

DRAFT Agenda for U.S.-Taiwan Rice Technical Meeting
Sheraton Grand Hotel
1230 J Street, Sacramento, California

18 April 2017	Meeting Room: Bondi	Topics
09:00 – 09:15	Opening Remarks and Introduction of Participants Chairmen Balafoutis and Huang	
09:15 – 09:45	U.S. Rice Production and Utilization California Rice Production and Utilization U.S. Rice Exports and Imports. (U.S. side)	
09:45 – 10:15	Taiwan Rice Production, Consumption, Import, and Export (Taiwan side)	
10:15 – 11:00	Information Regarding Taiwan’s Purchasing of U.S. Rice <ul style="list-style-type: none"> 1. Status Report for 2016 2. Tender Plan for 2017 3. Procedure to verify execution of SBS licenses 4. New specifications for tote bags in 2017 (Taiwan side)	
11:00 – 12:00	Discussion of Taiwan Quality Specifications (Taiwan side) <ul style="list-style-type: none"> 1. Moisture content 2. Damaged kernels 3. Methodology for Penalty Calculation Review of Quality Inspection Procedure for U.S. rice (U.S. side) <ul style="list-style-type: none"> 1. At origin – United States (U.S. side) 2. At destination – Taiwan (Taiwan side) 	
12:00 – 13:00	Lunch – Tofanelli Room	
13:00 – 14:00	Review of recent quality inspection discrepancies between origin and destination testing of U.S. rice (U.S. side) Review of Taiwan penalty structure, calculation and application for rice found not in compliance with quality standards (U.S. side & Taiwan side)	
14:00 – 14:30	Follow-Up Discussion on Option for Annual Prequalified Samples for COA Tenders (U.S. & Taiwan sides)	
14:30 – 15:00	Review of Colored Rice Utilization in the United States (U.S. side)	
15:00 – 15:15	Review of Shipping Logistics from the U.S. to Taiwan (U.S. side)	
15:15 – 15:45	Break	
15:45 – 16:15	Review of PLC & ARC Programs (U.S. side)	
16:15 – 16:30	Further Discussion, Summary Remarks and closing	
18:30 Dinner	Morton’s The Steakhouse 621 Capitol Mall Sacramento, CA 95814 Phone: 916-442-5091	

Contact Information

Sheraton Hotel 916.447.1700
Bob Cummings 703.980.7424

Taiwan Delegation

Chao-hsing Huang, Chairman, Division Director, Agriculture and Food Agency
Joanne Chen, Specialist, Agriculture and Food Agency
Connie Wang, Specialist, Agriculture and Food Agency
Yuan-chang Wu, Chairman, Association of Taiwan, R.O.C. Rice Federation
Jung-fu Lee, Vice Chairman, Association of Taiwan, R.O.C. Rice Federation
Luis Yang, GM, 3C Cosmos Commercial Corp.
Julie Chen, Agent, China Industrial Management Co., Ltd.
Chun-chih Chen, GM, Dr. J Agriculture Factory
Chris Lee, Manager, Shui Me Food Enterprise Co., Ltd.
Spencer Lee, VP, Shui Me Food Enterprise Co., Ltd.
Bruce Liang, Agent, Song Agriculture Trading Co.
Alan Chen, COO, Yu Young Enterprise, Ltd.
Naomi Lee, Special Assistant to the Director, Yu Young Enterprise, Ltd.

U.S. Delegation

Alex Balafoutis, Chairman, PGP International, Inc.
Todd Burich, ADM Rice, Inc.
Chris Crutchfield, American Commodity Company, LLC
Jess Errecarte, SunWest Foods, Inc.
Terry Harris, Riceland Foods, Inc.
Steven Michel, Farmers' Rice Cooperative
Rick Rhody, Farmers' Rice Cooperative
Michael Rue, rice farmer
Steve Vargas, Sun Valley Rice
Akira Morimoto, GM, OMIC Sacramento
Robert Cummings, USA Rice, observer
Tim Johnson, California Rice Commission, observer

US-Taiwan Rice Technical Meeting

Day #2 – Wednesday April 19, 2017

8:00 a.m.	CRC/USA Rice Reps and Tour Bus meets delegation at hotel <ul style="list-style-type: none">• Quality Inn, 818 15th Street, Sac
8:00 – 8:30 am	Travel to Rice Field Visit (following CRC vehicle)
8:30 – 9:10 a.m. Rice Field Visit	Visit to a Natomas Area Rice Field <ul style="list-style-type: none">• A field location (West Riego Rd/Hwy 99, Sacramento)• CRC and USA Rice Staff: Cummings/Buttner• Rice Field Host: Michael Rue, Rice Grower
9:10 – 9:30 a.m.	Travel to Farmers' Rice Cooperative
9:30 – 10:45 a.m. Mill Tour	Farmers' Rice Cooperative (FRC) Tour <ul style="list-style-type: none">• 1800 Terminal Street, West Sacramento, CA• FRC Host: Steven Michel, Assistant VP of Marketing
10:45 – 11:15 a.m.	Travel to Rio City Café (in Old Sacramento) <ul style="list-style-type: none">• 1110 Front Street, Sacramento, CA (916) 442-8226
11:15 – 1:15 p.m. Industry Lunch	Industry Lunch with OMIC at Rio City Cafe <ul style="list-style-type: none">• Tech Group Members: Balafoutis, Burich, Rue, Michel, Vargas• CRC and USA Rice Staff: Cummings/Buttner
1:15 pm – 1:30 pm	End of Tour – Taiwan Group picked up by Tour Bus to return to SFO

California Production History

	2014	2015	2016	2017
California Area	179	172	217	202*
California Yield	7.31	7.57	7.53	7.47**
California Production	1,308	1,306	1,634	1,512**

*Industry estimate

**Calculated using prior year's average

Source: Rice Yearbook, Economic Research Service (ERS), March 31, 2017

2015 and 2016 Crop Year Projected California Supply and Demand

(Thousand MT) Brown Basis

	2016 MY	2017 MY
Beginning Stocks (Oct. 1)	198	138
Production	1,634	1,512
Total Supply	1,832	1,650
Domestic Market Use	638	638
Japan	386	386
Taiwan	24	34
Korea	185	185
Middle East/Turkey	295	261
Oceania/EU/Other	100	65
Seed	31	31
Total Use	1,694	1,601
Projected Carryout (Oct. 1)	173	84

Rice Area Planted (.000 Hectares), Production (,000 mt, brown basis) by Type

Long Grain

	2016 estimate		2017 projection	
	Area	Production	Area	Production*
Arkansas	571	3,326	425	2,633
California	4	23	4	27
Louisiana	167	930	152	892
Missouri	93	515	81	471
Mississippi	79	480	49	299
Texas	75	465	63	385
TOTAL	988	5,739	773	4,708

Medium Grain

	2016 estimate		2017 projection	
	Area	Production	Area	Production*
Arkansas	55	303	59	364
California	198	1,505	194	1,451
Louisiana	10	49	10	59
Missouri	2	14	2	14
Mississippi	-	-	0	-
Texas	4	9	4	25
TOTAL	269	1,880	270	1,913

Short Grain

	2016 estimate		2017 projection	
	Area	Production	Area	Production*
Arkansas	<1	2	<1	3
California	17	106	20	151
TOTAL	17	108	21	108

USDA Prospective Plantings, March 30, 2017

USDA Crop Production Summary January 2017

* calculated from average yield, 2014-16.

TOTAL U.S. RICE EXPORTS WORLDWIDE BY TYPE

Type	2010	2011	2012	2013	2014	2015	2016	7-year average
Paddy Rice	1,972,181	1,376,708	1,532,985	1,510,055	1,363,192	1,622,978	1,949,277	1,618,196
LG - Milled, NES	1,005,587	746,201	864,632	892,848	849,648	973,899	805,049	876,838
MG - Milled, NES	750,593	859,661	734,686	643,934	643,797	672,925	783,425	727,003
LG - PB	293,215	302,728	297,518	297,872	224,139	234,261	180,699	261,490
MG - Brown	175,421	160,369	127,467	195,695	86,565	129,084	131,927	143,790
SG - Milled, NES	30,925	35,000	40,158	82,388	39,517	81,760	121,933	61,669
Brokens	57,874	77,521	45,204	66,813	51,729	58,979	82,409	62,933
LG - Brown	173,576	126,913	128,328	58,740	81,893	64,946	79,834	102,033
SG - Brown	4,137	9,593	2,251	3,333	4,593	2,443	4,436	4,398
Basmati - Brown	657	653	1,592	1,735	2,176	1,903	2,229	1,563
Total	4,464,166	3,695,347	3,774,821	3,753,411	3,347,248	3,843,178	4,141,218	3,859,913

NES: not elsewhere specified

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Note: Data represent metric tons imported

MAJOR DESTINATIONS FOR U.S. MEDIUM GRAIN RICE

Country	2010	2011	2012	2013	2014	2015	2016	7-year average
✓ Japan	299,847	350,849	321,268	265,256	276,505	330,413	328,242	310,340
✓ Korea, South	102,916	160,677	69,344	156,255	33,958	154,395	162,137	119,955
✓ Jordan	73,028	68,955	97,875	84,096	84,015	87,100	99,921	84,998
✓ Turkey	387,267	96,638	151,190	141,018	244,483	105,501	78,121	172,031
✓ Saudi Arabia	14,849	36,438	23,221	25,951	17,761	13,648	47,638	25,644
✓ Canada	54,786	55,517	53,517	59,146	57,252	40,297	42,650	51,881
✓ Taiwan	82,061	21,026	73,466	64,708	48,779	40,500	32,692	51,890
✓ Colombia	139	200	240	257	1,606	40,389	21,760	9,227
✓ Israel	46,983	23,024	20,932	19,666	11,560	10,169	19,144	21,640
✓ Mexico	12,700	22,790	13,960	13,352	12,600	11,037	18,060	14,928

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Note: Data represent metric tons exported. Includes paddy, brown, and milled rice.

MAJOR DESTINATIONS FOR U.S. SHORT GRAIN RICE

Country	2010	2011	2012	2013	2014	2015	2016	7-year average
Cameroon	0	0	0	1,059	2,001	11,453	15,399	4,273
Togo	0	0	0	0	0	1,099	11,354	1,779
Japan	13,243	21,203	12,632	20,835	9,786	3,795	7,435	12,704
Papua NG	0	0	0	0	3,299	30,319	6,884	5,786
Benin	0	0	0	1,500	1,999	7,632	6,168	2,471
Canada	3,772	4,149	4,549	5,896	5,676	5,379	5,678	5,014
Taiwan	4,459	1,373	1,300	1,438	2,199	3,430	4,270	2,638
Colombia	377	174	4,892	2,171	147	1,119	4,080	1,852

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Note: Data represent metric tons exported. Includes brown and milled rice.

MAJOR DESTINATIONS FOR U.S. LONG GRAIN RICE

Country	2010	2011	2012	2013	2014	2015	2016	7-year average
Haiti	317,342	293,384	353,470	320,659	361,535	403,320	418,652	352,623
Mexico	794,285	879,321	826,717	831,896	713,659	795,337	819,346	808,651
Canada	140,225	134,260	134,776	135,343	140,950	128,146	120,331	133,433
Iraq	208,036	41,109	0	39,957	140,562	93,915	92,941	88,074
Saudi Arabia	100,053	105,116	91,652	110,335	82,747	102,244	75,757	95,415
Colombia	8,973	4,262	91,933	102,880	92,915	259,791	112,288	96,149
Taiwan	1,781	55	2	1	0	13,073	23,263	5,453
United Kingdom	48,399	39,724	29,733	22,113	18,327	26,319	24,715	29,904
Dominican Republic	24,036	16,696	7,455	10,935	17,005	13,322	19,028	15,497
Ghana	94,849	98,253	109,185	102,570	20,617	8,204	15,629	64,187

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Note: Data represent metric tons exported. Includes paddy, brown, and milled rice.

TOTAL U.S. RICE IMPORTS WORLDWIDE BY TYPE

Type	2010	2011	2012	2013	2014	2015	2016	7-year average
LG - Milled	383,428	418,615	402,957	430,344	446,822	496,459	507,351	440,854
MG - Milled	61,827	56,647	55,132	53,224	72,180	72,482	73,787	63,611
Brokens	12,433	10,260	46,862	45,279	98,384	48,458	36,414	42,584
Basmati - Brown	31,412	41,044	42,048	40,630	39,499	36,387	31,101	37,446
SG - Milled	18,705	21,338	16,019	17,694	18,860	21,572	23,608	19,685
Mixed - Milled	0	4,731	4,463	6,246	10,684	11,173	21,059	8,336
Rice, Semi or wholly milled	7,483	8,455	17,716	24,081	13,151	12,065	16,100	14,150
LG - Brown	6,699	8,962	7,149	7,621	10,756	12,274	11,474	9,276
Mixed - Milled, NES	9,579	8,610	9,503	6,688	7,885	8,496	7,978	8,391
MG - Brown	684	1,726	1,826	2,099	2,088	2,278	2,604	1,901
SG - Brown	525	157	236	165	350	430	693	365
Mixed - Brown	1,607	1,205	1,480	2,254	2,147	1,148	469	1,473
Total	542,784	602,648	625,649	659,273	741,132	743,518	752,646	666,807

Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Note: Data represent metric tons exported. Includes brown, milled, and broken rice.

**US-TAIWAN RICE
TECHNICAL MEETING**
USA Rice Presentation

Sacramento, April 2017

United States Rice Production

	<u>2016</u>	<u>2017</u> FORECAST	<u>2017/2016</u> Change
U.S. Area (,000 Hectares)	1,255	1,064	-15.2%
U.S. Yield (MT Brown/Hectare)	6.16	6.33*	2.6%
U.S. Production (Brown Basis ,000 MT)	7,725	6,736	-12.8%

Source

- USDA WASDE Report, April 11, 2017
 - USDA Prospective Plantings, March 30, 2017
- *calculated from average yield, 2014-16.

U.S. Rice Supply-Demand

Brown Rice Equivalent (,000 MT)

	<u>2015/16</u>	<u>2016/17</u>	16/17 change
Beginning Stocks (Aug. 1)	1,672	1,603	-4.1%
Production	6,657	7,725	16.1%
Imports	831	810	-2.5%
Total Supply	9,163	10,139	10.6%
Domestic	3,847	4,550	18.3%
Exports	3,713	3,895	4.9%
Rough	1,317	1,586	20.4%
Milled	2,399	2,310	-3.7%
Total Use	7,560	8,446	11.7%
Ending Stocks	1,603	1,693	5.6%
Stocks to Use Ratio	21.1%	20.0%	

Source – USDA WASDE Report, April 11, 2017