



**National Grain and Feed
Association**



**North American Export
Grain Association**

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NGFA, NAEGA commend House for final passage of grain inspection bill

WASHINGTON, Sept. 29, 2015 - The National Grain and Feed Association (NGFA) and North American Export Grain Association (NAEGA) today commended the House for giving final congressional passage of legislation reauthorizing the U.S. Grain Standards Act, including language mandating that the U.S. Department of Agriculture (USDA) restore any future disruptions in official grain inspection and weighing service at export ports.

The legislation, which reauthorizes the U.S. Grain Standards Act through Sept. 30, 2020, will provide much-needed continuity, predictability and ongoing improvement of the important services provided by USDA's Federal Grain Inspection Service (FGIS), the NGFA and NAEGA said.

The House-passed bill, which is identical to one cleared last week by the Senate, contains compromise language worked out between the House and Senate Agriculture Committees.

The final version includes several significant reforms to FGIS operations and the official grain inspection system sought by the NGFA and NAEGA, including a requirement that USDA approve requests for waivers of the official grain inspection requirement if agreeable to the buyer and seller if FGIS fails to promptly restore official inspection service, unless the disruption is caused by an emergency, such as a natural disaster. The bill also includes specific language that establishes transparent disruption notification and reporting requirements to Congress if and when FGIS is unable to immediately restore official inspection service. The legislative language is designed to address the repeated, unprecedented and market-disruptive interruptions in official grain inspection services in 2014 by the state agency delegated by FGIS to perform the service – the Washington Department of Agriculture – and FGIS's subsequent failure to fulfill its statutory obligation to restore such service.

“Congress mandates that USDA has an unequivocal obligation to ensure that official grain inspection and weighing services at export elevators are provided in an uninterrupted, reliable and consistent basis,” said NGFA President Randy Gordon and NAEGA President and Chief Executive Officer Gary Martin in a joint statement. “The legislation approved today by the House takes important steps to reinforce this mandate and hold USDA accountable. We particularly commend House Agriculture Committee Chairman Conaway, R-Texas, and his staff, as well as Ranking Member Collin Peterson, D-Minn., and his staff, for their hard work and persistence in shepherding this important legislation to the finish line prior to the Sept. 30 deadline for reauthorizing this important agency. Most importantly, Chairman Conaway secured important reforms that will help ensure that the U.S. government plays a needed and supportive role by providing official grain inspection service so the United States can remain a reliable and consistent supplier of grains, oilseeds and grain products to world consumers.”

The final version of the legislation includes other significant reforms sought by the NGFA and NAEGA, including the following:

- For the first time, state agencies that are delegated official inspection duties at export ports would be required to undergo the same transparent notice-and-comment rulemaking process that already applies to domestic state and private entities that provide official inspection services in the domestic market, allowing users and others to provide input on the quality and reliability of inspection services being provided.
- Important changes to the current flawed formula now used by USDA to set user fees charged to export elevators. NGFA and NAEGA estimated the current methodology used by FGIS will result in up to \$12 million in overcharges during the current and immediately preceding fiscal years.
- A shortening of the congressional reauthorization period from the current 10 years to five years, which NGFA and NAEGA believes is essential given the rapidly changing international marketplace and innovative approaches to government-based grain inspections being implemented by the United States’ foreign competitors.

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The NGFA, established in 1896, consists of more than 1,050 grain, feed, processing, exporting and other grain-related companies that operate more than 7,000 facilities and handle more than 70 percent of all U.S. grains and oilseeds. Its membership includes grain elevators; feed and feed ingredient manufacturers; biofuels companies; grain and oilseed processors and millers; exporters; livestock and poultry integrators; and associated firms that provide goods and services to the nation's grain, feed and processing industry. The NGFA also consists of 26 affiliated State and Regional Grain and Feed Associations, and has strategic alliances with Pet Food Institute and North American Export Grain Association.

NAEGA, 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-member companies ship and support the vast majority of the highly competitive and fungible U.S. grain export supply. NAEGA is dedicated to providing for efficient, predictable, reliable and expanded trade via responsible commercial and official practices. 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.