



August 4, 2021

Feed the Future
Bureau for Resilience and Food Security
U.S. Agency for International Development
1300 Pennsylvania Avenue NW
Washington, DC 20004

Re: Draft U.S. Government Global Food Security Strategy for FY 2022-2026

Thank you for the opportunity to inform U.S. Government thinking on the draft Global Food Security Strategy (GFSS) for FY 2022-2026. Your work to assess the critical factors, risks, and strategies needed to sustainably reduce global poverty, hunger and malnutrition is appreciated and welcome. The approach detailed in the GFSS, which engages with stakeholders at all points of the value chain and focuses on providing better access to markets, good governance in the public and private sector, and a commitment to innovation are all issues in which we have been engaged.

Providing for robust, responsive, responsible, reliable, resilient, safe and secure supply chains for agricultural commodities and food products is the core value of the North American Export Grain Association. NAEGA (www.naega.org) promotes policies, rules and commercial practices that support efficient international trade in grains, oilseeds and their derived products. NAEGA's members include private and publicly owned companies and farmer-owned cooperatives who export agricultural production to customers around the world. Our work benefits consumers, farmers and people throughout a global value chain. NAEGA works to promote and sustain the development of the export grain trade from the United States, and to represent the grain and oilseed exporter interests with foreign buyers, governments and other segments of the U.S. grain industry. NAEGA serves as a conduit for trade inquiries; interacts with foreign buyers; educates and informs participants in value chains on the complexity of agricultural product supply systems, including grain purchase specifications; provides for, through the industry standard NAEGA 2 F.O.B. contract and other vehicles, uniform commercial practices and dispute resolution; advises governments on agriculture and trade policy; distributes information; works to prevent and resolve trade disrupting actions, including those tied to regulation by governments; and provides a forum for communication on matters of vital concern to the U.S. agricultural product export industry. With a strong understanding of risk and markets in a very competitive international environment, NAEGA staff and resources are dedicated to providing the highest possible value in programming and communication through our philosophy of "Working Together to Make Trade Work" in coordination with NAEGA members and partners world-wide.

Below, please find NAEGA's comments on specific sections of the draft GFSS.

OBJECTIVE 1: Inclusive and Sustainable Agriculture-Led Economic Growth

NAEGA concurs with the assessment on page 18 of the draft, that "Investing in inclusive, agriculture-led growth is a long-term, comprehensive approach to ending poverty, hunger, and malnutrition" and

on page 22 that “strengthening linkages among producers, MSMEs and buyers in domestic, regional, and global markets is critical to food security and agriculture-led economic growth.”

Grains, oilseeds and other agri-bulk plant products are the essential foundation of economic prosperity for U.S. Agriculture and global food security. Key to maintaining and advancing the successful U.S. supply and market for these products are competitive markets that provide for consumer-focused commercial responses that place the interests of people first. Such markets are and will be built upon the pillars of trade, investment, and security.

The UN report: *Making trade work for the environment, prosperity and resilience* provides some valuable direction (http://www.wto.org/english/res_e/publications_e/unereport2018_e.pdf). Successful future food systems must be resilient. Ecosystem resilience is the inherent ability to absorb various disturbances and reorganize while undergoing state changes to maintain critical functions. To achieve global food security, resilient trade ecosystems are essential to achieving environmental sustainability, supporting innovation, and managing critical limited resources like water.

Resilient trade within food systems results through symbiotic relationships across value chains, starting with local production that often connects smallholders to domestic markets and ultimately the world for products derived from agriculture. Effective responsiveness to change and robustness of these diverse symbiotic relationships is very evident as the world responds in real time to the COVID 19 pandemic. Restricting markets by inhibiting trade and investment, by not providing for security in logistics and through politically motivated measures such as pursuing unsustainable or uneconomic domestic self-sufficiency strategies have consistently resulted in reduced availability and affordability of nutrition, waste, poor environmental outcomes, and even political conflict. Local, national, regional, and international markets are critical to providing returns to labor and investment that in turn support innovative, responsive, reliable, and responsible food supplies.

Ensuring a trade supportive and least trade distortive environment to allow for consumer access is a core food system principle. Fundamental to this principle are actions that:

1. Place people first by educating and incentivizing (including enhancements to welfare and mobility) workforce and leadership.
2. Ensure the preservation of a competitive commercial environment that brings the consumer closer to an understanding of production and markets.
3. Enhance and maintain physical and cyber security throughout the value and logistics chain.
4. Accommodate international movement of labor and capital to support innovation and investment in necessary infrastructure and technique.
5. Provide for transparency and accountability in official and commercial practice.
6. Protect and incentivize the creation and maintenance of intellectual property.
7. Avoid unsustainable and uneconomical government strategies that distort market signals and are counter-productive to increasing food security.

On Page 22, when discussing “strengthened and expanded access to markets and trade” the draft notes that “Sanitary and phytosanitary (SPS) systems and regulations must also be in place to ensure that increased agricultural productivity will translate into reduced hunger and higher incomes when producers and other actors are able to meet SPS requirements and access specific local, regional, and international markets. To facilitate trade, domestic regulatory systems must first harmonize with international standards. With harmonization comes regional food security, as food is able to flow from areas of excess to areas of need.”

NAEGA supports a harmonized approach to SPS measures that is based in sound science and best practices, and we applaud this draft GFSS for consistently noting the importance of working with international bodies on these potentially trade restrictive measures.

For your consideration we note that changing and uncertain policy governing pesticide residues often are inconsistent with best practice and are not harmonized. The associated uncertainty and trade distortion negatively impacts supply chains. Policy inconsistencies may include:

- SPS measures that are intended to protect a country's domestic producers.
- Non-science-based propaganda leading to the establishment of inappropriate pesticide residue management that restricts trade.
- A web of ever-changing regulations and enforcement.
- A lack of utilization of the Codex Alimentarius Commission's (Codex) international food standards, such as MRLs. Whilst not perfect, Codex provides a model, that if followed by countries without national systems, like the United States' system, would help standardize food safety as well as fairness among agricultural importers and exporters.

As a way to encourage harmonization and adherence to international standards, the GFSS should include a commitment to:

- A. Encourage Governments to address Maximum Residue Limits (MRLs) in global, regional and bilateral agreements impacting trade that:
 - Ensure MRLs incorporate risk assessment and measurement that is science-based.
 - Provide for MRLs for imported commodities which are no more stringent than MRLs for domestically produced commodities.
 - Require sufficient notice and grace periods to facilitate contracted shipments prior to implementation of a new MRL.
 - Provide NAEGA the opportunity for feedback on proposed MRLs prior to implementation.
 - Establish a process to request a higher import MRL using scientific evidence and risk analysis.
 - Ensure MRLs will not be used to manage trade.
- B. Bolstering support for Codex by:
 - Providing for more government experts and budgetary resources to Codex.
 - Reducing the delay between registration of a compound and establishment of a Codex MRL.
 - Increasing the use of crop grouping and representative commodities for establishing MRLs.
 - Strengthening the implementation of procedures and communication between the Codex's Committee on Pesticide Residues and the Food and Agriculture Organization/World Health Organization's Meeting on Pesticide Residues.

SECTION 4: U.S. APPROACH, Emerging Technologies Subsections

NAEGA agrees with the statement on page 60 that "Application of emerging technologies such as advanced sensing, artificial intelligence, autonomous systems and robotics, biotechnologies, and communication and networking technologies can make agriculture more sustainable, productive, resilient, profitable, and financially inclusive. We will continue to support and promote the appropriate and responsible application of new and improved technologies in agriculture and food systems"

However, we have learned that transparency and responsible stewardship need to go hand in hand with the development and deployment of new agricultural technologies. We appreciate the commitment above to “appropriate and responsible” application, but the statement could be enhanced with a commitment to promote the adoption of a comprehensive, harmonized, global regulatory approval processes that address key issues facing the trade like Adventitious Presence (AP) of products derived from crop biotechnology, and that until such processes are in place, commercialization of genetically modified plants without prior approval by the governments in major international markets for such products should be avoided.

As the GFSS section on SPS stresses the need for regulations based on sound science and safe products as a way to bring down trade barriers, a commitment to governmental regulatory procedures and statutory authority to ensure regulatory decisions reflect sound science, be proportionate to risk, provide for safe products, foster increased consumer confidence, and support a competitive and informed commercial response to market conditions and not be used as barriers to trade should be included in this section.

We look forward to your further advice and are standing by to support your good work in any way we can.



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