activities that will create awareness of local brands that utilize US origin rice, as well as, increase the sale and consumption of US rice in Canada.
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The firm or consultant shall successfully complete the above scope of work from January 1, 2023-December 31, 2023. The firm will work directly with the Asih Grigsby, USA Rice Director of International Promotion for the Western Hemisphere. The agency or individual selected to conduct activities will contract with the USA Rice and will be subject to the regulations applicable to the Market Access Program (MAP) as administered by the Foreign Agricultural Service of the United States Department of Agriculture.

V. PROPOSALS

USA Rice requests that you include the following components in discussing your capabilities:

- A. Describe how you/your agency will achieve the Objectives outlined in Section III and the Scope of Work outlined in Section IV.
- B. Explain why your qualifications and background make you the best individual/agency to represent the USA Rice in CANADA (please mention language proficiencies).
- C. Provide information regarding your past work, especially related to representing U.S. agricultural commodities in CANADA.
- D. Please detail which of your staff members will make-up the USA Rice team and explain their roles and experience.
- E. Include a detailed retainer of all costs necessary to complete this scope of work including staff fees, third party expenses, administrative overhead, travel, and other direct/indirect costs needed to support your program.
- F. Include any additional information that demonstrates the ability to perform the functions outlined in this Request for Proposal.

VI. CONFLICTS OF INTEREST



Potential conflicts of interest relative to this program are as follows: agency representation of another entity that is directly competitive to rice, e.g., pasta, tortillas, potatoes; or a firm of record for any U.S., or other rice company. Please disclose any conflicts of interest.

Additionally, no USA Rice employee, officer, board member, or agent thereof will participate in the review, selection, award, or administration of a contract if a real or apparent conflict of interest would arise. Such a conflict would arise when an employee, official, board member, agent, or the employee's, officer's, board member's, or agent's family, partners, or an organization that employs or is about to employ any of these parties or their affiliates has a financial or other interest in the contract.

USA Rice officers, employees, board members, and agents thereof shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or subcontractors. Procedures shall also provide for disciplinary actions to be applied for violations of such standards by officers, employees, board members, or agents thereof.

VII. SELECTION CRITERIA

USA Rice reserves the right to award the contract to the individual/agency with the best combination of attributes and ability to successfully serve as the organization's marketing representative in CANADA, not necessarily the lowest bid.

VIII. ADMINISTRATION

The individual or agency selected for the position will report directly to Asih Grigsby, Director, International Promotion Western Hemisphere with further oversight by Sarah Moran, Vice President, International.

IX. FINANCIAL

The total budget for all aspects of this scope of work, including all fees, overhead, third party expenses, travel and other expenses is \$220,000- \$230,000. Submitted proposals should reflect this budget. Funds for this project come from the U.S. Department of Agriculture's Market Access Program (MAP) and are subject to the annual availability of funds in that program.

X. PROPOSAL DUE DATE / PROJECT TIMING

Proposals are due by close of business on Tuesday, November 29, 2022. For the individual or agency selected to complete this scope of work, the contract will run for one year commencing in January 2023 and ending on December 31, 2023. If mutually acceptable, the contract may be renewed at the end of the fiscal year at the option of the USA Rice.



XI. SUBMISSION OF PROPOSALS

Individuals / agencies are invited to submit proposals to USA Rice by close of business Tuesday, November 29, 2022 (5pm EST). Please direct your proposal to the following email address:

Asiha Grigsby
agrigsby@usarice.com