



USA RICE

MEXICO Marketing Representation Market Access Program (MAP)

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 MEXICO

Market Access:

Mexico is a critical market for U.S. rice. Imports are mostly long grain paddy rice that is milled, packaged, and commercialized in Mexico. The country has a relatively low per capita consumption (approximately 7.8 kgs.). However, COVID-19 had a positive effect in rice consumption due to the availability, relatively low cost, versatility, and long shelf life. When compared to 2019, overall imports of rice into the Mexican market during 2020 increased 13.46% (906,842 of paddy rice and 198,532 of milled rice).

Competition

The rice market landscape continued to change in 2020 as other origins worked aggressively to capture traditional US market share. As such, US paddy market share declined from 96.5% in 2019 to 73.5% in 2020. Paraguay, Uruguay and even Brazil all posted larger export numbers to this destination in 2020.

Paraguay has an aggressive export program and Mexico is one of the markets being targeted. The country produced 1.2 million MT of rice during 2020 but domestic consumption only averages 200,000 MT. Brazil has also been focusing on Mexico and its abundant production and relative geographic proximity make it a competitive rice supplier.

After banning Uruguayan rice due to phytosanitary issues in 2019, Mexican authorities removed the ban in April 2020 and are continuing to allow imports of milled and paddy rice. Uruguayan rice exports in 2020/2021 are forecast at 790,000 tons, milled base, the same as in 2019/2020.

Imports of U.S. long grain milled rice spiked 26.58% in 2020. That increase may be difficult to sustain as the milled rice sector is highly competitive with Brazil, Paraguay, Argentina and even Thailand are all in the hunt for milled rice market share. Mexico is a consignee of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). Vietnam is also a consignee of the CPTPP and it there could be very real competition for U.S. rice as Vietnam gets closer to duty free access.

In order to maintain the availability of rice from multiple origins, the Secretariat of Economy published on August 7, 2020 an agreement establishing the specific provisions governing the unilateral tariff rate quotas (TRQs) which were originally published in June 2016. The new TRQs will allow 105,000 MT of rice from any origin to enter Mexico duty-free (30,000 MT until December 31, 2020 and 75,000 MT from January 31, 2021 until December 31, 2021). This decision will also allow more competition for U.S. rice.

Free Trade Agreements

Mexico has at least 14 free trade agreements involving 46 countries. These include agreements with most countries in the Western Hemisphere, including the United States and Canada under USMCA, Chile, Colombia, Costa Rica, Nicaragua, Peru, Guatemala, El Salvador, and Honduras. In addition, Mexico has negotiated FTAs outside of the Western Hemisphere and entered into agreements with Israel, Japan, and the European Union.

The North American Free Trade Agreement (NAFTA) made Mexico the United States' top rice export market and USMCA, the replacement to NAFTA, has maintained the benefits realized from NAFTA. The parties agreed to revisit the USMCA every six years and a sunset provision



will take effect at year 16 if the agreement is not renewed. In June of 2019, USMCA was ratified by the senate chamber in Mexico.

Currently, there are no persistent phytosanitary, licensing, duties, or other trade-distorting practices affecting rice imports between the US and Mexico. While there have been no significant market access concerns in the last year, Mexican customs regulations, product standards, and labor laws may present challenges. Continued violence involving criminal groups has created heightened insecurity in some parts of Mexico, including in some border areas, in certain port zones, and along truck and rail corridors.

Exports

In 2019, Mexican rice exports declined 81% from 108,255 to 20,788 metric tons; however, in 2020 imports bounced back 75.76%, reaching 36,537 metric tons. Venezuela only imported 1,075 metric tons of rice and Mexico started exporting rice to The Netherlands and El Salvador in 2020. The U.S. received 17,498 mt of rice from Mexico during the year, an increase of 217.68% when compared to 2019.

Consumption

The annual per capita consumption rate for rice is about 16 lbs. per year. Due to the pandemic, rice consumption slightly increased during 2020. Low rice consumption levels coupled with a growing population indicates that there is great potential for additional growth in the largest export market for US rice. Mexican consumers continue to learn about the easiness of cooking, versatility and nutritional benefits of using rice in everyday meals.

III. USA RICE FEDERATION OBJECTIVES IN MEXICO

USA Rice objectives in **MEXICO** include:

- A. Increasing/maintaining both the value and volume of U.S. rice exports to Mexico.
- B. Working with consumer facing entities that influence trends and shopping habits of the target market
- C. Providing Mexican consumers with the information needed to encourage increased rice consumption from the U.S.
- D. Facilitating engaging promotions that educate consumers and the food service sector on the benefits and attributes of U.S. rice
- E. Growing the preference of U.S. origin rice among consumers and in the food service industry
- F. Incorporating creative methods for branding U.S. rice to be more desirable in the market among consumers

IV. SCOPE OF WORK



USA Rice seeks a qualified individual or agency to serve as the marketing representative in Mexico and conduct a promotions program. The primary target groups for the promotion program are consumers 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 Mexican markets.
- D. Assist with arrangements and accompany USA Rice Federation staff and/or members on consumer insight development trips to Mexico.
- E. Represent USA Rice at conferences, trade shows, USG events and other events
- 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 in Mexico.
- G. Develop and conduct promotional activities that will create consumer awareness of local brands that utilize US origin rice, as well as increase the sale and consumption of US rice in Mexico.

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 USA Rice Director of International Promotion. 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 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 MEXICO (please mention language proficiencies).
- C. Provide information regarding your past work, especially related to representing U.S. agricultural commodities in MEXICO.
- 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 estimate 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 MEXICO, 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 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 \$870,000- \$880,000. Submitted proposals should reflect this budget. Funds for this project come from the U.S. Department of Agriculture's Market Access Program 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 December 21, 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 on December 21, 2022, by close of business (5pm EST). Please direct your proposal to the following email address:



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