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RICELAND
Richard E Bell
President

August 11,2003

TO: Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
United States Treasury Department
P.O. Box 50221
Washington, D.C. 20091-0221

RE: TTB Notice No. 4

Riceland Foods, Inc. supports the proposed standard of composition for Flavored Malt Beverages (FMBs), as set forth by the Tax and Trade Bureau (TTB) in TTB Notice No. 4 of March 2003.

Riceland Foods, Inc. is a farmer-owned marketing cooperative serving 9,000 producers of rice, soybeans and other grains grown in Arkansas, Missouri, Mississippi, Louisiana and Texas. The cooperative markets nearly twenty-five percent of the national rice crop. The U.S. beer industry is an important market for U.S.-grown rice. About 17 percent of the rice sold in the United States goes to breweries as an ingredient for beer production. A viable U.S. beer industry is very important to our industry.

The proposed rule on FMBs is essential to the beer industry as it clearly delineates the difference between beer and other alcohol beverages, requiring that the alcohol content in FMBs derived from distilled alcohol not exceed 0.5% in order to be classified as "beer." It will be a critical step towards consistent classification of these products.

Federal leadership in this area is also important since definitions of "beer," "malt beverage," and "spirits" by the various states are often similar and patterned after those at the federal level. Thus, the proposed rule will likely be followed at the state level, helping to maintain clear and distinct definitions that will guarantee consistent tax, licensing, and distribution policies for each category.

Riceland Foods, Inc. believes the proposed "0.5% standard" for FMBs is consistent with historical interpretations of federal regulations and will help maintain the integrity of the beer category.

Richard E. Bell
President and
Chief Executive Officer

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