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April 30, 2018

BY ELECTRONIC MAIL

Ms. Dana Coale
Acting Deputy Administrator
Agricultural Marketing Service
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Rm. 2043-S, Mail Stop 3614
Washington, D.C., 20250-3611

RE: Agricultural Marketing Service Grain Inspection Advisory Committee

Dear Acting Deputy Administrator Coale:

The National Grain and Feed Association (NGFA) and the North American Export Grain Association (NAEGA) submit this joint statement in response to the Agricultural Marketing Service's solicitation of nominations for members of the U.S. Department of Agriculture Grain Inspection Advisory Committee in the March 16, 2018 edition of the *Federal Register*.

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 34 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 AMS' 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 required by section 21 of the USGSA (7 U.S.C. 87j), as amended, the Secretary of Agriculture (Secretary) established the Advisory Committee on September 29, 1981, to provide advice to the AMS Administrator on implementation of the USGSA. The Advisory Committee meets twice annually to advise AMS on the programs and services it delivers under the U.S. Grain Standards Act. Recommendations by the Advisory Committee are designed to assist AMS to better meet the needs of its customers, which operate in a dynamic and changing marketplace. Further, the Advisory Committee is comprised of 15 members appointed by the Secretary who represent all segments of the grain industry. They include grain producers, processors, merchandisers, handlers, exporters, consumers, grain inspection agencies, and scientists.

NGFA and NAEGA, whose member companies include the vast majority of businesses that pay for and are direct customers of the Official grain inspection and weighing system, continue to believe the Advisory Committee has value in providing expert advice and assistance to AMS in fulfilling its core mission of ensuring that Official inspections are performed in a reliable, consistent and uninterrupted manner to facilitate the export of U.S. grains and oilseeds to global customers. NGFA and NAEGA believe the value and contribution of the Advisory Committee could be improved by AMS making the following changes to strengthen the independence, diversity and breadth of participation within the committee:

- **Increase Number of Grain Handling Experts on the Committee:** The Advisory Committee's purpose is to provide expert advice to optimize the efficient and cost-effective performance of the agency. The committee exists to advise, assist, support and advocate for accurate, timely and consistent Official grain inspection and weighing services. Over the past several years, many of the committee members who were selected did not have direct experience working with FGIS and were not familiar with many of the issues that were either raised by the agency or the grain handling industry, resulting in what at times were unproductive and uninformed discussions.

To correct this deficiency, the NGFA and NAEGA suggest that those appointed to serve on the committee have the requisite expertise and knowledge of the duties and responsibilities that are performed by the samplers, technicians, graders and supervisors within FGIS and its Delegated States and/or Officially Delegated Agencies. In addition, the committee should

consist of those who have expertise in handling trucks, railcars, barges, export vessels and/or containers.

- **Staggering Appointments:** Based on the current structure of the Advisory Committee, there are only five members serving and their appointments expire in October 2018. Therefore, a rotational term of service should be implemented for the newly appointed committee members in 2018 to allow for better continuity. This rotational term of service will ensure that no more than one third of the committee members (i.e. 5) will complete their term with a given year. Specifically, the NGFA and NAEGA recommend that the ten new members on the Advisory Committee be appointed for staggered two-year or three-year terms, with half of the new members in each category.
- **Restore Appointment of Alternates to the Committee:** To maintain continuity, 15 alternates to the committee also should be appointed to three- or two-year terms. Since a quorum of 10 committee members is required to have an official meeting, an alternate member should be allowed to attend on behalf of a committee member who is unable to participate due to schedule, employment status, family emergency, etc.

Alternate members also should be encouraged to attend each committee meeting to become informed on the issues being discussed. If an alternate member does not attend committee meetings, the committee member should be encouraged to brief the alternate member on the matters discussed. We also believe consideration should be given to allowing the Secretary to remove committee members or alternates who are unable to attend two or more consecutive Advisory Committee meetings.

- **Enhance Geographic and Industry Diversity of Members:** Given the diversity of the U.S. grain, feed, processing, milling and export industry, membership should be balanced based upon states/regions; commodities handled; types of facility operations; types of shipments (e.g., bulk vessels, rail, truck, containers, etc.); and Official inspection arrangement (e.g., locations where there is an AMS Federal-State partnership, etc.).
- **Promote Fresh Perspectives:** To encourage and promote the inclusion of new candidates with fresh perspectives and to avoid prolonged and continuous service, membership should be rotated regularly serving for no more than two terms within an eight-year period.

The NGFA and NAEGA appreciate AMS' consideration of these recommendations on the proposed improvements to the Advisory Committee, and would be pleased to respond to any questions the Agency may have. With these revisions to the committee's structure and operations, AMS would be taking yet another positive step to provide its customers with better, more efficient and more cost-effective Official inspection and weighing services. As always, the NGFA and NAEGA stand ready to work with AMS to seek ways to improve the efficiency and cost-effectiveness of the Official inspection system.

Thank you for your consideration. Please do not hesitate to contact us with any questions.

Sincerely,

Handwritten signature of Randall C. Gordon in black ink.

Randall C. Gordon
President and CEO
National Grain and Feed Association

Handwritten signature of Gary C. Martin in black ink.

Gary C. Martin
President and CEO
North American Export Grain Association