May 11, 2015

The Honorable Tom Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250

Filed electronically at: http://www.regulations.gov/#!docketDetail;D=APHIS-2013-0047

Re: U.S. Department of Agriculture Stakeholder Workshop on Coexistence Docket No. APHIS-2013-0047

Dear Mr. Secretary:

Thank you for the opportunity to comment regarding issues and proposals discussed during the workshop on agricultural coexistence conducted on March 12-13, 2015.

The North American Export Grain Association joined in and strongly supports a statement under a separate submission from several colleague associations that handle, process and export the vast majority of grains and oilseeds used in human and animal food, and are affected directly by marketability-related issues associated with the commercialization of crop biotechnology. In that separate submission we urged a broadening of your consideration of coexistence to include the nexus of 1) domestic and export supply chains, as it relates to major market approvals for GE crops; and 2) commodity and specialty supply chains, as it relates to commercialization of products with unique functional characteristics (PUFCs). That submission also called for the incorporation of three "Core Elements for Coexistence: Risk Assessment, Risk Management and Risk Responsibility.

These comments are in addition to that joint statement submitted by the Corn Refiners Association (CRA), National Grain and Feed Association (NGFA), North American Export Grain Association (NAEGA), National Oilseed Processors Association (NOPA) and North American Millers' Association (NAMA).

I urge an even more inclusive consideration of co-existence that adds non-GMO conventional supply of grains and oilseeds, new plant breeding technologies and overall fungibility of U.S. grains and oilseeds to its scope. I do so in the context of providing for the marketability of products from all safe production technologies as well as enhancing and maintaining the ability and competitive advantages inherent in U.S. agriculture in providing for optimal use of resources to meet consumer demands both domestically and in international markets. In this context and for each of the three additional topics the same Core Elements of Coexistence need also to be incorporated.

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Non-GMO grain and oilseed supplies – The case for including consideration for a non-GMO commodity supply chain in addition to the production and marketing methods of Organic, may contain GMO of substantial equivalence to products from conventional breeding and GMO's producing PUFC's is easily understood. A substantial, growing and already successful market already exists for conventionally produced and marketed grains and oilseeds that are not the products of GMO plants. The diversity and capacity of U.S. agriculture should be well positioned to successfully participate in this important market.

New Plant Breeding Techniques (NPBT) – Like the challenges we have before us a result of the innovation of transgenisis (GMO technology), important and multiple new seed breeding technologies need to be considered as part of any Co-existence discussion. Key considerations for NPBT are risks to marketability due to consumer preferences, labeling requirements and lack of regulatory synchronization, coherence and compatibility. Among the NPBT we are aware of are: Cisgenesis/intragenesis; Reverse Breeding; Grating (non GM-scion /GM-rootstock); RNA-dependent DNA methylation; Oligo-directed mutagenesis; Zinc-fingernucleases (mutagenesis). NPBT are already being deployed in the absence of global regulatory consistency and an understanding of their impact on co-existence of production and marketing.

U.S. Grain and Oilseed Supply Fungibility - Recognizing that grain markets are tied to global sourcing, the sustainable supply of grain relies on a strong degree of fungibility. Take any of a number of hypotheticals: drought in one growing region (domestic or global) reduces available supplies from that region, a government embargoes exports, a key transportation corridor is disrupted due to war, grain harvest is slowed or accelerated due to weather, quality from a particular growing region changes rapidly. What do they all have in common? Answer: our ability to cope, adapt, and overcome these problems is largely a function of substituting with alternatives. And our ability to substitute with alternative sources is a factor of how fungible grain and the food supply in general really is—how easily we can bring alternative B to replace lost supply of food and feed from A.

Traditionally, the term fungibility is used to describe the notion that a given commodity such as grain is roughly equal value if it is supplied from any production geography. This is critical because it means that a drop in production or restriction in supply from one country or even smaller production geography is negated by an equivalent timely availability of supply from alternate production and delivery systems. The point is to understand how the real world tends to demand fungibility. Then take into consideration how business models intrude on fungibility of our various sources of grain. Ultimately, understanding when and how to reduce or eliminate the intrusion should be a priority.

Look at the characteristics of a production geography and the relevant supply chains. Any plant derived food or feed source of production has unique characteristics that contribute to a lack of certainty and predictability. Supplies are seasonally, regionally, and temporally variable. In other words, sometimes the sun shines, sometimes the wind blows, and sometimes it doesn't—in very different patterns in different places AND those patterns change inevitably and as often as sun comes up. All sources are geographically constrained—you can't just "move" the land, water and climate it takes to produce grain—source of grain resides where it is and will be in future. Grain sources are NOT "geographically fungible."

Very importantly we can define sustainability of a grain source by its transportability characteristics. Grain supplies that can be comingled can access timely and efficient transportation resulting in the least cost and most sustainable supply chains. Fungible grain can be moved or mixed to not only meet buyer demands, but also to meet regulatory needs and provide for the time and space utility that is needed to provide for supply integrity and food security.

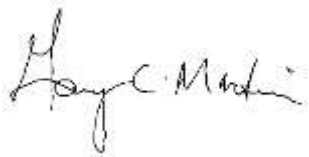
Fungibility is a key to efficient and transparent market based price discovery. Ultimately a fungible grain supply chain is a key to allowing for the most efficient and responsive value chain.

It's most important to point out that the level of fixedness of both supply and demand dramatically impacts fungibility of grain supplies. The less fixed supply and demand is the more fungible – therefore the more reliable, economic and sustainable the supply is. A rigid supply and / or demand results in a less practical ability to provide for reliable, economic and sustainable global food, feed and processing economy. Different problems encountered by the different means production, handing and transporting of grain introduce differing degrees of fixedness to the global supply chain. Some like those cases of a lack of product stewardship and regulatory accommodation for safe crop biotechnology have resulted in market failure and catastrophe.

Is there a trend toward fixedness and reduced fungibility in grain supplies? Some politically or financially motivated self-interests make the case that it a necessary evolution. More egalitarian and informed interests understand that a fungible system is a very big part of meeting the interests of all stakeholders in the value chain. Production and logistics systems that provide for a fungible supply of the basic grains and oilseeds needed for human wellbeing are critical. Restrictions on fungibility of grain driven by a lack of appropriate and responsible product stewardship that results in undue regulatory barriers to trade have dire consequences that include a less fungible more fixed supply system that is more costly, less sustainable and by implication less adaptable to crisis, less resilient and so brittle as to negatively impact global food security.

Please, as you proceed to consider Co-existence, include non-GMO conventional supply of grains and oilseeds, new plant breeding technologies and overall fungibility of U.S. grains and oilseeds in the scope of work.

Thank you for the opportunity to comment on this important issue.



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