

**National Grain  
and Feed Association**

# **Dealing with Increasing Food Demand and Food Security**

**Chairman's Address  
by  
Dave Hoogmoed**

**NGFA 118<sup>th</sup> Annual Convention  
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# Key Components

Working to create a pro-growth  
Agricultural Policy

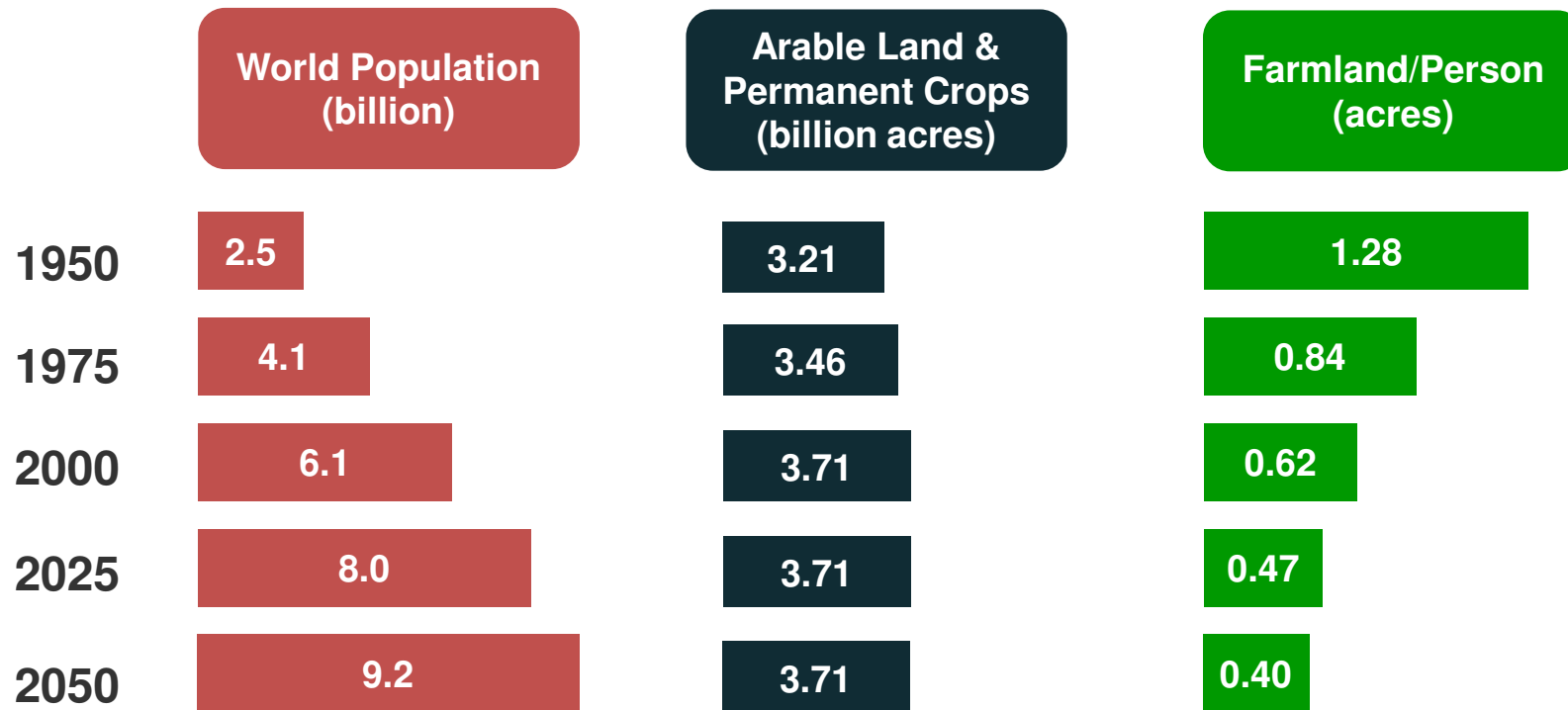
Teamwork in the World of Biotech

Addressing Major Regulatory Actions  
(and inaction)

A Strong Note: Resource Constraints  
and Sustainability



# Global Agricultural Productivity Opportunity & Challenge



**Global food production will have to increase 70%  
to meet higher demand**

# Dimensions of Food Security

- **Global Food Security**

- Can the world's farmers feed the larger population, better than today at a reasonable cost without damaging the environment?

- **National Food Security**

- Potential for self-sufficiency that is economically efficient and environmentally sustainable
- Every country has to ensure it has a reliable and reasonably priced supply of food from a combination of domestic production and imports.

- **Household Food Security**

- Hunger caused mainly by lack of purchasing power



# Arable Land and Water Scarcity

- At most, only 12% more arable land is available globally
- Only 5% more land is projected to be cultivated by 2050
- Demand to outstrip water supply by 40% by 2030

*We must produce more food, with fewer resources and less environmental impact!*

Source: OECD-FAO, global water supply/demand model; agricultural production based on IFPRI computed general equilibrium model base case; A Daunting Task, Prof. Robert Thompson (2010)



# Water – A Growing Constraint

- Farmers account for 70% of world's fresh water use.
- With rapid urbanization underway, cities will outbid agriculture for available fresh water.
- World's farmers being called upon to double food production – will have to do it using less fresh water than they are using today.
- This will require investments in research to develop water-saving technologies and to increase drought tolerance and water-use efficiency of crop varieties being grown.



# In Short: Sustainability Requires Increased Global Food System Productivity

- Make presently unusable soils productive.
- Increase genetic potential (of individual crops and/or farming system) (ditto for farm animals).
- Achieve as much of that potential as possible by:
  - Improving nutrition of given crop.
  - Increasing water availability and control.
  - Reducing competition from weeds for water, nutrients and sunlight.
  - Reducing losses from disease and insects.
- Reduce post-harvest losses.



# The Critical Role of Your NGFA

- **We are very active in:**
  - Pro-Growth Ag Policy
  - Pro-Growth Trade Policy
  - U.S. Infrastructure Support
  - Regulatory Issues Arena
  - and Much More...





# Food Demand and Food Security NGFA's Critical Role

## Pro-Growth Agricultural Policy – 2014 Farm Law Accomplishments

- **CRP Reform:** Reduce acreage-idling through 8-million-acre cut in CRP cap to 24 million acres; mandatory penalty-free early out for productive farm acres in FY 2015.
- **Farm Income Supports:** Delinked income support payments (target prices) from actual planted acres to avoid planting distortions, WTO trade challenge.
- **Support for Federal Crop Insurance, Research**



# Food Demand and Food Security

## NGFA's Critical Role

### Pro-Growth Trade Policy – Creating More Access to Markets, in Partnership with NAEGA

- Seek passage of trade promotion authority legislation to expedite congressional passage of new trade accords.
- Urge Completion of Trans-Pacific Partnership trade negotiations, including timely, transparent rapid-response mechanism to address non-science-based sanitary and phytosanitary restrictions.
- Seek Progress on Trans-Atlantic Trade and Investment Partnership trade negotiations with EU.

# Food Demand and Food Security

## NGFA's Critical Role

### Improving Transportation Infrastructure

- **Inland Waterways: Water Resources (Reform) Development Act**
  - Urgent need for legislation to authorize lock and dam construction, rehabilitation; dredge harbors.
  - Requires congressional increase in barge diesel user fee now!
- **Rail:**
  - NGFA addressing service disruptions with carriers.
  - Working to create more competitive rail environment through improved rules for competitive switching; more workable procedures for ag shippers to challenge unreasonable rail rates.
- **Truck:** Exploring policy needs of NGFA members.

# Food Demand and Food Security

## NGFA's Critical Role

### Biotechnology Opens New Frontiers

- More productivity enhancement potential from classical plant and animal breeding, especially with modern genomics.
- But genetic engineering opens more new frontiers:
  - Improve nutritional content of grains, etc.
  - Increase tolerance to drought, wetness, temperature, salt, etc. (increase yields and/or planted area under adverse or variable conditions).
  - Resistance to diseases; viruses.
  - Reduce pesticide use, especially insecticides.
  - Herbicide-resistant varieties.



# Food Demand and Food Security

## NGFA's Critical Role

### **Biotechnology – Encourage Innovation, But Preserve Markets!**

- NGFA, NAEGA working through U.S. Biotech Crops Alliance with growers, tech providers to address market-related risks of commercializing biotech traits.
  - Lack of export market approvals.
  - Biotech events with functionally different output traits that make presence in food, feed supply inappropriate above certain levels.
- Robust discussions on how to address risk assessment, risk management, risk mitigation and risk responsibility (liability).
- Striving to develop consensus standards by end of 2014.

# Food Demand and Food Security

## NGFA's Critical Role

### **Biotechnology – Encourage Innovation , But Preserve Markets!**

- NGFA part of Coalition for Safe, Affordable Food.
  - Consists of 30 national organizations: producers; grain, feed, processors; food industry; biotech, seed sectors.
  - Seeking federal legislation to preempt state authority over biotech labeling decisions.
    - ❖ Require mandatory safety review by FDA, including when biotech events with functionally different output traits inappropriate for food or feed.
    - ❖ Would create uniform standards only for those wanting to label products as NON-BIOTECH.

# Food Must be Safe – and Affordable ...Addressing Regulatory Challenges...

- **Food Safety Modernization Act:** NGFA is seeking common-sense, science-based outcomes in seven major FDA-proposed rulemakings.
  - Human Food Rule: NGFA seeking exemption for grain elevators from hazard analysis, preventive controls, CGMPs – Low risk to food, feed safety.
  - Animal Feed, Pet Food Rule:
    - Exemption for grain elevators.
    - Implement realistic, practical and outcome-based CGMP requirements, with long phase-in for compliance.
    - Limit scope of preventive controls to feed safety risks truly meriting rigorous management oversight.
    - Support a level playing field.
  - NGFA Involvement in Additional FDA Rulemakings: Sanitary food transportation; intentional adulteration; foreign supplier verification; third-party certification; methodology for defining “high-risk” foods.



# Food Must be Safe – and Affordable ...Addressing Regulatory Challenges...

- **Futures Markets and Risk Management**
  - Seeking changes in new CFTC customer-protection rules as applied to agricultural futures – onerous residual interest and capital charge rules place more customer margining money at risk with FCMs.
  - Seeking more agriculture-based expertise at CFTC Commissioner level.
  - Continued vigilance on high-frequency trading impacts on ag markets.



# Food Must be Safe – and Affordable ...Addressing Regulatory Challenges...

- **OSHA:** NGFA leading coalition litigation effort to overturn OSHA attempt at backdoor rulemaking to set combustible dust standards.
- **EPA:** Potential great progress in exempting temporary storage facilities from Clean Air Act permitting requirements; revocation of EPA interpretive letter expected soon, with new proposed rule on New Source Performance Standards.



# Food Demand and Food Security

## NGFA's Critical Role

- **Facilitating Efficient Marketing and Dispute-Resolution through World-Class Trade Rules and Arbitration System**
  - One of NGFA's most important, most-used and most-respected membership services.
  - Trade Rules Committee developing truck trading rules for grain, feed.
  - Arbitration System continues heavy caseload – in 2013, 51 new cases filed; 31 cases published involving total \$11.1 million in claims

# Let's Move!

- **Let's all step up our involvement!**
  - In our direct contacts with our members of Congress – we need to raise our decibel level!
  - In contributions to Grain and Feed PAC.
  - In continuing to recruit new member companies – 60 more joined in 2013-14!
  - By investing your personal time and talent on NGFA committees and leadership – contact any officer or staff!



# Back to Closing with Sustainability...Why?

- We will be driven to accomplish all of this in a world that must be driven by sustainability.
- Productivity with responsibility = energy, land, water and environmental stewardship.
- A world where “sustainability ratings” eventually will be given to all of us: Grain producers and suppliers, animal production producers, food production companies, and transportation entities.



# Thank You!

- For your attendance at the convention
- For your participation as active leaders in our great industry
- And, once again for the opportunity to serve as your Chairman

