

ARKANSAS RICE RESEARCH AND PROMOTION BOARD

Minutes

November 2, 2023

9:00 a.m.

Members Present: Joe Christian, David Gairhan, Jim Whitaker, John King, Roger Pohlner, Jay Coker, David Petter, Jeff Rutledge

Members Absent: Wayne Wiggins

Chair Jim Whitaker, called the meeting to order and welcomed all members and guests.

Roger Pohlner moved to approve the August 2, 2023 minutes as presented. David Petter seconded.

Motion carried.

Inoussa Zaki, Chief Fiscal Officer, presented the revised financial report for July 1, 2022 – June 30, 2023. **Attachment 1**

Jay Coker moved to approve the revised financial report as presented. David Gairhan seconded.

Motion carried.

Zaki presented the financial report for FY 2024. **Attachment 2**

Joe Christian moved to approve FY 2024 financial report as presented. John King seconded.

Motion carried.

Jeff Rutledge moved to approve annual meeting expenses up to \$12,000.00. John King seconded.

Motion carried.

Jeff Rutledge moved to approve \$2.8 million as the research funding target. Jay Coker seconded.

Motion carried.

Whitaker discussed the important role of the board's representative on the COL-RICE board of directors and the need for continuity.

John King moved to keep Wayne Wiggins as the COL-RICE representative for the next two years. Joe Christian seconded.

Motion carried.

USA Rice Programs

Sarah Moran, Vice President, USA Rice International Promotion, presented an update on international promotion activities. Moran highlighted a new International USDA program called the Regional Agricultural Promotion Program (RAPP). This program will be a \$1.3 billion program over several years. An application for the program will be submitted when the application period opens.

Michael Klein, Vice President, USA Rice Communications and Domestic Promotion, presented an update on domestic promotions and communications. Klein highlighted three current promotions:

- Rock N Roll Sushi – promoting Grown in USA
- K-12 Advisory Board – Cookbook sent to schools promoting rice recipes and USA Rice
- Rice Pretenders – Filed to cancel the RightRice trademark

University of Arkansas Division of Agriculture Programs

Dr. Tim Burcham, Director of the Northeast Rice Research & Extension Center (NERREC), provided a construction update on the NERREC and an overview of outreach and educational activities and plans.

Dr. Xueyan Sha presented a Hybrid Rice Breeding update.

Dr. Christian De Guzman presented the 2023 Fall Updates on Long Grain and Aromatic Rice Breeding.

John Carlin presented a Foundation Seed and Rice Commercialization update.

Dr. Nathan Slaton, University of Arkansas Division of Agriculture, reported that the carryover for the 2022-2023 research cycle is \$66,395.29.

Dr. Slaton asked for a representative of the board to serve on the Rice Breeding Review Committee team scheduled to meet January 8-10, 2024. David Petter volunteered, with Jay Coker volunteering to serve as a backup.

Dr. Jarrod Hardke gave a 2023 rice crop overview. Hardke reported the following top five highest rice acreage counties in the state for 2023:

- Jackson – 112,566 acres
- Poinsett – 107,481 acres
- Lawrence – 104,302 acres
- Cross – 90,053 acres
- Lonoke – 86,562 acres

Dr. Nathan Slaton gave a review of hybrid seed production. He highlighted the challenges and costs associated with hybrid seed production.

Dr. Yulin Jia, Acting Research Leader/Center Director, Dale Bumpers National Rice Research Center (Dale Bumpers NRRCC), provided an overview of the Dale Bumpers NRRCC and potential ways it could partner with the University of Arkansas. Dr. Jia stated that creating a Cooperative Research and Development Agreement (CRADA) would be beneficial for research. Benefits of being a CRADA partner include:

- Confidential access to Agricultural Research Service (ARS) research
- Access to ARS patent prosecution
- Source of new, patent-protected commercial products
- The opportunity to negotiate for an exclusive patent license without giving notice in the Federal Register
- Access to the ARS Agricultural Research Partnerships Network

Jeremy Edwards, Lead Scientist at the Dale Bumpers NRCC, highlighted the value of collaboration with the University of Arkansas Rice Research and Extension Center's (UA RREC) rice breeding program. Edwards explained the collaborative opportunities of the potential introduction of traits from the Dale Bumpers NRRCC research into new University of Arkansas varieties and the use of genomic selection and rapid cycling to increase the rate of genetic gain in the UA RREC rice breeding program.

Dr. Michele Reba, lead scientist at the USDA-ARS Delta Water Management Research Unit in Jonesboro, provided an overview of the research unit and its ongoing research. Dr. Reba highlighted three unit focus areas:

- Water Quality
- Water Quantity – Dr. Joseph H. Massey
- Greenhouse Gas Emissions (GHG) – Dr. Arlene Adviento-Borbe

The board scheduled meetings for February 1, 2024, at Embassy Suites, Jonesboro, and for February 8, 2024, at the Arkansas Department of Agriculture in Little Rock.

Meeting adjourned.



Jim Whitaker, Chairman

Attachment 1

ARKANSAS RICE RESEARCH AND PROMOTION BC INCOME, EXPENSES, AND ACCUMULATED REVENUE JULY 1, 2022 THROUGH JUNE 30, 2023

REVENUE:

Beginning Fund Balance	\$620,948.09
Gross Collections	\$4,694,096.22
Producer	\$2,344,020.40
Buyer	\$2,344,020.42
Audit penalties and interest	\$6,055.40

DEDUCTIONS:

Less Revenue and Treas. (3.1%)	\$145,516.98
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TOTAL AVAILABLE REVENUE \$5,169,527.33

EXPENDITURES:

Administrative Expenses:	
Board Expense	\$11,228.09
Staff Support	\$0.00
Office Supplies	\$0.00
Postage	\$6.12
Website	\$0.00
Total Administrative	\$11,234.21

Program Expenses:

USA Rice Council	\$2,284,538.30
University of Arkansas	\$2,376,133.00
Producer Information	\$0.00
Rice Foundation	\$0.00
Coop. Ext. Service	\$0.00
Total Program	\$4,660,671.30

TOTAL EXPENDITURES \$4,671,905.51

ACCUMULATED REVENUE: \$497,621.82

Contingency Reserve	\$50,000.00
Payable to Rice Foundation	\$0.00
Payable to USA Rice Council	\$81,296.45
Payable to UofA	\$0.00
Unallocated Balance	\$366,325.37

Attachment 2

ARKANSAS RICE RESEARCH AND PROMOTION BOARD
INCOME, EXPENSES, AND ACCUMULATED REVENUE
JULY 1, 2023 THROUGH OCTOBER 31, 2023

REVENUE:

Beginning Fund Balance	\$	503,914
Gross Collections	\$	1,678,084
Producer	\$	837,801
Buyer	\$	837,801
Audit penalties and interest	\$	2,482

DEDUCTIONS:

Less Revenue and Treas. (3.1%)	\$	52,021
TOTAL AVAILABLE REVENUE	\$	2,129,978

EXPENDITURES:

Administrative Expenses:

Board Member Travel Lodging	\$	645
Board Member Travel Mileage	\$	384
Board Meeting Food Purchase	\$	1,287
Postage	\$	-
Website	\$	-
Total Administrative	\$	2,315

Program Expenses:

USA Rice Council	\$	309,679
University of Arkansas	\$	-
Producer Information	\$	-
Rice Foundation	\$	-
Coop. Ext. Service	\$	-
Total Program	\$	309,679

TOTAL EXPENDITURES	\$	311,994
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ACCUMULATED REVENUE:

	\$	1,817,984
Contingency Reserve	\$	50,000
Payable to Rice Foundation	\$	-
Payable to USA Rice Council	\$	583,495
Payable to UofA	\$	-
Unallocated Balance	\$	1,184,489

Arkansas Rice Research and Promotion Board
Projection of Collections
As of October 31, 2023

	<u>Actual</u> <u>2023-2024</u>	<u>Projected 90%</u> <u>2023-2024</u>	<u>Projected 95%</u> <u>2023-2024</u>
PROJECTED: <i>(Based on Draft USDA NASS Forecasted October 1, 2023 Numbers)</i>			
Production (bu.)	236,734,444	236,734,444	236,734,444
Rate	0.027	0.027	0.027
Max. Gross Collections (MGC)	\$6,391,830	\$6,391,830	\$6,391,830
 ACTUAL COLLECTIONS:			
Producer Collections	\$837,801	\$2,876,324	\$3,036,119
Buyer Collections	\$837,801	\$2,876,324	\$3,036,119
Audit Settlements (Penalties and Interest)	\$2,482	\$0	\$0
TOTAL COLLECTIONS	\$1,678,084	\$5,752,647	\$6,072,239
Percent of MGC Realized	26	90	95
 Less:			
Revenue and Treasury (3.1%)	\$52,021	\$178,332	\$188,239
Administrative Expenses	\$2,315	\$5,000	\$5,000
Total	\$54,336	\$183,332	\$193,239
NET COLLECTIONS	\$1,623,749	\$5,574,315	\$5,883,999
 Beginning Balance			
Due USA Rice from Previous Year	\$503,914	\$503,914	\$503,914
Unallocated Beginning Balance (Research)	\$81,296	\$81,296	\$81,296
	\$422,618	\$422,618	\$422,618
 PROMOTION/MARKET DEVELOPMENT:			
AVAILABLE FUNDS	\$893,171	\$2,865,954	\$3,020,796
USA Rice Council	\$893,174	\$2,863,454	\$3,018,296
 RESEARCH:			
AVAILABLE FUNDS	\$1,234,492	\$3,207,275	\$3,362,117
2024 Research Funding	\$0	\$0	\$0
Contingency Reserve	\$50,000	\$50,000	\$50,000
Unallocated Balance	\$1,184,489	\$3,157,275	\$3,312,117

The Rice Foundation
 TRQ-EU Arkansas Discretionary Research Funds
 TRQ-COL Arkansas Discretionary Research Funds
 September 30, 2023

	EUROPE TRQ				COLOMBIA TRQ				Grand Total Balance	* Total Interest Income Allocated
	Date	Arkansas Research funding received from AARQ/EU TRQ	Interest	Research Project Expenditures	Balance	Arkansas Research funding received from ColRice - Colombia TRQ	Interest	Research Project Expenditures		
Beginning balance 3/99					-					
Interest received	9/30/2022		1,057.65		1,173,433.61		9,428.58		10,460,718.42	10,486.23
Accrued interest on CDs	9/30/2022		(74.98)		1,173,358.63		(688.37)		10,460,050.05	(743.35)
Interest received	10/31/2022		878.19		1,174,236.82		7,828.73		10,467,878.78	8,706.92
Accrued interest on CDs	10/31/2022		165.28		1,174,402.10		1,473.44		10,469,352.22	1,638.72
CO-TRQ wire received	11/3/2022		-		1,174,402.10	534,339.17	-		11,003,691.39	
Interest received	11/30/2022		534.44		1,174,936.54		5,007.52		11,008,698.91	5,541.96
Accrued interest on CDs	11/30/2022		434.12		1,175,370.66		4,067.55		11,012,766.46	4,501.67
UAR-NEA station director	12/30/2022		-		1,175,370.66		-	(134,825.37)	10,877,941.09	-
Interest received	12/31/2022		1,078.91		1,176,449.57		9,985.22		10,887,926.31	11,064.13
Accrued interest on CDs	12/31/2022		(145.60)		1,176,303.97		(1,347.52)		10,886,578.79	(1,493.12)
Interest received	1/31/2023		1,141.40		1,177,445.37		10,563.59		10,897,142.38	11,704.99
Accrued interest on CDs	1/31/2023		(260.46)		1,177,184.91		(2,410.56)		10,894,731.82	(2,671.02)
CO-TRQ wire received	2/14/2023		-		1,177,184.91	811,014.67	-		11,705,746.49	-
Interest received	2/28/2023		536.84		1,177,721.75		5,338.21		11,711,084.70	5,875.05
Accrued interest on CDs	2/28/2023		1,204.86		1,178,926.61		11,980.96		11,723,065.66	13,185.82
UAR-NEA research station	3/1/2023		-		1,178,926.61		-	(2,700,000.00)	9,023,065.66	-
Interest received	3/31/2023		2,593.74		1,181,520.35		19,851.53		9,042,917.19	22,445.27
Accrued interest on CDs	3/31/2023		(1,366.81)		1,180,153.54		(10,461.09)		9,032,456.10	(11,827.90)
UAR-NEA research station	4/13/2023		-		1,180,153.54		-	(850,000.00)	8,182,456.10	-
Interest received	4/30/2023		875.36		1,181,028.90		6,069.18		8,188,525.28	6,944.54
Accrued interest on CDs	4/30/2023		483.85		1,181,512.75		3,354.75		8,191,880.03	3,838.60
AR Producer Ed. Campaign	5/24/2023		-		1,181,512.75		-	(13,800.00)	8,178,080.03	-
Interest received	5/31/2023		711.49		1,182,224.24		4,924.69		8,183,004.72	5,636.18
Accrued interest on CDs	5/31/2023		667.96		1,182,892.20		4,623.45		8,187,628.17	5,291.41
UAR-NEA research station	6/28/2023		-		1,182,892.20		-	(750,000.00)	7,437,628.17	-
UAR-NEA research station	6/30/2023		-		1,182,892.20		-	(200,000.00)	7,237,628.17	-
AR Producer Ed. Campaign	6/30/2023		-		1,182,892.20		-	(5,861.98)	7,231,766.19	-
Interest received	6/30/2023		1,585.23		1,184,477.43		9,691.51		7,241,457.70	11,276.74
Accrued interest on CDs	6/30/2023		(102.41)		1,184,375.02		(626.13)		7,240,831.57	(728.54)
Interest received	7/31/2023		1,064.64		1,185,439.66		6,508.80		7,247,340.37	7,573.44
Accrued interest on CDs	7/31/2023		440.91		1,185,880.57		2,695.59		7,250,035.96	3,136.50
AR Producer Ed. Campaign	8/24/2023		-		1,185,880.57		-	(7,200.00)	7,242,835.96	-
UAR-NEA station director	8/31/2023		-		1,185,880.57		-	(138,363.58)	7,104,472.38	-
Rice Foundation membership	8/31/2023		-	(35,000.00)	1,150,880.57		-		7,104,472.38	-
Interest received	8/31/2023		525.34		1,151,405.91		3,242.98		7,107,715.36	3,768.32
Accrued interest on CDs	8/31/2023		975.15		1,152,381.06		6,019.64		7,113,735.00	6,994.79
Interest received	9/30/2023		1,947.47		1,154,328.53		12,021.90		7,125,756.90	13,969.37
Accrued interest on CDs	9/30/2023		(481.71)		1,153,846.82		(2,973.62)		7,122,783.28	(3,455.33)
Ending balance		6,161,032.94	746,654.88	(5,753,841.00)	1,153,846.82	42,923,348.22	1,149,286.95	(36,949,851.89)	7,122,783.28	8,276,630.10

COL-RICE Colombia Rice Export Quota, Inc.

RESULTS OF AUCTION ON October 5, 2023

Total Metric Tonnage Available = 19,790 MT

Total Metric Tonnage Awarded = 19,790 MT

Lowest Winning Bid Price = \$40.21

Average Winning Bid Price = \$40.75

Names of Successful Bidders:

1. Aurora Ventures, LLC – Miami, FL
2. Bunge North America, Inc. - Chesterfield, MO
3. The Sun Valley Rice Co., LLC – Arbuckle, CA

COL-RICE: Calculation of U.S. Distribution, by State
 from October 5, 2023 Auction Net Revenue
 October 27, 2023

	2020	2021	2022	Average	Share of Total Six State Production (percent)	Total U.S. Distribution (\$ U.S.)	U.S. Distribution By State (\$ U.S.)	Annual Membership Dues (\$ U.S.)	U.S. Distribution By State	Adjustment for Minor Correction to Allocation % Used in Jan. 2023 Distribution	Adjusted U.S. Distribution By State
		(1,000 CWT)									
Total grains:						\$ 414,074.83					
Arkansas	108,107	91,063	80,340	93,170	48.24%		\$ 199,733.30	\$ 15,000.00	\$ 184,733.30	\$ 167.95	\$ 184,901.25
California	44,810	36,653	22,251	34,571	17.90%		\$ 74,112.34	\$ 15,000.00	\$ 59,112.34	\$ 62.32	\$ 59,174.66
Louisiana	32,237	28,380	27,649	29,422	15.23%		\$ 63,073.45	\$ 15,000.00	\$ 48,073.45	\$ (208.10)	\$ 47,865.35
Mississippi	12,241	7,465	6,191	8,632	4.47%		\$ 18,505.57	\$ 15,000.00	\$ 3,505.57	\$ 15.56	\$ 3,521.13
Missouri	15,522	15,599	11,832	14,318	7.41%		\$ 30,693.51	\$ 15,000.00	\$ 15,693.51	\$ (61.24)	\$ 15,632.27
Texas	14,597	12,421	12,105	13,041	6.75%		\$ 27,956.66	\$ 15,000.00	\$ 12,956.66	\$ 23.51	\$ 12,980.17
United States	227,514	191,581	160,368	193,154	100.00%		\$ 414,074.83	\$ 90,000.00	\$ 324,074.83	\$ -	\$ 324,074.83

Total Amount Available for Distribution \$ 828,149.66

U.S. Distribution = 50% of Total \$ 414,074.83

Source: U.S. Department of Agriculture, National Agricultural Statistics Service, *Quick Stats*, 2020 - 2022.