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May 17, 2017

BY ELECTRONIC MAIL

Mr. Randall Jones  
Acting Administrator  
Grain Inspection, Packers and Stockyards Administration  
U.S. Department of Agriculture  
1400 Independence Avenue, S.W., Room 1643-S  
Washington, D.C., 20250-3604

**RE: Comments on Notice of Intent to Certify South Carolina Department of  
Agriculture (April 17, 2017) as Delegated Official Agency**

Dear Acting Administrator Jones:

The National Grain and Feed Association (NGFA) and the North American Export Grain Association (NAEGA) submit this joint statement in response to the Grain Inspection, Packers and Stockyards Administration (GIPSA) request in the April 17, 2017 *Federal Register* for comments on the quality of services provided by the Delegated State: South Carolina Department of Agriculture, (South Carolina).

The NGFA, established in 1896, comprises more than 1,050 member companies that operate more than 7,000 facilities and handle more than 70 percent of the U.S. grain and oilseed crop. The NGFA's membership encompasses all sectors of the industry, including country, terminal and export grain elevators; commercial feed and feed ingredient manufacturers; biofuels producers; cash grain and feed merchants; end-users of grain and grain products, including processors, flour millers, and livestock and poultry integrators; commodity futures brokers and commission merchants; and allied industries. The NGFA also has strategic alliances with the North American Export Grain Association (NAEGA) and Pet Food Institute. In addition, affiliated with the NGFA are 29 state and regional grain and feed trade associations. Canadian and Mexican firms also are NGFA members.

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.

American farmers, grain handlers and exporters, as well as our foreign customers, depend upon accurate, timely and cost-effective delivery of mandated impartial third-party Official inspection services administered by the Federal Grain Inspection Service (FGIS) and its designated and delegated agencies. The U.S. Official grain inspection and weighing system is widely recognized around the world for its impartial, consistent, reliable and timely measurement and certification of quality attributes and weights. The availability of accurate FGIS inspection results also is essential to determining grain value and market price discovery. Further, Official export inspections provide transparency and market information to the entire value chain that contribute to an efficient marketplace, while supporting food security and sustainable supplies.

As such, NGFA and NAEGA worked to bring about fundamental reforms of GIPSA's operations as part of the Agriculture Reauthorizations Act of 2015 (Reauthorization), with our principal objective being to build in safeguards to ensure that the kind of disruptions in export shipments resulting from the intermittent withdrawal of Official inspection and weighing services that occurred during 2013-14 at the Port of Vancouver, Washington, do not recur.

One of the principal NGFA-NAEGA recommendations in that regard that was incorporated into the Reauthorization and implemented in the U.S. Grain Standards Act (USGSA) was for **delegated States to submit to GIPSA public notice-and-comment review of their delegation every five years to certify that they comply with the requirements for delegation under the USGSA (7 U.S. Code § 800.195 Delegations)**. Simply put, prior to the recent change, the process for delegating state agencies to perform official inspection at export facilities was neither open nor transparent. This new delegation process closely mirrors the current *Federal Register* notice-and comment rulemaking that GIPSA uses to determine designation of state or private agencies to perform Official inspections in the domestic market, where such inspections are voluntary.

In order to maintain the delegated status, the State agency is required to meet the requirements of 7 U.S. Code §79 Official Inspection (f)(1)(A), which lists the specific conditions and criteria, including: adequate facilities and qualified personnel; rotation of personnel; training requirements and diligent use of user fees, to name a few.

South Carolina currently performs Official inspection and weighing services at export port locations in the state of South Carolina. The NGFA and NAEGA believe the current services provided by the state of South Carolina are meeting the requirements of 7 U.S. Code §79 (f)(1)(A); therefore, we have no objections to South Carolina maintaining its delegated status as an Official service provider.

The NGFA and NAEGA appreciate GIPSA's consideration of these views and would be pleased to respond to any questions the agency may have. As always, the NGFA and NAEGA stand ready to work with GIPSA to seek continual improvement in the efficiency and cost-effectiveness of the valued Official inspection system.

Sincerely,

A handwritten signature in black ink that reads "Jess McCluer". The signature is written in a cursive, flowing style.

Jess McCluer  
Vice President of Safety and Regulatory Affairs  
National Grain and Feed Association