**NGFA, NAEGA commend Secretary of Agriculture Perdue**

**for relocating FGIS to AMS**

WASHINGTON – The nation’s two preeminent grain trade associations whose member companies directly utilize and fund services provided by the U.S. Department of Agriculture’s Federal Grain Inspection Service (FGIS) today commended Secretary of Agriculture Sonny Perdue for relocating the agency to the department’s Agricultural Marketing Service (AMS).

Perdue announced the action earlier this afternoon as part of a second tranche of USDA reorganization designed to strengthen and enhance the department’s customer-service focus and maximize efficiency. In doing so, Perdue separated FGIS from the Packers and Stockyards Administration within the Grain Inspection, Packers and Stockyards Administration (GIPSA) – two agencies with significantly different missions, functions and roles.

“We strongly support this much-needed realignment of FGIS within AMS, which we believe will help the agency better fulfill its statutory obligation to provide reliable, accurate, timely, impartial and cost-effective services,” said NGFA President Randy Gordon and NAEGA President and Chief Executive Officer Gary Martin. “Relocating FGIS within an agency that has a similar mission and function as a service agency is the foundation for its successful future, and we commend Secretary Perdue for recognizing this need and moving expeditiously to bring about this change.”

Among other things, FGIS maintains the U.S. grain standards for various commodities that underpins the U.S. price-discovery system and facilitates the marketing of U.S. grains, oilseeds and related agricultural products. FGIS is responsible for establishing quality standards for grains, oilseeds, pulses and legumes, and for providing impartial, user-fee funded official inspection and weighing services through a network of federal, state and private entities. As such, most of its functions are akin to those already provided by AMS, which operates existing programs that support and facilitate the marketing of dairy, specialty crops, livestock, poultry and seed, as well as cotton and tobacco. Prior to a 1994 Clinton administration-era USDA reorganization that created GIPSA, FGIS was a separate agency that reported directly to the USDA undersecretary for marketing and inspection programs, to which AMS also reports.

NGFA and NAEGA also said the realignment provides the impetus for FGIS to improve its cross-agency interaction with other government departments that share roles in facilitating the marketing of U.S. agricultural products, such as USDA’s Animal and Plant Health Inspection Service, which is responsible for issuing phytosanitary certificates for U.S. grain export shipments.

“In concert with the appointment of capable, knowledgeable, responsible and accountable leadership at FGIS, this organizational realignment holds promise for greatly improving the agency’s program delivery and reputation,” Gordon and Martin said. “It also should promote and support domestic and export markets, thereby enhancing USDA’s agricultural trade mission. Further, the relocation to AMS should help address problems over the last decade involving the overall expense and effectiveness of federally mandated FGIS official grain inspection services by eliminating programmatic redundancies, reducing administrative costs, and providing opportunities for interaction with AMS personnel with a similar mission and focus.

 “NGFA and NAEGA look forward to working constructively with FGIS and its leadership under this realignment to achieve our shared goal and mutual objective of making it the gold standard worldwide,” Gordon and Martin said.

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The NGFA, established in 1896, consists of more than 1,000 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 34 affiliated State and Regional Grain and Feed Associations, and is co-located and has a strategic alliance with North American Export Grain Association, and a strategic alliance with Pet Food Institute.

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 provides for efficient, predictable, reliable and expanded trade via responsible commercial and official practices.