



USA RICE

TURKEY Marketing Representation

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 TURKEY

The Rice market

Turkey is the world's second largest import market for Japonica rice (medium grain). There is strong price pressure from domestic rice; however, substantial imports are necessary to satisfy domestic demand. In 2021 calendar year, total rice imports to Turkey have decreased substantially by 39% to 354,900 MT showing the impact of the economic situation in the country. Exports increased slightly to 241,500 MT.

China continued to be the major supplier of rice to Turkey with 40% market share, followed by Russia 15% and India 12%. This trend continued in 2022, with China supplying 54% of rice imports in Jan-Sept. Even though the quality of the Chinese origin rice is not appealing to the Turkish consumer, consumers will purchase it because of its lower prices. The increasing presence of lower quality, cheaper rice types on the retail market negatively impacts consumer perception and sales in the entire rice category.

In general, consumers have a preference for U.S. rice and appreciate it for its high quality, cleanliness and cooking characteristics. The U.S. is seen as a high quality, reliable supplier for both rough and milled rice imports, with medium grain rice from California (Calrose) taking the majority share of exports. However, Calrose rice prices increased substantially during 2021, a trend which continued in 2022. California is currently struggling with drought. Small water allocations for California farmers led to a smaller medium grain crop in 2021, thus U.S. medium grain rice export prices have raised exponentially throughout the year; and this tendency continued in 2022. This coupled with the general economic environment, lower consumer purchasing power and the market access issues described below seriously limited export opportunities for U.S. rice in the past years, currently there is no substantial presence of U.S. rice on the market.

Market Access:

In June 2018, Turkey announced the introduction of retaliatory tariffs on several U.S. products including rice as a reaction to the U.S. imposing additional tariffs on steel and aluminum exports from Turkey. The additional tariff rate, which is applied on top of the regular tariff is 25 percent. This means that the effective tariff rate for U.S. rice is currently 70% for milled rice, 61% for brown rice and 59% for paddy rice imports, putting U.S. rice at a strong disadvantage. Private traders aren't granted the tariff exemption that the TMO receives. Additionally phyto-sanitary barriers limit opportunities for sales of medium grain rice from the Southern states in the US.



III. USA RICE OBJECTIVES IN TURKEY

USA Rice objectives in Turkey include:

- A. Increasing both the value and volume of U.S. rice exports to Turkey.
- B. Building long-lasting market awareness and preference for U.S. origin rice among consumers, foodservice professionals, media and trade.
- C. Providing rice consumers in Turkey with the information to encourage increased U.S. origin rice purchases.
- D. Positioning the U.S. rice industry as a consistent trading partner for importers in Turkey.

IV. SCOPE OF WORK

USA Rice seeks a qualified individual or agency to serve as the trade and promotional representative in Turkey, and to accomplish the following scope of work. Please note that the scope of promotional activities to be conducted will strongly depend on the availability of U.S. rice on the market in 2023:

- 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, POS and 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 Turkey.
- d. Assist with arrangements and accompany USA Rice Federation staff and/or members on consumer insight development trips to Turkey.
- e. Represent USA Rice at conferences, trade shows, USG events and other functions conducted by and for the rice trade in/for Jordan.
- f. Keep USA Rice members and staff apprised of market opportunities 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.
- g. Develop and conduct promotional activities that will create awareness of local brands that utilize US origin rice
- h. Develop strong relationships and work together with local U.S. rice importers to develop promotional activities to support sales of these identified U.S. rice brands as appropriate.

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 Eszter Somogyi, Director for Europe, Middle



East and Africa at USA Rice. The agency or individual selected to conduct activities will contract with 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 USA Rice in Turkey.
- C. Provide information regarding your past work, especially related to representing U.S. agricultural commodities in Turkey.
- D. Please detail which of your staff members will make-up the USA Rice team and explain their roles and experience.
- E. Include a monthly 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 Turkey, not necessarily the lowest bid.

VIII. ADMINISTRATION

The individual or agency selected for the position will report directly to Director Europe, Middle East and Africa, 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 \$50,000-\$60,000. 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 30th November, 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 USA Rice .

XI. SUBMISSION OF PROPOSALS

Individuals / agencies are invited to submit proposals to USA Rice by close of business 6 PM (Central European Time). Please direct your proposal to the following email address: esomogyi@usarice.com