



USA RICE

Taiwan Marketing Program Implementation

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 TAIWAN

The local rice industry continued facing an oversupply situation. The beginning stocks remained high at 1.5 MMT, which is equivalent volume to one-year's entire crop in Taiwan. To ease the situation, the Council of Agriculture organized different types of promotions and competitions to increase rice consumption and utilization. Moreover, The Council committed to a breeding program for premium rice varieties, increased the farm gate price, and promoted

Taiwanese rice in international markets. Despite these incentives, the export volume declined by 13.7% in 2021 as international trade and logistics were impacted by the pandemic. The weather conditions in winter of 2021 were favourable, with the result that the government stocks level and supply of new crop in 2022 will likely remain high.

As a condition of joining the World Trade Organization (WTO) in 2002, Taiwan agreed to import a total of 144,720 MT of rice (brown rice basis) each year, of which 65 percent (94,068 MT) is to be imported by the public sector and 35 percent (50,652 MT) by the private sector. The U.S. receives 45% (64,634 MT) of the total quota volume.

The USA quota for 2021 was split into 35,834MT under the normal tender scheme and 28,800 MT under the Simultaneous-Buy-Sell (SBS) tender scheme, respectively. Normal tenders are purchased by the Taiwanese government and the rice goes into government storage until released into the market. SBS tenders offer private importers the opportunity to bid on the ability to import a set amount of U.S. rice. The SBS rice is delivered directly to the importer.

The U.S. fulfilled 98.8% of the quota delivery, penetrating the market well in 2021. The 805MT of glutinous rice that failed at bidding was due to not being able to meet the Council of Agriculture (COA) pre-set delivery timeframe.

According to Taiwan Customs data, Taiwan imported 104,971 MT of rice in 2021, an increase of 0.6% year on year. U.S. rice led the sector accounting for 55% of the total import volume, followed by Thailand and Vietnam, which reported an increase of 30% and a drop of 15% in volume, respectively, from the year before. Thailand and Vietnam still dominated the long grain rice market. Although it is a minor drop of U.S. rice exports to Taiwan, the total value increased by 11.1%.

All the SBS quota was subscribed and easily entered the market as rice importers have built their confidence in handling U.S. rice. In 2021, there were six importers involved in the U.S. rice trading, of which, the top three companies shared 91% of the total quota volume. Various varieties of U.S. rice are brought into the market including Southern medium grain, California medium grain, short grain glutinous rice, aromatics, and long grain. Among all varieties, U.S. long grain was started from a trial shipment in 2020 and has become a regular import item in 2021. Also, U.S. jasmine-type long grain rice was imported into Taiwan for the first time in 2021.

Market Access:

Although there have been few instances where Taiwan did not live up to its obligations under the terms of admittance into the World Trade Organization and establishment of country specific quotas, there have been several technical issues that have impeded trade, the most important of which include:

- Zero tolerance for chemical pesticides for which no MRLs have been established.



- Opaque floor prices enforced on for Private Tenders, which makes imported rice much more expensive than it would otherwise be. This also favors the lowest priced rice market while disfavoring high quality rice
- Opaque ceiling prices enforced on government rice purchases that sometimes results in Taiwan not meeting their minimum CSQ for U.S. rice.

III. USA RICE FEDERATION OBJECTIVES IN TAIWAN

USA Rice objectives in Taiwan include:

1. Build the identity and awareness of U.S. rice as a quality supplier;
2. Communicate with consumers on U.S. rice's quality standards, nutritional value, growers commitment to sustainability and the environment, which develops consumers peace of mind;
3. Influence foodies, influencers, and online platforms to share their experience in preparing recipes using U.S. rice;
4. Influence E-commerce platforms to carry multiple identified U.S. rice products;
5. Build awareness of the varied types of U.S. rice available on the market including both Southern and California medium grain, long grain, long grain aromatic and short grain glutinous rice; and,
6. Cooperate with importers on promotions to build further the trade's confidence in U.S. rice and the support that USA Rice can offer.

IV. SCOPE OF WORK

1. Consumer Promotions:
 - a. *On/Off-line Promotions:*
Cooperate with modern retailers to conduct a promotions campaign through in-store activities and online promotion/advertising.
 - b. *Consumer Communications:*
Utilizing the USA Rice website and Facebook, design and contribute new postings to stress the attributes of U.S. rice including sustainability, environmental stewardship, versatility and the choice of smart shoppers.
 - c. *Point of Purchase Materials:*
Produce point of sale materials to promote the attributes of U.S. rice to consumers. This may include token item giveaways.
2. Prepare monthly reports, to include the following information:
 - a. Report on rice market in Taiwan and Taiwan's economic outlook;
 - b. Copies of all trade and government contact reports;



- c. List of contacts made in media and industry;
 - d. Summary of activities undertaken during the period covered by the report, including an evaluation of the impact on the target audience;
 - e. All information and materials generated during that month;
 - f. Progress of achieving program goals as set forth in the UES; and
 - g. Clips of trade publication articles related to USA Rice and the U.S. rice industry.
3. Provide a year-end self-evaluation that addresses the goals and performance measures as outlined in the UES and the impact on the target audience.

The firm or consultant shall successfully complete the above scope of work from January 2023 through December 31, 2023. The firm will work directly with the USA Rice Director of Asia Promotion Programs. 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 South Korea (please mention language proficiencies).
- C. Provide information regarding your past work, especially related to representing U.S. agricultural commodities in South Korea.
- D. Please detail which of your staff members will make-up the USA Rice team and explain their roles and experience.
- E. Include an accounting 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.

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 Taiwan, not necessarily the lowest bid.

VIII. ADMINISTRATION

The individual or agency selected for the position will report directly to Jim Guinn, Director, Asia Promotion Programs, with further oversight by the 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 approximately \$110,000. Submitted proposals should reflect this budget. Funds for this project come from the U.S. Department of Agriculture's Market Access Program (MAP) and is subject to the annual availability of funds in that program.

X. PROPOSAL DUE DATE / PROJECT TIMING

Proposals are due by close of business on November 30, 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 (5pm EST) November 30, 2022. Please direct your proposal to the following email address:
jguinn@usarice.com.