National Grain and Feed Association

NAEGA North American Export Grain Association

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RE: D-12-05 "Phytosanitary import requirements for grain of field crops, including pulses, oilseeds, cereals (other than barley, oats, rye, triticale, and wheat), forages, and other special crops from the continental United States"

The North American Export Grain Association (NAEGA) and National Grain and Feed Association (NGFA) appreciate this opportunity to provide input on Canadian Food Inspection Agency (CFIA) Policy D-12-05, entitled "Phytosanitary import requirements for grain of field crops including pulses, oilseeds, cereals (other than barley, oats, rye, triticale, and wheat), forages, and other special crops from the continental United States."

NAEGA, a not-for-profit trade association established in 1912, consists of private and publicly owned companies and farmer-owned cooperatives that are involved in, and provide services to, the bulk grain and oilseed exporting industry. NAEGA's mission is to promote and sustain the development of commercial export of grain and oilseeds and their primary products. Through a reliance on member action and support, NAEGA acts to accomplish its mission from its office in Washington D.C., and in markets throughout the world.

The NGFA is a U.S.-based nonprofit trade association established in 1896 that consists of more than 1,050 companies from all sectors of the grain elevator, animal feed and feed ingredient, integrated livestock and poultry, grain processing, biofuels and exporting business. NGFA-member companies operate more than 7,000 facilities nationwide that handle more than 70 percent of U.S. grains and oilseeds. Affiliated with the NGFA are 26 state and regional grain and feed trade associations. The NGFA also has strategic alliances with NAEGA and the Pet Food Institute, whose member companies manufacture 98 percent of U.S. commercial pet food.

Agricultural commodities subject to CFIA's phytosanitary policy changes represent a major component of the $19 billion (calendar year 2011) in U.S. agricultural products exported to Canada, its largest agricultural export market. Much of the international boundary between the United States and Canada – the longest contiguous international border shared between two countries – separate the major sources of production and use of the commodities that would be affected by the proposed policy changes. Moreover, the proposed changes to CFIA import policy directives to reflect new phytosanitary requirements come as our two countries are just beginning to accommodate welcome and unprecedented changes in Canadian policy related to wheat and barley marketing. The changes also come at a time of adverse weather, record high prices and tight supplies for many of these products.

NAEGA and NGFA very much appreciate CFIA's cooperation, transparency and flexibility in implementing these revised phytosanitary and related policies, as well as the agency's efforts to accommodate the impact on the import of grains of field crops. The interdependence of key agricultural and food economies dependent upon bilateral trade in these products, such as Canada's livestock industry, certainly warrants such diligence by CFIA.

In particular we support and encourage your efforts to provide for a stronger correlation between the end use of the product and the appropriate risk-mitigation measure. However, we are very concerned that both commercial and governmental capacity to fully comprehend, assess and accommodate the requirements of D-12-05 is not sufficiently in place. This includes our observation that the case for regulation has not been fully developed yet. For instance, product- specific pest risk analysis needs to be completed and made available publicly. So does an analysis of how such regulations would alter the structure of trade, including its impact upon small, periodic truck shipments.

In the absence of improved capacity to implement the requirements of D-12-05, we believe there is a significant risk of increased costs and reduced competiveness for the Canadian industry. Given the stated timeline for implementation of the requirements of D-12-05, we are concerned that unwarranted trade disruption will result.

In conclusion, more time is needed to define, communicate and consider the impacts, including precedential impacts that may be established, and the unintended consequences that may be associated with the proposed new policy, as well potential related changes. Thus, NAEGA and NGFA respectfully but strongly urge that implementation of the proposed regulations be postponed to allow more time for appropriate consultation between CFIA and the U.S. Department of Agriculture, grain and oilseed producers, traders, and commodity handlers regarding alternatives to the measures proposed in D-12-05.

NAEGA and NGFA thank you for considering our views. We would be pleased to respond to any questions the agency may have.

Sincerely,

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