

November 21, 2018

Bruce Summers
Administrator
Agricultural Marketing Service
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20228

Dear Mr. Summers:

The undersigned organizations whose members represent the broad spectrum of producers, grain handlers, grain processors and exporters of U.S. soybeans respectfully request that the U.S. Department of Agriculture's Agricultural Marketing Service (AMS) withdraw and suspend its June 29, 2018 request for information regarding the official U.S. standards for soybeans.

Further, we urge that AMS not further proceed with a rulemaking to amend the U.S. soybean standards at this time.

Each of our organizations has been evaluating the existing U.S. soybean standards – both individually and collaboratively – and believe our request constitutes the most prudent course of action at this time given current soybean market developments and fundamentals, the complicated trade situation and the importance of gathering more information and performing additional analysis to avert unintended consequences that otherwise could result.

As you know, the official U.S. standards for grains, oilseeds and other commodities promulgated under the U.S. Grain Standards Act provide important quality information that serves multiple significant purposes, including providing the foundation for price discovery and for facilitating the marketing of U.S. commodities in domestic and international markets.

We cite the following factors and consideration that we believe justify our request:

- Each of our organizations continue to research and analyze differences between the official U.S. standards for soybeans compared to those used by major U.S. competitors, some of which are much less transparent than the U.S. system.
- Very significantly, the U.S. Soybean Export Council (USSEC) is submitting to USDA's Foreign Agricultural Service a widely supported proposal that is designed to provide a more comprehensive understanding of regulatory requirements and customer values, and their linkage to the attributes of the U.S. grain and oilseed production and supply chain, to support a systemwide U.S. response to the challenges of meeting customer needs and complying with various countries' import requirements. This proposed 18-month USSEC project is supported by a wide range of U.S. producer, commodity and agribusiness organizations and stakeholders, including each of the signatories to this statement, as well as the U.S. Grains Council

and U.S. Wheat Associates. This project has great potential to yield useful information that will warrant consideration as part of any review of the official U.S. grain standards for soybeans.

- Some of the undersigned organizations need additional information and time to reevaluate existing policy positions related to potential adjustments to specific quality factors within the U.S. soybean standards.
- The atypical current soybean market environment, which is characterized by dramatically disrupted trade flows; anticipated heavy carryover stocks of U.S. soybeans, historically low futures prices, depressed U.S. soybean basis values for growers and weather-induced damage in some areas are all reasons not to pursue changes to the U.S. official soybean standards that could inadvertently create additional downward pressure on soy prices for growers or make U.S. soybeans less competitive in world markets.
- Additional time and more study is needed to find a way to address successfully the uncertainty that prevailed in the U.S. soybean export market and adversely affected U.S. exports well before the imposition of tariffs – a situation that continues to this day – concerning one former major U.S. soybean international customer’s concern about weed seed content and USDA’s subsequent decision to insert foreign material – a grain-quality factor – exceeding 1 percent as an “additional declaration” on phytosanitary certificates for U.S. soybean shipments destined to that market.
- The need to evaluate carefully the complicated interrelationships and differing impacts of potential changes to the U.S. soybean standards on all sectors of the soy industry, including growers, country elevators, soybean processors and exporters.

For these reasons, we respectfully urge AMS to withdraw its request for information on the U.S. soybean standards, and to not proceed with further rulemaking on this matter at this time.

Sincerely,

American Soybean Association

National Grain and Feed Association

National Oilseed Processors Association

North American Export Grain Association

U.S. Soybean Export Association