



National Grain and Feed Association

1250 Eye St., N.W., Suite 1003, Washington, D.C. 20005-3922, Phone: (202) 289-0873, FAX: (202) 289-5388, Web Site: www.ngfa.org

Statement of the National Grain and Feed Association at the USDA-FDA Public Meeting on Product Tracing

Presented by

**Randall C. Gordon
Vice President, Communications and Government Relations**

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The National Grain and Feed Association appreciates the invitation to provide perspectives on the practical realities of product tracing when it comes to the raw grain and oilseed storage and handling, and feed manufacturing sectors.

Established in 1896, our Association consists of more than 1,000 companies operating grain elevators; feed and feed ingredient manufacturers; grain and oilseed processors and millers; integrated livestock and poultry operators; biofuels plants; and exporters that operate about 6,000 facilities and handle more than 70 percent of the U.S. grain and oilseed crop.

The NGFA will submit extensive comments in response to the questions posed in the rulemaking. But we want to take this opportunity to provide our overarching perspective and to convey the immensity of the grain-based U.S. agricultural system whose productivity, efficiency and cost-effectiveness has made it the single most powerful engine in feeding a hungry world.

At the outset, the NGFA and my colleagues on this panel believe strongly that the industry should – and does – bear the responsibility for producing and distributing safe products. Indeed, we believe that the prevention of foodborne illnesses should be the primary focus of both government and industry. While the ability to effectively trace products – backwards and forwards – through the supply and distribution chain is an important component of an overall food/feed safety plan, we believe the primary focus of both industry and government’s food-safety efforts should be to prevent contamination that poses a threat to human or animal health. The industry, like government, has limited resources. Indeed, our industry operates on extremely low net margins typically amounting to a few cents per bushel of grain. Scarce financial and human resources need to be allocated in a way that maximizes product safety. As FDA and FSIS consider “enhanced” product-tracing systems, their practicality and cost, as well as the real “value-add” they bring to further enhancing food safety – need to be critically analyzed. **Resources are finite!**

Our focus on preventing food and feed safety problems in the first place is one reason the NGFA has been so involved in working with FDA in the development of its hazard- and risk-based Animal Feed Safety System initiative, which we expect to result in proposed regulations in 2010, as well as the Association of American Feed Control Officials development of Model Feed and Feed Ingredient Safety Regulations adopted in August 2009. Both take a science- and prevention-based approach to product safety. The same science-, risk- and prevention-based approach is being taken by Congress in food/feed safety legislation under consideration. It’s also the focus of NGFA’s own first-of-its-kind Model Feed Quality Assurance Program, introduced in 1994 and updated continually thereafter, as well as Q/A programs developed by other trade associations and companies.

Thus, we believe traceability systems should not be considered in a vacuum or as a “be-all and end-all.” While certainly a tool as part of a comprehensive food/feed safety program, a traceability system by its very nature is a reactive, rather than preventive, approach.

Further, the NGFA believes any new “enhanced” product-tracing requirements should be based upon product risk, as determined by a comprehensive risk assessment that considers past foodborne illness incidents and their severity. Such an analysis also should consider the intended use of the food or feed product, and appropriately recognize the distinct differences between animal feed and human foods.

In the time remaining, I’d like to briefly describe the magnitude of the volumes of grains, oilseeds and ingredients received, commingled, manufactured and shipped by grain elevators and feed mills, and the implications that has for traceability.

Like any industry sector, the size and scope of operations within the grain elevator, grain processing and feed industry vary considerably. But an “average” country grain elevator receiving grains and oilseeds harvested by farmers typically handles 4 million bushels or more annually.

Those 4 million bushels typically are received from approximately 250 different suppliers in quantities of 900 bushels or less – amounting to about 4,500 individual inbound shipments per year. One such “typical” country elevator in Missouri told us this harvest it unloaded nearly 400,000 bushels in a single day – one truck every 90 seconds – with the line stretching over a mile long. In a year like this – with a wet, late harvest – anything that further delays these logistics would put the crop still left in the field at risk of quality loss – **ironically undermining end-product safety**.

Grains and oilseeds customarily are stored, handled and transported on a commingled basis because of the efficiencies involved and the ability to blend qualities into a homogenous mixture to meet quality specifications of buyers. Given the commingled nature of facility operations, it is possible that the sources for an individual outbound shipment of 900 bushels from a country grain elevator could be **all** of the facility’s 250 suppliers and virtually all of the individual inbound shipments received.

Even more complexity is involved in tracing products through terminal grain elevators and feed mills, which also customarily store, handle and transport bulk grains and feed ingredients on a commingled basis.

Terminal elevators – large elevators that receive grain from multiple country elevators – typically handle much larger quantities. So, if a terminal elevator receives inbound shipments from 50 different country elevator facilities, there potentially could be 12,500 sources for a single 900-bushel outbound truck shipment.

At feed mills, grains, oilseeds and feed ingredients are mixed to produce a finished feed product. An “average” feed mill may produce 100,000 tons of finished feed per year and use more than 100 different ingredients. So, an “average” feed mill that manufactures 100,000 tons of feed annually likely will receive more than 5,000 truck shipments and distribute an equivalent number of outbound shipments each year.

Feed mills often source grain from 10 or more different country or terminal elevators. In addition, the number of suppliers of feed ingredients to the feed mill typically may range from **two to 15 for each ingredient**, many of which are commingled co-products derived from human food. A finished feed product manufactured by a feed mill typically may contain grains and 10 other feed ingredients. After considering all of these factors, there potentially could be more than 12,500 different sources for the grain portion of a single shipment of finished feed, and more than 80 different immediate previous sources for the other feed ingredients present. These 80 different immediate previous sources for the feed ingredients **only** represent one-step back in the supply chain. It doesn’t account for the multiple supply sources that the feed ingredient supplier may be using to manufacture ingredients shipped to that feed mill.

These examples illustrate that outbound shipments from grain elevators, grain processors and feed mills typically consist of hundreds to thousands of potential sources. In tracing products, our industry can narrow the search based upon timeframes of receipt and distribution. But complexities associated with tracing grain and feed products stored, handled and transported on a commingled basis – combined with the relatively low risk

of those commodities – need to be considered as FDA evaluates any “enhanced” product-tracing requirements.

Let me conclude with three final points:

- First, FDA’s Bioterrorism Act regulations already require facilities – including grain elevators and feed mills – to keep “standardized” information about the immediate previous source and immediate subsequent recipient of the “food.” We believe requiring such facilities in our industry sector to standardize product-tracing information in a specified **electronic** format currently would be both technologically challenging and cost-prohibitive. Current requirements, which provide for paper records, are adequate to facilitate an efficient trace-back and trace-forward investigation in our sector.
- Second, the potential value of **requiring the assignment of a lot code or number** to food or feed is especially limited when the food – like most grain and feed products – is handled in an unpackaged, bulk form. Such bulk products, when shipped, commonly are identified with an invoice number, bill of lading or some other unique identifier for tracing purposes, which also is required under the Bioterrorism Act recordkeeping regulations. Requiring an additional identifier would not contribute to better identification of bulk products.
- Third, we believe the new **Reportable Food Registry** has the potential to increase the speed and accuracy of product tracing, and to target it on FDA-regulated food and feed products that pose a risk. FDA should evaluate the results achieved by this new system after an appropriate period before considering additional product-tracing requirements.

Thanks again for the opportunity to present the NGFA’s views.