

October 26, 2012

TO: THE ARKANSAS RICE RESEARCH & PROMOTION BOARD

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Mike Sullivan- Farm Bureau

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Wayne Wiggins- Riceland

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Bryan Moery (Secr/Tres)- Ag Council

FROM: ARKANSAS RICE GROWERS ASSOCIATION

RE: INFORMATION REQUEST

Since the founding of The Rice Research and Promotion Board, The USA Rice Federation has been the only provider of promotional activities and the majority of the USARF's budget comes from Arkansas rice producers. What farmers want for their promotion dollars is a better price for their rice. It seems that the price of corn and cotton and soybeans have made major strides the last several years while the price of rice is still at or below the cost of production. Therefore, on behalf of many Arkansas rice producers, The Arkansas Rice Growers Association (ARGA) request answers to the following questions regarding promotional activities provided by The USA Rice Federation (USARF) and marketing issues impacted by USARF's recommendations:

1. At the beginning of 2012 The Chicago Mercantile Exchange proposed three changes to their rice commodity contract that would bring "convergence" between the cash and futures price. The basis in the rice is crushingly wide (much more than in any other commodity) which all farmers would like to see fixed. Yet the USARF's recommendation was to adopt only one of those changes.

Why has The Rice Research and Promotion Board not made recommendations regarding this important issue?

2. In this year ARGA conducted a tour of Arkansas farms and mills for owners of one of the largest rice mills in Taiwan. After the tour and taste tests these representative indicated a strong interest in buying southern long and medium grain varieties. These potential buyers stated

clearly that they had been unaware of southern rice and that the only rice that had been promoted to them was California varieties.

Is there any evidence that USARF has attempted to equally promote southern varieties to the willing buyers in Taiwan?

3. In December of 2011 ARGA & USRPA conducted a tour of southern rice for representatives of the South Korean government. They are strongly interested in buying both southern long and medium grain rice for industrial and food uses.

Recently the United States made a free trade agreement with South Korea. Rice was the only commodity that was not included in this agreement. The South Korean government agriculture representatives indicated that the "U.S. rice industry" insisted that a portion of the rice sold to them be table rice. Arkansas rice farmers have to question this policy when a grower's concern is selling his product regardless of the end use.

A small amount of U.S. rice does have market access to this market under the Minimum Market Agreement, however under the terms of the agreement Japonica is the only source to fill that market, again giving the California growers a monopoly in this valuable market.

Has The Rice Research & Promotion Board (RRPB) made any inquiries to their soul provider of promotion (the USARF) why rice growers in Arkansas are being discriminated against in these markets?

4. According to the USARF's 990 form, which can be found @guidstar.org, 10 people in USARF make \$100,000 or more. Also the CEO's salary is far more than any of the other (much larger) commodity groups.

Has the ARRPB asked for detailed accounting rather than accepting a broad brush audited financial statement. How much is spent on travel, salaries, office expense, etc. and how much goes into actual promotion? Why does the ARRPB not expect and demand more detail as to how Arkansas rice grower's money is spent?

5. In Farm Bureau's 2011 rice policy, they make the following statement:

"We oppose the traceability concept of tracking the movement of identifiable grain through the marketing chain. The concept is impractical and will be costly to administer". Many of our potential buyers, especially the Chinese (which represent a HUGE potential market), have requested high quality through Identity Preservation.

Since 30 % of the ARRPB's members represent Farm Bureau, why would a market limiting policy like this be allowed to exist?

As the board responsible for allocating this money, you are responsible for the way the USA Rice Federation spends this money.

Attached please find a Request For Documents.

Kenneth Graves-President

Arkansas Rice Growers Association

FROM: ARKANSAS RICE GROWERS ASSOCIATION

TO: ARKANSAS RICE RESEARCH AND PROMOTION BOARD

RE: ARKANSAS FREEDOM OF INFORMATION REQUEST FOR DOCUMENTS:

This request covers any documents held by either the USA Rice Federation and its associated members or the Arkansas Rice Research and Promotion Board or the Arkansas Rice Council including emails and minutes of meetings or other correspondence or policy statements.

Any and all documents covering or detailing any benefit, gift, or reimbursement given to any current member of the Arkansas Rice Research and Promotion Board member from the USA Rice Federation. Please list individuals separately.

Any and all documents containing references to the 2006 LL601 GMO contamination event or any actions taken especially including (but not limited to) USARF documents of lawyers hired that may have worked in this area and specifically what they did and how much and from who they were paid and what specific actions they took including all legal filings or letters they may have written. This would also include minutes of any meetings the USARF task force created for this event and any actions they may have taken. We would request that all documents referencing the LL601 contamination event be retained by USARF, ARRPB, and the Rice Council and not destroyed.

The USARF's "response to the request for comments on the proposed changes to the CME's rice contract".

Any document that mentions the Korean Free Trade Agreement or minutes of any meeting where the Korean FTA was discussed.

Any mailing list used to send out information to farmers.

USARF's 2010 Form 990 shows a payment of \$375,215 to King and Spalding LLP in Atlanta, Georgia. We request the detailed bill(s) for that payment.

The USA Rice Millers Association Draft 2006-2007 Budget, under "Expenses" and beside "Legal Fees" is listed \$1500 with a note that says "Includes Mexico Anti Dumping. What is this payment for? Please include the itemized bill.