



NGFA Board of Directors Report

March 2025

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**Agenda
March 11, 2025
12:45 to 4:00 P.M. (PST)
Omni La Costa Resort and Spa, Carlsbad, CA
Costa Del Sol AB
Chris Boerm, NGFA Chairman**

Saturday, March 8

5:30 – 7:30 P.M. Chairman’s Reception for Board & Guests

Garden Pool

Tuesday, September 11

12:00 Lunch for Board Members

Costa Del Sol FG

12:45 Welcome and Call to Order

NGFA Antitrust Compliance Policy Reminder
Reading/Approval of Minutes – March Meeting

Chris Boerm

Charlie Delacruz
Charlie Delacruz

Recognition of Incoming and Outgoing Board Members

Chris Boerm

Nominations to Exec. Committee

Terry Blin, Chair Noms. Committee

Financial Update

Max Fisher

Proposed Budget 25/26

Max Fisher/Mike Seyfert

Office Lease Status and Location Recommendation

Mike Seyfert/Charlie Delacruz/Max
Fisher/Mary Hitchcock/Rebecca Grubbs

Management Update

Mike Seyfert

Long Range Plan Update

Mike Seyfert

Foundation Update

Jason Klootwyk/Rebecca Grubbs

Communications Update

Phillip Hayes/Paul Cummins

Grain and Feed PAC Update

Mike Seyfert, Exec. Director
Grain & Feed PAC

Trump Administration and DC Issues Update

Mike Seyfert/Max Fisher/Jess McCluer

Future Meetings Update

Rebecca Grubbs

Other Items

Chris Boerm

4:00 Adjournment

Chris Boerm



National Grain and Feed Association

Minutes

NGFA BOARD OF DIRECTORS

*The Broadmoor
Colorado Springs, Colorado*

September 9, 2024

Presiding: Chris Boerm NGFA Chairman

Chairman Chris Boerm called the meeting to order at 8:30 a.m. Directors attending were Augusto Bassanini, Jeff Bechard, Greg Beck, Terry Bline, JoAnn Brouillette, Wyatt Brummer, James Burgum, Kayla Burkhart, Jim Dell, Bo DeLong, Scott Docherty, Allen Douglass, Tom Fernandes, John Fletcher, Gary Gantz, Robert Geers, Matt Gibson, Kevin Gray, Kim Hawks, Mark Heil, Jefferson Hillman, Corey Jorgenson, Joe Kapraun, Paul Katovich, Jason Klootwyk, Alan Koenig, Brian Kubik, Chuck Kunisch, Stu Letcher, Michelle Mapes, Dian McGuire, Kellie Melton, Michael Miller, Brad Morrison, Randal Olstad, Scot Ortman, Shay Rambur, Brian Schouvieller, Ron Seeber, Mike Seyfert, Benjamin Smith, Curt Strubhar, Dan Suarez, Mike Tate, Andrew Utterback, Jeff Van Pevenage, Eric Wilkey, Tom Wapp, and Jeff Wilson.

Non-director committee chairs attending were Kelly Buchanan (Communications, Marketing and Membership Committee); Grayson Daniels (Business, Merchandising and Operations Committee); and Cory Winstead (Sustainability Committee).

NGFA staff attending were Charlie Delacruz, Dave Fairfield, Max Fisher, Amelia Fitzgerald, Sarah Gonzalez, Rebecca Grubbs, Mary Hitchcock, Jess McCluer, and Stephanie See.

Antitrust

Charlie Delacruz reminded the Board of the antitrust policy that applies to NGFA meetings.

Minutes

A motion passed unanimously to approve minutes of the Board meeting on March 19, 2024.

Recognitions

Chairman Boerm recognized the directors and committee chairs for which this was their first meeting.

Financials

Mike Seyfert and Max Fisher reported on NGFA's finances for the first four months of the current fiscal year, including that NGFA's net operating income of \$767,178 is running ahead of full projected net income of \$194,914 due to front loading of membership dues collections and arbitration income; membership dues are in line with the full-year budget estimate; arbitration income already exceeds the annual budgeted income; salaries and payroll expenses are under budget; and professional services are over budget. Mr. Seyfert also stated NGFA has changed accounting firms, and NGFA's office lease runs through April 30, 2028, and NGFA has begun to evaluate options for its next lease.

Management Update

Mr. Seyfert provided an update on management and administrative activities, including near completion of an audit for FY 2023/24; new and updated IT functionality and a database; resolution of issues involving a fraudulently misdirected payment to the Omaha Hilton for the 2023 CONVEY conference; execution of corrective measures for the NGFA 401k-plan; planned recommendations for the Executive Committee on a potential dues increase; anticipated CEC registration with various speakers already lined up; and retention of the Russell Group for legislative affairs services.

Foundation

Brian Schouvieller, National Grain and Feed Foundation Chair, discussed Foundation initiatives underway, including funding of scholarships for university students in the field of agriculture through MANRRS; promotion of ag messaging and information about the Foundation and industry; health and safety; employee development; and allowing for donors to include endowments for the Foundation in their estate planning. The Board was encouraged to recommend other projects for the Foundation and to make individual and corporate donations. Mr. Schouvieller also presented a recommendation of the Executive Committee that NGFA match contributions to the Foundation up to \$25,000 on a one-time basis.

A motion passed unanimously to adopt the proposal that NGFA match contributions to the Foundation up to \$25,000.

Arbitration

Charlie Delacruz and Mary Hitchcock presented various amendments recommended by Arbitration Appeals Panel for the Arbitration Rules, which relate to parties and claims added to a case after it is filed: awarding of interest in arbitration decisions; and cancelling by NGFA of an oral hearing. The text of the proposed amendments is as follows [*additions underlined; omissions stricken-through*]:

Rule 2. Commencing an Arbitration Case

(A) ...

The case shall incorporate the claims in the original complaint as well as any ~~cross-complaint;~~ crossclaim, counterclaim, third-party claim, or offset ~~as set forth by the defendant~~, provided that any matters submitted by crossclaim, counterclaim, or third-party claim ~~the defendant~~ must be directly related

to the claims in the original complaint. Any ~~such cross-complaint~~ crossclaim, or counterclaim, or third-party claim shall be heard as one case with the original complaint. Any crossclaim, or ~~cross-complaint, or~~ counterclaim, or third-party claim must be filed by the defendant at the same time the defendant's answer is due.

(B) Upon signing the arbitration services contract, each party must pay an arbitration service fee of 1.5% of the amount of the plaintiff's claims. The NGFA Secretary may assess additional fees later in the case based upon the increased claims (including crossclaims, counterclaims, and third-party claims and ~~crossclaims~~) by the parties. The minimum arbitration service fee is \$1,500. The maximum arbitration service fee is \$25,000. ...

Rule 4. Timelines Governing the Filing of Arbitration Argument ...

(C) The defendant shall have 20 days to file its answer (and any ~~cross-complaint~~ crossclaim, or counterclaim, or third-party claim) from the date it receives the plaintiff's first argument from the NGFA Secretary.

(D) Upon receipt of such answer (and any ~~cross-complaint~~ crossclaim, or counterclaim, or third-party claim) from the defendant, the NGFA Secretary shall have 5 days to forward a copy of same to the plaintiff, who has 10 days from receipt to file a rebuttal to the defendant's answer (and any ~~cross-complaint~~ crossclaim or counterclaim). The plaintiff is not obligated to file a rebuttal. ...

Rule 6. Arbitration Committee Procedures ...

(F) The Arbitration Committee and/or the Arbitration Appeals Committee may include an amount of interest in an award. If interest is awarded, the applicable rate of interest, unless otherwise provided by agreement between the parties, ~~the applicable rate of interest~~ shall be the Prime Rate as published ~~by~~ in the **Wall Street Journal** on the date the case was filed. ...

Rule 8. Oral Hearings ...

(E) The chair of the committee shall determine a time and a place for the hearing, and the NGFA Secretary shall notify the parties of the date and place selected. Neither party shall seek to postpone the hearing 10 days after such date has been set, unless good cause, satisfactory to the committee, can be shown. In special circumstances when the party or parties requesting an oral hearing fail to respond or cooperate in the planning of the hearing, the chair of the committee and the NGFA Secretary have discretion to cancel the hearing.

A motion passed unanimously to adopt the amendments as recommended.

Mr. Delacruz and Ms. Hitchcock then informed of current arbitration case activity. Thus far in 2024: 11 new cases were filed, representing a tapering off of filings (compared to historic-peak recent years); total dollars claimed in these cases is \$8.9 million; decisions were issued in 16 cases; and many of the pending cases are now at critical stages (23 involve hearings, 5 involve appeals, 42 are with arbitration committees, and 12 are to go to committees shortly).

FGIS

Jess McCluer advised of a recent increase by FGIS of official inspection and weighing service fees. NGFA is concerned about the potential impact on marketing of high-quality grain to both domestic and foreign buyers based on the agency's current financial status. Mr. McCluer also discussed grain grading technology. NGFA is forming a task force to develop the technological needs of the industry with a primary long-term goal of fully automated testing, sampling and grading processes. Mr. McCluer also discussed NGFA's priorities related to USGSA Reauthorization.

Trade

On trade-related topics, Mr. Seyfert and Mr. McCluer advised of challenge areas ahead, including China's most-favored nation trade status; lack of WTO enforcement of agreements; prospects for ag-specific trade agreements under either a Republican or Democrat administration; 2026 USMCA review and potential renegotiation; and EU deforestation and sustainability issues.

Chevron Decision

Mr. McCluer led a discussion on the recent decision by the U.S. Supreme Court in Loper Bright Enterprises, which overturns the court's 1984 Chevron decision and returns decision-making authority to the courts in reviewing whether administrative agency decisions are in compliance with the law.

Communications

Communications, Marketing and Membership Committee Chair Kelly Buchanan and Sarah Gonzalez described the committee's roles, plans and goals. Also discussed was completion of a major survey of the NGFA membership with key takeaways, including that NGFA's primary communication methods are on target; customization and more NGFA-specific analysis would present opportunities; and members value connection through networking. NGFA is already working toward personalized email communications for members; increased video and testimonials to promote member benefits; and review of the website and social media channels to improve user experience.

Membership

Rebecca Grubbs and Amelia Fitzgerald advised of the membership analytics initiative to categorize NGFA members, including by membership type, company type, and location. This initiative is designed to achieve better understanding of the membership base and distribution; advocacy and policy impact on specific industry groups; targeting of prospective members; and concise marketing and communications. Ms. Grubbs also informed of dues collection.

Tax Legislation

Sustainability Committee Chair Cory Winstead and Dave Fairfield discussed the Inflation Reduction Act and some of its key provisions ostensibly designed to lower the carbon intensity of biofuels, deliver savings, provide greater long-term energy security, and more economic activity in rural communities. SECTION 45Z (Clean Fuel Production Credit) provides a brand-new tax credit for fuels relative to how low their carbon intensity. The discussion with the Board included the challenges, potential opportunities and the unknowns such as what will be the guidance and execution by the IRS. Mr. Winstead and Mr. Fairfield stated that they would be looking to the Board for input on expectations and roles for the Sustainability Committee in these areas.

FDA-AAFCO MOU

Dave Fairfield stated that FDA had announced on August 2, that the agency would no longer be participating in the AAFCO approval process for feed ingredients after the current MOU between

FDA and AAFCO expires on October 1 of this year. It is believed that the MOU is not being continued because FDA is under significant scrutiny from special interest groups seeking additional oversight over the agency, and it would not likely prevail in a challenge of the MOU.

CFTC

Mr. Fisher advised of the House Agriculture Committee hearing on July 23, 2024, stating that NGFA as a whole was satisfied with the current regulatory environment. He then discussed the current composition of the CFTC and enforcement actions by the agency for Fiscal Year 2023 that include 96 actions worth \$4.3 billion. Mr. Fisher also referred to proposed rules to revise capital requirements for large banks and major contract changes by the CME Group.

Rail

Mr. Fisher reported on various rail-related matters, including the recent changes to the structure of NGFA's Transportation Committee; STB activities under newly appointed Chairman Primus (correspondence to carriers on service, hearing on growth in freight rail industry, meetings on Mexican freight rail delays); and rail safety (derailments, NTSB report, and the status of legislation in the House and Senate).

Policy Issues

Ag Policy & Legislative Affairs Committee Chair Joe Kapraun and Stephanie See provided an update on numerous topics involving NGFA's legislative activities, including changes to the structure of NGFA's committee; the status of the Farm Bill in the House and Senate; NGFA's Farm Bill-related priorities (CRP reform tying payment rates to land quality; no changes to CRP cap; increased funding for MAP and FMD; small increases in loan rates that will not distort the market; decoupled commodity title with a limited base acre update); reinstatement of NASS Reports; and WRDA and funding of inland waterways projects.

Elections Update

Stephanie See and Mike Seyfert presented views on the upcoming presidential and congressional elections.

PAC

Ms. See provided an update on the nonconnected Grain & Feed PAC.

Future Meetings

Rebecca Grubbs referred to the materials provided to the Board in advance of this meeting, which provide details on numerous scheduled events, including meetings of the Executive Committee and Board, annual conventions and country elevator conferences with some scheduled as far out as 2028. In particular, Ms. Grubbs noted the next September meeting of the Board, which is scheduled to occur in Arlington, VA, on Sept. 8-10, 2025.

Other Business

Chairman Boerm opened the floor to questions and comments. None were forthcoming.

Recognition

The Board recognized the upcoming retirement of Dave Fairfield from NGFA's staff and thanked him for his years of outstanding service.

Adjournment

No other business was brought before the Board, and a motion passed unanimously to adjourn the meeting at 5:00PM.

Respectfully submitted:

Charlie Delacruz
NGFA Secretary

Approved:

Chris Boerm
NGFA Chairman

NGFA Financial Report

March 2025

This financial summary covers NGFA's 2024/25 fiscal year and provides budget estimates for 2025/26.

Revenue

A membership dues projection of \$5.7 million for 2024/25 would well exceed the budget estimate of \$4,815,000 primarily because NGFA initiated a new payment system in early 2024 and the startup delays shifted a portion of the dues collections from 2023/24 to 2024/25. Also, membership dues payments for the first two months of 2025 have started at a strong pace. For 2025/26, membership dues are budgeted at \$4.95 million and includes an Executive Committee-approved two percent increase and takes into account the effects of anticipated industry consolidation.

Event income for 2024/25 is lower than budget by almost \$100,000 due to lower than projected attendance at convention than budgeted, along with inflationary AV and food costs beyond past, historical increases. Attendance at the Trade Rules seminar last May was right on target, but sponsorships dropped nearly \$50,000 from the previous conference and budgeted amounts. Event income in 2025/26 is budgeted more modestly due to continued projected cost increases and anticipated softening in the industry economics leading to expected decreases in attendance and sponsorships. A Trade Rules Seminar will not be held in 2025 because the event is held every other year.

Due to a surge in appeals to arbitration decisions, arbitration income for 2024/25 is higher than anticipated at \$245,343. Arbitration income for 2025/26 is projected to decline to \$100,000 to reflect lower, less volatile commodity prices that usually result in fewer, less costly disputes for NGFA members.

Expenses

NGFA anticipates spending almost \$326,000 on office space rent for the 2024/25 fiscal year and approximately \$334,000 for 2025/26. NGFA is in negotiations with its landlord on a new lease and has the opportunity to lower rental payments in future years.

Due to increased outsourcing, salaries and payroll expenses for 2024/25 are projected to run under budget by \$460,500 and professional services to run over budget by \$449,000. Rather than hire a second full-time lobbyist, NGFA contracted with The Russell Group (TRG) to boost its presence on Capitol Hill and assist with other government relations activities and now has access to 16 TRG employees. NGFA replaced its Director of Communications position with Fordham Farm Communications to bolster its communications and influence and to build the NGFA brand. NGFA also hired Clifton Larsen Allen in 2024 to assist with accounting and contracted with Progressive Safety Services to replace the Director of Safety position at substantial savings.

Profit/Loss

NGFA's net operating income for 2024/25 is projected at over \$1.1 million largely because a portion of 2023/24 membership dues payments were delayed to 2024/25 when NGFA launched a new payment system and also because dues payments in calendar year 2025 are arriving at a fast pace. Also, arbitration income is higher than anticipated and legal expenses are lower than budgeted. For 2025/26, NGFA is projecting a slightly better than balanced budget with \$9,116 in net operating income.

Other Balance Sheet Items

As of January 31, 2025, NGFA has \$11,613,731 in the long-term reserve and \$3,365,167 in the operating reserve. In April 2024, NGFA transferred \$880,784 from the operating reserve to the long-term reserve and in July 2024 NGFA transferred \$750,000 from its checking account to the operating reserve.

Vacation liability has decreased from \$219,406 a year ago to \$121,507 due to the retirement of a long-time employee and because of a change in NGFA's vacation carryover policy.

Deferred revenue in the amount of \$516,018 represents revenues collected for NGFA's Annual Convention.

National Grain and Feed Association

Statement of Financial Position

As of January 31, 2025

	ASSETS	Jan. 31, 2024	Jan. 31, 2025
Current Assets			
Checking/Savings			
Operating		391,831	247,388
Sweep		615,758	2,002,097
Total Available Cash		<u>1,007,589</u>	<u>2,249,485</u>
Operating Reserve		3,378,246	3,365,167
Total Cash on Hand		<u>4,385,835</u>	<u>5,614,652</u>
Arbitration Escrow		2,857,602	2,644,291
Accounts Receivable		90,274	20,559
Prepays		111,357	201,894
Due To/From Intercompany		(33,261)	(48,093)
Total Current Assets		<u>7,411,807</u>	<u>8,433,303</u>
Fixed Assets, net of Accumulated Depreciation		419,333	345,675
Other Assets			
Long Term Reserve		9,432,918	11,613,731
Security Deposit (Rent)		22,642	22,642
Right-Of-Use Asset		1,084,614	706,112
Total Other Assets		<u>10,540,174</u>	<u>12,342,485</u>
TOTAL ASSETS		<u>18,371,314</u>	<u>21,121,463</u>
	LIABILITIES		
Current Liabilities			
Accounts Payable		158,466	29,758
Credit Cards		1,617	39,260
Accrued Expenses		178,563	22,998
Total Current Liabilities		<u>338,646</u>	<u>92,016</u>
Other Liabilities			
Arbitration Escrow and Advances		2,956,614	2,767,470
Payroll Liabilities		104,562	19,511
Vacation Liabilities		219,406	121,507
Deferred Revenue		396,177	536,028
Right-Of-Use Liability		1,651,927	1,095,961
Total Other Liabilities		<u>5,328,686</u>	<u>4,540,477</u>
TOTAL LIABILITIES		5,667,332	4,632,493
	NET ASSETS		
Net Assets (without donor restrictions)		11,446,135	13,971,493
Net Assets (with donor restrictions)		21,000	-
Change in Net Assets		1,236,847	2,517,478
TOTAL NET ASSETS		<u>12,703,982</u>	<u>16,488,971</u>
TOTAL LIABILITIES AND NET ASSETS		<u>18,371,314</u>	<u>21,121,463</u>

National Grain and Feed Association Proposed Budget for 2025/26 Budget

NGFA Fiscal Year is April 1 - March 31

REVENUES	Projection for 2024/25	Budget for 2024/25	Budget for 2025/26
Membership Dues	5,700,000	4,815,000	4,950,000
Convention	236,397	280,147	217,860
Registration Income	603,500	675,750	649,850
Sponsorship Income	233,500	205,000	210,000
Expenses	(600,603)	(600,603)	(641,990)
Country Elevator Conference	194,333	200,564	138,750
Registration Income	400,025	420,375	423,750
Sponsorship Income	95,500	95,000	95,000
Expenses	(301,191)	(314,811)	(380,000)
Convey	31,266	33,812	28,900
Registration Income	90,335	72,512	100,925
Sponsorship Income	11,250	12,500	10,000
Expenses	(70,319)	(51,200)	(82,025)
Trade Rules Seminar	3,962	48,434	0
Registration Income	95,925	103,025	0
Sponsorship Income	12,000	50,000	0
Expenses	(103,963)	(104,591)	0
Arbitration Income	245,343	100,000	100,000
Digital Solutions Income	50,000	50,000	50,000
Interest from Checking Account	7,500	7,500	12,500
Other Income	15,380	8,000	9,000
Revenue from Operations	6,484,181	5,543,457	5,507,010

EXPENSES	Projection for 2024/25	Budget for 2024/25	Budget for 2025/26
Salaries and Payroll Expenses	3,650,000	4,110,500	3,495,195
Professional Services	650,000	201,000	769,000
Legal	75,000	185,000	135,000
Public Relations	10,000	12,000	29,580
Communications	9,200	9,200	39,000
Rent & Occupancy	325,987	325,987	334,020
IT	155,620	155,620	160,000
Special Projects	75,000	75,000	75,000
Dues & Subscriptions	68,000	68,000	72,000
Administrative Expenses	37,735	37,735	37,800
Bank Fees	34,000	34,000	34,574
Insurance	14,080	14,080	15,000
Travel	100,000	100,000	125,000
Meetings (Bd, Cmtes, Exec, Fly In)	150,000	126,800	176,725
Operating Expenses	5,354,622	5,454,922	5,497,894
Net Operating Income	1,129,559	88,535	9,116

Change in Operating Reserve	(13,079)
Change in Long-term Reserve	2,180,813

National Grain and Feed Association
Statement of Cash Flows
For the Period April 1 to January 31

CASH FLOW FROM OPERATING ACTIVITIES	As of Jan. 31, 2024	As of Jan. 31, 2025
<i>Net Income</i>	1,236,847	2,517,478
Depreciation	(109,320)	62,229
Net Appreciation in Fair Value of Investments	(529,166)	(611,975)
Change in Accounts Receivable	124,820	60,316
Change in Prepaids	(33,939)	(81,253)
Change In Intercompany Accounts	(11,562)	236,243
Change in Accounts Payable & Accrual	(1,455)	(300,163)
Change in Credit Card	(28,141)	32,226
Change in Payroll Liabilities (Includes Vacation Liability)	(42,838)	(170,166)
Change in Deferred Revenue	385,177	459,184
Change in Arbitration Advances	10,788	(3,333)
Net Cash Provided by Operating Activities	1,001,211	2,200,786
CASH FLOW FROM INVESTING ACTIVITIES		
Decrease in ROU Asset/Liability Adjustment	NA	(84,267)
Increase in Long Term Reserve Purchases	(790,066)	(1,158,585)
Net Cash Used by Investing Activities	(790,066)	(1,242,852)
NET INCREASE IN CASH DURING PERIOD	211,145	957,934
Operating Cash on April 1	3,386,412	1,269,247
Operating Reserve on April 1	788,278	3,387,471
Total Available Cash at Beginning of Year, April 1	4,174,690	4,656,718
Operating Cash on January 31	1,007,588	2,249,485
Operating Reserve on January 31	3,378,246	3,365,167
Total Available Cash at End of Period, January 31	4,385,834	5,614,652

Performance of Long-Term Reserves for the Association and Foundation

Market Value of NGFA Long-Term Reserves, 12/31/2024: \$11,445,410

Market Value of NGFF Reserves, 12/31/2024: \$1,245,822

1-year Returns

12/31/23 - 12/31/24	<u>Equities</u>	<u>Fixed Income</u>	<u>Cash/Cash Equiv.</u>	<u>Total Portfolio</u>
Association	19.8%	3.8%	2.3%	11.7%
Foundation	17.0%	4.1%	0.4%	10.5%
Indices	<u>Equity Benchmark</u>	<u>ICE BOA 1-5 Year</u>		
	17.2%	5.1%		

3-year Returns (Annualized)

12/31/21 - 12/31/24	<u>Equities</u>	<u>Fixed Income</u>	<u>Cash/Cash Equiv.</u>	<u>Total Portfolio</u>
Association	5.1%	1.2%	1.5%	3.1%
Foundation	5.2%	1.2%	0.5%	3.3%
Indices	<u>Equity Benchmark</u>	<u>ICE BOA 1-5 Year</u>		
	5.9%	1.6%		

The Equity Benchmark is a weighted average of the S&P 500 Large Cap Index (50%), the S&P 400 Mid Cap Index (23%), the S&P 600 Small Cap Index (7%), the MSCI EAFE International Index (15%), and the MSCI Emerging Markets Index (5%).

The ICE Bank of America 1-5 Year US Corporate Index is a market capitalization weighted performance benchmark which includes virtually every major investment grade rated corporate bond with 1-5 years remaining until maturity.

Management Update
NGFA Administrative Actions and Achievements
September 2024 to March 2025
Report to the NGFA Board of Directors
March 2025

I. Major Accomplishments

- All legal filings and paperwork filed to complete action on 401K, and DOL has provided notice all filings are accepted, and the issue is considered closed
- Work on 2024/25 audit to begin later this spring
- Salary competitiveness review planned by outside salary component this fall
 - First implemented in 2022 with a plan to review once every three years thereafter
- Contract signed for scoping and analysis of the industry to better project and explain NGFA member companies' and industry's economic impact with the administration, on Capitol Hill, and to the press
- CEC completed with solid attendance and on budget
- Convention projected to be at or above budgeted attendance and budget targets
- Forty-one industry participants selected for the new CAP program being installed at convention
- Fly-in with Executive Committee and other committee meetings scheduled for the first week of June
- Committees continue to operate effectively in service to membership in accordance with Committee Review Task Force Recommendations
- NGFA served as a sponsor for the Inaugural Ball in Celebration of American Agriculture attended by approximately 1,500 representatives from industry, Capitol Hill, and the new administration, including House and Senate Agriculture Committee Chairmen and Ranking Members, along with now Secretary of Agriculture Brooke Rollins
- Visited with new Secretary of Agriculture Brooke Rollins on her first day in office to highlight the breadth of NGFA membership
- Continued visits by CEO w/NGFA members between September and February
- Successfully prevented language in Water Resources Development Act (WRDA) Authorization that would open the door to breaching of the Lower Snake River Dams, while achieving authorizations for continued projects on the Mississippi River system
- Continued positioning as the leader in agriculture transportation and waterways issues
- Continued participation with the Soy Transport Coalition as an ex-officio member of their board
- Well positioned on priority issues heading into the continued debate on a new Farm Bill

II. IT Functionality, Database & Upgrades

- Implementation of new database completed
- Installation of new server completed for \$10,000 versus projected \$30,000 cost
- Contract signed for complete redesign and update of the NGFA website

III. Employee Development

- Year-end reviews completed for all employees
- Several team members continue to pursue training opportunities specific to their job functions

IV. Staffing and Consultant Updates

- Dr. Berit Foss hired as Vice President, Feed and Sustainability bringing industry experience and service on NGFA's Feed and Sustainability Committees to the role
- Samantha Brown hired as Director, Member Services
- Courtney Tucker hired as Coordinator, Legal and Commercial Affairs bringing paralegal experience to the position serving the arbitration program
- Stephanie See has left NGFA as Vice President, Legislative and Public Affairs
 - Job posting for Vice President, Government and Industry relations is up on several job boards and we are actively recruiting to fill this priority position
- CliftonLarsonAllen has fully assumed all accounting functions for the association
- Relationships continue with both the Russell Group and Safety Made Simple to continue to leverage efforts of the policy teams and safety programs on behalf of members

NGFA Arbitration Report to the Board of Directors March 2025

NGFA Arbitration Case Activity

In 2024:

- NGFA Arbitration resolved \$12,015,640 in claims.
- Decisions in 26 cases were reached and published.
- NGFA conducted oral hearings involving 22 cases.
- 12 new cases were filed.
- Total dollar amounts claimed in the newly filed cases exceed \$10.4 million.
- Individual claims in the newly filed cases range from \$4,508,734 to \$50,000, and the average claim amount was \$870,499.

Thus far, in 2025:

- NGFA has resolved \$11,452,991 in claims.
- Decisions in 8 cases have been reached and published.
- Decisions in 3 more cases will be published shortly.
- Many of the cases filed during the peak of recent years are pending and now at critical stages.
 - 5 pending cases involve oral hearings.
 - 4 cases involve appeals (including 1 involving an oral hearing).
 - 48 cases are with arbitration committees; 6 cases are to go to committees shortly.

New Rules Amendments

In February 2025, the NGFA membership ratified amendments to the NGFA Arbitration Rules, which were previously approved by the Board of Directors based upon the recommendation of the Arbitration Appeals Panel. The amendments address and clarify issues involving when new parties or claims are added to a case after it is filed; confusion about awarding interest in arbitration decisions; and NGFA's authority and discretion to cancel an oral hearing when the parties become non-responsive and non-cooperative.

Amendments and Enhancements under Ongoing Review and Development

The Arbitration Appeals Panel is reviewing and addressing numerous issues that arose recently in the administration of the cases, including:

- Codification directly in the rules of the recently Board-adopted policy – to remove any doubt of the authority behind this policy – that to be eligible for arbitration, a party must have been an NGFA member when the contract was formed (versus when the dispute arose per the previous policy).
- Clarification in the arbitration services contract to confirm that signing onto the process does not constitute waiver of jurisdictional, arbitrability and similar procedural arguments, and that NGFA has full authority to decide the disputes presented.
- Comprehensive rewrite of the rules providing for the award of interest by arbitrators when deciding cases.
- Takeaways from the discussions on “fast-track” arbitration, such as the potential for limiting the length of parties’ written arguments and enhancing what is expected from the parties in their arguments, including the providing of timelines.
- Required use of a standard form to capture and present the specific information required by the rules in a clear and accessible manner when a party files a complaint.
- Increasing of certain of the arbitration fees (at the Board’s suggestion).
- Confirmation of NGFA’s role when making the initial determination whether a case is eligible to proceed under NGFA Arbitration and to an arbitration committee.
- Consideration of a potential process for an arbitration committee to decide preliminary/procedural issues before having to present the full dispute to a committee.
- Clarification of the requirements when a party requests vacating of a default judgment and NGFA’s discretion in granting such requests.

The Rail Arbitration Rules Committee is reviewing certain types of commodities (including those related to nut and vegetable oils, kernels, seeds and related by-products) and developing a proposal to add certain of these commodities to the list of those subject to NGFA Rail Arbitration.

Future Action by NGFA Board

It is anticipated that the review of these matters underway will result in recommendations by the Arbitration Appeals Panel and Rail Arbitration Rules Committee for amendments to the rules for the NGFA Board to consider when it meets in September 2025.



Barge Digital Transformation (BDT) Project Report to the Board of Directors March 2025

National Grain and Feed Digital Solutions (NGFDS) – is the separate corporation formed to develop and administer the Barge Digital Transformation (BDT) platform – a massive undertaking to provide the industry a digital alternative to the time-consuming, inefficient, and costly delays inherent in the paperwork-intensive processes formerly common in the barge trade.

It was over four years ago that BDT officially launched for southbound corn on the Mississippi in November 2020 – after two years of prototyping, testing and development with the tech provider, ICE Digital Trade (formerly essDOCS). BDT now provides for trading in all the target commodities including corn, wheat, soybeans, DDGS and soybean meal. Approximately 90% of all bills of lading for southbound Mississippi River flows are digitized on the BDT platform.

Ongoing and future activities

- In addition to providing to NGFA member companies the services of the BDT platform, NGFDS expects in December 2025 – for the fifth consecutive year – to pay to NGFA an annual administrative fee of \$50,000.
- NGFDS has a current balance of \$205,700. Transactional volumes are steady and financial projections are positive.
- Extensive work continues on platform improvements and enhancements, involving the specially assigned task force, ICE and the NGFDS directors and officers toward a consensus moving through the identified priority tasks. The first round of improvements and enhancements were released late in 2023. NGFDS has identified a second round of improvements and enhancements, and it expects to complete testing and development on those toward the end of Q1/beginning of Q2 2025.
- In September 2024, NGFDS renewed its contract with ICE that governs administration of the platform for a three-year term and an allocation of \$3.50 to ICE from the \$10 transactional fee.
- A question has been raised about potential inconsistencies when applying barges between what is indicated in the BDT platform and outside communications among the parties. The consensus of the NGFDS Board was that the terms in the BDT system would likely control, but the Board determined that the BDT best practices task force should consider the issues and potentially revise the best practices document.
- General promotion, education, and outreach efforts continue in full swing, particularly including recruiting efforts. BDT has largely come to dominate its marketplace with the significant participating companies signed on, yet companies continue to join, and it's recognized that other sectors (e.g., DDGS) could also benefit from employment of the BDT system.

- NGFDS continues to explore areas for additional efficiencies, such as activities by FGIS involving certificates and inspection data and the potential for integrating this digitally with the BDT system.
- In September 2024, a new Chairman, John Kopina (Louis Dreyfus); and a new Vice Chairman, Jessica Stephan (Bunge), were elected to the NGFA Board.
- Also currently serving on the NGFDS Board are Julie Bradford (ADM); Steve Burbrink (CGB); Charlie Delacruz (NGFA); Jordan Garcia (Zen-Noh); Andrew Luttrell (Ingram Barge); Rich McCarty (ACBL); Tyler Rongitsch (Cargill); and Greg Sippl (CHS). Also currently serving as NGFDS officers are Brittany Batz (Bunge), Project Manager; Charlie Delacruz (NGFA), Executive Director; and Mary Hitchcock (NGFA), Secretary-Treasurer.
- NGFDS officers and directors continue to meet on a quarterly basis.
- We have 72 companies signed up for the BDT platform (55 shippers, 17 barge Lines). Although approximately 90% of the trade is already digitized on the BDT platform – NGFDS continues to enlist new participants. Two new companies have signed up since the last report [*in bold print below*].

Shippers: Agrex, Inc | AGRIServices of Brunswick LLC | Alabama Farmers Cooperative, Inc. | Alto Nutrients | Archer Daniels Midland Company | Avere Commodities Corp. | Benson Hill Inc. | Bunge North America, Inc | Cargill, Inc. | Central Missouri AGRIService LLC | CHS Inc. | Clarkson Grain Co. | COFCO International Grains US LLC | COFCO Growmark LLC | Consolidated Grain and Barge Co. | **Ervin Feed & Grain** | ETG Trading Inc. | Farmers Grain Terminal, Inc. | Grain Processing Corporation | Greenfield Commodities | Hansen-Mueller Co. | Hawkeye Gold LLC | Heartland Co-op | Heritage Cooperative | Hopkinsville Elevator Company | J.D. Heiskell & Company, Inc. | **Lakeside Grain Trading, LLC** | Livestock Nutrition Center | Leland Farmers Company | Louis Dreyfus Company | Marquis Trading, LLC | Oakley Grain, Inc. | Obion Grain Co. Inc. | Olam Americas, Inc. | Owensboro Grain Co. | Perdue AgriBusiness Grain LLC | Pilgrims Pride Corporation | Poinsett Rice and Grain Company, Inc. | Prairie Creek Grain Company | Red Wing Grain LLC | StoneX Commodity Solutions, LLC | The Andersons Inc. | The DeLong Co., Inc. | The Scoular Company | Toyota Tsusho America, Inc. | Tyson Shared Services, Inc. | Ursa Farmers Cooperative Company | Valero Marketing and Supply Company | Valley Park Elevator, Inc. | Viserion Grain LLC | Viterro USA Ag Holdings, LLC | Viterro USA LLC | Western Milling LLC | Woodall Grain Company | Zen-Noh Grain Corporation

Carriers: American Commercial Barge Line LLC | American River Transportation Company | Campbell Transportation, Inc. | Cargo Carriers, a business of Cargill, Inc. | Ceres Consulting LLC | Cooper Marine & Timberlands | Eastside River Transportation | Florida Marine Transporters, LLC | Heartland Barge Management LLC | Ingram Barge Company LLC | LMR Freight, LLC | Oakley Barge Line | Parker Towing Company, Inc. | Robert B. Miller and Associates, Inc. | ROI Logistics & Marine Services LLC | RTI Barge Management, Inc. | SCF Marine Inc.

Agricultural Policy & Legislative Affairs Committee

Report to the NGFA Board of Directors

March 2025

I. Key Issues

- Continue to execute a strategy to achieve NGFA's farm bill priorities – especially prioritizing working lands conservation programs, reducing the amount of prime farmland in the Conservation Reserve Program (CRP), increasing funding for market access and foreign market development programs, and strengthening crop insurance as a risk management tool for farmer customers.
- Monitor Congressional activity for other opportunities and challenges for the grain handling industry, and when appropriate develop and execute a strategy to defend or promote the industry.
- Delivering NGFA's policy messages to U.S. congressional offices and federal agencies as part of NGFA's summer fly-in.

II. Committee Activities

- A. Farm Bill:** The 2018 Farm Bill was extended to September 30, 2025 in December, 2024, as part of the American Relief Act of 2025. House Ag Committee Glenn "GT" Thompson plans to pass a new stand-alone Farm Bill that largely resembles the bill the committee passed in May 2024. With the Senate now controlled by Republicans, agreeing on the policy should be easier, but Congress will likely struggle to come up with the funding mechanisms, due to possible cuts to the USDA budget that Congress has proposed to pay for Reconciliation.
- B. Reconciliation:** The House and Senate have released their own budget proposals, which will open the reconciliation process. There is a lot of daylight between the proposals. The House version proposes \$230 billion in cuts to USDA over 10 years. There is concern that if these cuts are included in reconciliation the committee will need to find additional offsets to fund a Farm Bill. The Senate version calls for \$1 billion in cuts to the USDA budget. However, the Senate plan is to advance its current proposal as a vehicle for defense, immigration, and border security spending before considering tax reform separately.
- C. Summer Fly-in:** The NGFA Summer Fly-In will be held June 2-5, 2025. Attendees will meet with elected officials to lobby on policies of critical importance to the industry.

III. Issues for Discussion

- **Solar Panels:** There is increasing discussion among industry and lawmakers about the prevalence of solar panels on prime farmland. Should NGFA incorporate policies opposing tax incentives for solar panels into its Farm Bill priorities? What other policies could NGFA support in this space?

Business, Merchandising and Operations Committee

Report to the NGFA Board of Directors

March 2025

I. Key Issues:

- Developing and executing the Country Elevator Conference program.
- Delivering NGFA's policy messages to U.S. congressional offices and federal agencies as part of NGFA's summer fly-in.
- Engaging with the U.S. Department of Agriculture (USDA) and the Association of Grain Regulatory Organizations (AGRO) to enhance the efficiency and cost-effectiveness of both federal and state grain warehouse regulatory programs to protect depositors and maintain the integrity of the grain warehouse system.
- Address impactful topics during the three annual committee meetings and provide feedback to NGFA subject-matter committees.

II. Committee Activities:

- A. Country Elevator Conference:** Increasing education, training and professional development opportunities for employees of NGFA-member companies is a committee priority. The committee helped identify program topics and speakers for the Dec. 10-12, 2024, conference at the Sheraton Kansas City Hotel.
- B. Summer Fly-in:** From June 3 – June 5, 2025, committee members will meet in Washington, DC and will serve as advocates for the industry in meetings with federal agency officials and their congressional members.
- C. Federal and State Grain Warehouse Issues:** The committee interacts with USDA on federal licensing fees for grain warehouses licensed under the U.S. Warehouse Act (USWA). In 1st quarter 2025, the committee has been reviewing and providing feedback to USDA on proposed fee increases for warehouse licensing and examination functions. USDA's proposed fee increases originally were 20-40%, but after several warehouse examiners accepted the Trump Administration's buyout to retire, USDA's expenses are reduced and USDA is reassessing its fee increase needs.

Communications, Membership & Marketing Committee

Report to the NGFA Board of Directors

March 2025

I. Key Issues

- Continuing to promote NGFA communications preferences to encourage members to opt-in to receive targeted communications that are of the most interest to them.
- Promoting NGFA's committee system to NGFA members by holding "Committee Chair Chat" webinars and spotlighting committee activities in NGFA's newsletter.
- Growing NGFA's strategic and targeted use of social media.
- Encouraging broader use of NGFA's advocacy tool when strategically valuable.
- Conducting a Membership Awareness Campaign to encourage individual employees of NGFA-member companies to create website profiles, and to confirm existing profile information is up to date.
- Creating AI usage policy for NGFA staff and official NGFA communications.

II. Committee Activities

- **NGFA website redesign:** A task force made up of committee members provided input during the development of a Request for Proposal (RFP) process for a comprehensive update to NGFA.org and the subsequent vendor selection process.
 - Ironistic of Alexandria, Va. was selected as the vendor.
 - Target launch for the new site is August to coincide with Grain Safety Week.

III. Issues for Discussion

- **NGFA's AI usage policy:** The committee will provide best practices from their various companies to help inform NGFA's AI usage policy. Ultimately the policy will require several rounds of edits and approvals from NGFA President & CEO and general counsel, and potentially industry leadership.

Marketing & Membership Report to the NGFA Board of Directors March 2025

I. Activities

A. Planned and executed CEC 2024.

- 508 attendees and exhibit personnel attended CEC 2024, held at the Sheraton Crown Center in Kansas City, MO. Total net income for the event was \$197,656, which was within \$5,000 of budgeted net income.

B. Planned and executed 2025 Annual Convention.

- Convention attendance is expected to be near 650 attendees. Early financial highlights include surpassing the budgeted sponsorship income by almost \$30,000. Final net income and attendance figures will be reported at the September 2025 Board of Directors meeting.

C. Conducted NGFA's first Grain and Feed Business Leadership Forum.

- Held in conjunction with CEC, the Forum was attended by ten NGFA-member company senior directors, vice presidents, senior vice presidents, general managers, and CEOs, and facilitated by NGFA Immediate Past Chairman of the Board Greg Beck, NGFA President and CEO Mike Seyfert, and NGFA Executive Committee member Jason Klootwyk. Attendees participated in four hours of moderated group discussion on topics such as talent development, change management, and current events affecting the industry. In a post-event survey, all attendees found the event to be beneficial to their careers and would recommend the event to others.

D. Welcomed NGFA's eleventh CAP class, the class of 2025-2026.

- Forty-one members from thirty companies were selected, bringing the total number of CAP participants to 301.

E. Enacted 2% dues increase in accordance with Executive Committee recommendation.

- A two percent increase was applied to all member categories beginning in January 2025 except Affiliate members, whose dues were not increased. Members were made aware of the increase in early December 2024.

- F. Continued to refine dues payment process to facilitate quicker payment of member dues.
- After initially downplaying paper options, Membership re-instated paper invoicing upon request and payment by check as standard payment methods. Both are still regularly requested by members.
- G. Brought membership roster up to date by enforcing bylaw stating that members who have not paid their dues in 90+ days will be terminated.
- Terminated twelve members due to non-payment: nine Active members, one Allied member, and two Associate members.
- H. Welcomed fifteen new members between September 2024 – March 1, 2025:
1. Adell Cooperative Union (Active)
 2. Chief Ethanol Fuels (Active)
 3. R.A. Davis Commodities, LLC (Active)
 4. Ragan & Associates (Active - Broker)
 5. Border Ag & Energy (Active)
 6. Fox River Valley Ethanol (Active)
 7. Beyond (Associate)
 8. FreightCar America (Associate)
 9. Gruber Manufacturing Inc (Associate)
 10. Levridge (Associate)
 11. PGIM (Associate)
 12. Soles Enterprises Inc. (Associate)
 13. JC Ag Financial Services (Associate)
 14. Blue Water Shipping Company (Transportation)

II. Upcoming Programs and Events

- **CAP Year #2:** The CAP Year #2 program will run from May 2025 to March 2026 and will be open to CAPs who have completed the Year #1 program within the last two years. In addition to the People Spark Leadership curriculum, CAP Year #2 will include in-person networking events at both Conventions and CEC, and a newly created event in the late summer, specifically for CAP Year #2 participants. Participants are responsible for individual travel and event registration costs plus the \$2,500 People Spark curriculum fee. This year the Foundation is offering a scholarship to twenty participants in the amount of \$2,500 each. Scholarships will be awarded based on the strength of the applications; applications will be accepted March 24 – April 11, 2025.
- **Summer Legislative Fly In and CAP DC Experience:** The 2025 Summer Legislative Fly In will be held June 2 – 5, 2025 at the Hilton Arlington National Landing in Arlington, VA. The CAP DC Experience will also be held at this time. CAPs and Executive Committee members will begin with a Welcome Reception on the evening of June 2. The Executive Committee will meet on Tuesday June 3. The Fly In will start with an afternoon prep meeting and Welcome Reception on June 3 and continue with Hill visits and a Congressional Reception on June 4. The BMOC, Ag Policy and Legislative Affairs, and Crop Technology committees will meet on the morning of June 5. All Board members are invited to attend the Fly In; registration information will be sent out immediately following the Annual Convention.
- **CONVEY'25:** NGFA, GEAPs and GEAPS Media (dba Grain Journal) will host the annual CONVEY Conference from July 14-16, 2025, at the Hilton Omaha in Omaha, NE. Registration will open on March 17.
- **September Board Meeting:** The September 2025 Board Meeting will take place September 8 – 10, 2025 in Washington, DC, hosted at the Ritz-Carlton Pentagon City (Arlington, VA). The Executive Committee will meet on the morning of Monday September 8. Board members should arrive in time for a Welcome Reception at the Ritz-Carlton on the evening of September 8; the meeting will conclude by Noon on Wednesday September 10. Travel information will be sent in June.

III. Future Events Calendar

	Jan. EC Mtg.	Convention	Trade Rules Sem.	Fly-In	CONVEY	Sept. BOD Mtg.	CEC
2025	Fairmont Tremblant Quebec, Canada (T) Jan. 7 \$379++ CAD	Omni La Costa Carlsbad, CA (Su-T) March 9-11 \$349++		Hilton Arlington NaLa Arlington, VA (M-Th) June 2-5 \$264++	Hilton Omaha Omaha, NE (M-W) Jul. 14-16 \$176++	R-C Pentagon City Arlington, VA (M-W) Sept. 8 - 10 \$339++	JW Indianapolis Indianapolis, IN (Su-T) Dec. 7-9 \$185
2026	R-C Laguna Niguel Dana Point, CA (T) Jan. 6 \$399++	Grand Hyatt Nashville Nashville, TN (Su-T) March 22-24 \$339++	Kansas City, MO	Arlington, VA (TBA Jan. '26)	Hilton Omaha Omaha, NE (M-W) Aug. 3-5 \$183++	GH Deer Valley Deer Valley, UT (Su-T) Sept. 13-15 \$349++	St. Louis Union Station Hotel St. Louis, MO (T-Th) Dec. 8-10 \$165
2027	TBD	Grand Hyatt San Antonio San Antonio, TX (Su-T) March 7-9 \$299++		Arlington, VA (TBA Jan. '27)	TBD	Colonial Williamsburg	Omni Louisville Louisville, KY (Su-T) Dec. 12-14 \$184++
2028	TBD	La Quinta Resort La Quinta, CA (T-Th) March 28-30 \$359++	St. Louis, MO	Arlington, VA (TBA Jan. '28)	TBD	The Broadmoor Colorado Springs, CO (M-W) Sept. 11-12 \$395++	Kansas City, MO
2029	TBD	TBD		Arlington, VA (TBA Jan. '29)	TBD	TBD	TBD

Feed Committee Report to the NGFA Board of Directors March 2025

I. Key Issues

- AAFCO/Kansas State – Olathe New Feed Ingredient Definition Program.
- FDA Acceptance of AAFCO-Defined Feed Ingredients Post-2024 Official Publication
- FDA Animal Food Ingredient Consultation (AFIC) Process
- Pet Food Regulatory Reform Act of 2025 (PURR Act)
- Innovative Feed Enhancement and Economic Development (IFEED) Act
- New Administration’s push for transparency in food (RFK Jr): Potential GRAS Bill being developed that could impact human and animal food
- Avian Influenza: Cat and Dog Food Manufacturers Required to re-evaluate food safety plans due to viral transmission in raw dog/cat food

II. Committee Activities

A. Feed Committee drafted several public comment letters on several changes between AAFCO and FDA: NGFA Feed Committee worked on several public comment letters concerning AAFCO’s proposed ingredient definition process and FDA draft and interim guidance for industry as the AAFCO/FDA MOU expired in October 2024.

- NGFA submitted comments on Oct. 31 concerning AAFCO’s proposed ingredient definition process that would utilize K-State Olathe. NGFA generally supports the new proposed program, but its value hinges on acceptance of the ingredients approved through the program by all states and FDA. AAFCO membership voted to proceed with the program at the 2025 AAFCO Midyear Meeting.
- NGFA submitted comments on Sept. 9 concerning FDA’s draft guidance for industry #293 entitled, “FDA Enforcement Policy for AAFCO-Defined Animal Feed Ingredients,” that outlined FDA’s enforcement policy regarding ingredients listed in chapter six of the 2024 AAFCO Official Publication. NGFA supports FDA’s intent to exercise enforcement discretions towards the interstate marketing and use of listed ingredients.

- NGFA submitted comments on Sept. 9 concerning FDA’s interim Animal Food Ingredient Consultation (AFIC). NGFA supports the use of the interim process that largely mirrors the AAFCO feed ingredient definition process as FDA considers ways to potentially streamline its animal Food Additive Petition (FAP) and Generally Recognized as Safe (GRAS) Notification Programs.
- NGFA submitted comments on Dec. 9 that contained recommendations on how FDA could improve efficiencies with their animal FAP and GRAS programs. In general, NGFA stated that FDA’s requirements for data and information are excessive and are a barrier to the use of the programs.
- These comments were also provided to Policy Staffers in February of 2025 as they investigate a GRAS bill focused primarily on human food.

B. Fall In-Person Feed Committee Meeting: In September, the Feed Committee met to discuss several of the above issues. Recently, members have expressed interest in NGFA facilitating forums to discuss best practices related to feed safety and operational issues.

C. AAFCO Mid-Year Meeting: Members of the Committee and NGFA staff serve as industry advisers to AAFCO and participated within the Association’s 2025 Mid-Year Annual Meeting conducted January 21-23, 2025 in Little Rock, Arkansas. Items discussed:

- AAFCO Membership voted to accept the KSO Proposal to provide the scientific review for a new animal food ingredient submission pathway.
- AAFCO Work Groups Created: A work group will be created to draft language to address FDA's AFIC as well as the KSO AAFCO pathway in the AAFCO OP. A work group was created to discuss a Known Hazard Guide for inspectors.
- Labeling definition was accepted by Feed Labeling and Pet Food committees and moves to the AAFCO Board.
- Unique Identifiers on feed labels was passed by the Model Bills and Regulations committee.

III. Issues for Discussion

- PURR Act and Potential GRAS Bill: PURR Act would delineate regulatory oversight between pet foods (FDA) and livestock animal food (State and FDA). Last year, NGFA did not take a stance on this issue, but generally did not support it. With the potential of a GRAS bill being introduced, should NGFA take a clearer position on either of these?

IV. Other Actions:

- A.** NGFA will participate on the AAFCO – KSO Steering Committee to oversee the development of some of the procedures and the submission process. AAFCO anticipates this process to be operational by Fall of 2025.
- B.** The Feed Committee will continue to explore the best avenue for NGFA to facilitate forums to discuss best practices related to feed safety and operational issues
- C.** Advised the Feed Trade Rules Subcommittee on potential updates to the Trade Rules due to changes in AAFCO.
- D.** Animal Food Preventive Controls Course: NGFA partnered with Kansas State University on November 5-7, 2024 to deliver the Food Safety Preventive Controls Alliance (FSPCA) Preventive Controls for Animal Food Course to educate attendees about FDA feed safety requirements. NGFA will continue to lead this course in April, August, and November of 2025. Dates and registration details are available on NGFA Website under events.

Grain, Grades and Weights Committee

Report to the Board of Directors

March 2025

I. Key Issues:

- FGIS User Fees Increase
- 2025 U.S. Grain Standards Act Reauthorization Priorities
- FGIS Export Registration

II. Committee Activities:

- A. FGIS User Fees Increase:** In June 2024, FGIS published an [interim rule](#) that revised inspection and weighing fees to ensure the FGIS had sufficient funding to continue inspection services for grain exports. The interim rule paused the annual fee adjustment until new formulas could be established. In the comments, NGFA and NAEGA urged the FGIS to de-couple the other Schedule A user fees from the five-year rolling average for tonnage fees in order to make the fees more in line with the market rates and needs. On July 8, the interim rule went into effect.

Based on the fee increase and a 12% increase in Officially graded and inspected grain, FGIS had a one-month operating surplus of \$3.5 million in reserves at the end of FY24.

On October 8, FGIS published a formal [proposed rule](#) to allow the agency to sufficiently recover costs for providing service, maintain appropriate operating reserves and address gaps from previous formulas that did not consider additional and next year's projection costs. The rule also aligns FGIS hourly fees formulas with those currently used by other AMS user fee programs. The national and local tonnage fees will no longer be subject to operating reserve adjustments. The supervision tonnage fee formula will remain unchanged.

Based on the committee's input and recommendations, NGFA and NAEGA submitted comments on November 11, 2024, supporting the proposed changes and urging the FGIS to be transparent with the calculation data moving forward and to share with industry members on a regular basis. The more information shared, the more NGFA and NAEGA can work with the agency to find additional solutions to align with market needs.

On January 6 FGIS published a [final rule](#), effective February 5, to revise the formula the agency will use to calculate the hourly and unit fees. In the notice, FGIS supports NGFA and NAEGA's comments that there is too little transparency in the existing calculation process and that user fees should be predictable and market-based to provide enough funding and accurately reflect the work performed.

According to FGIS, the formulas adopted in this final rule will ensure greater transparency regarding the calculation of hourly rates for industry participants, as well as

help mitigate large, one-time increases. This final rule also separates the calculation of hourly rates from the five-year rolling average calculation for tonnage fees.

- B. 2025 U.S. Grain Standards Act (USGSA) Reauthorization:** In December, NGFA met with representatives from producer groups, including the American Farm Bureau Federation, American Soybean Association, National Association of Wheat Growers, National Corn Growers Association and USA Rice to discuss the NGFA-NAEGA priorities for the 2025 USGSA Reauthorization. Overall, there was general support for our issues.

In February, several of the producer groups and NGFA-NAEGA members met with Senate Agriculture Committee majority staff to outline our priorities for the upcoming reauthorization of the USGSA. During the meeting, the group highlighted that there is broad support for the proposed priorities, and that our goal is to keep a unified position throughout the legislative process. The committee staff asked for proposed legislative language by the end of March. NGFA is working to retain legislative counsel to assist in the process.

- C. FGIS Export Registration:** NGFA and NAEGA worked with FGIS regarding an address formatting issue that may affect U.S. grain exports to China and other countries. Specifically, FGIS and APHIS record and display exporter addresses differently which has led to issues where China may declare that the addresses do not match, potentially causing problems clearing shipments into the country. As a result, FGIS agreed to modify the address format used by APHIS for phytosanitary certificates on the list of registered exporters. NGFA and NAEGA sent out a notice to their respective members.

III. Other Actions:

The committee and NGFA staff also were engaged in the following activities from September 2024 – March 2025:

- NGFA delivered a presentation on January 14 at the Wisconsin Agribusiness Classic in Wisconsin Dells, WI on grain quality management issues.
- Conducted a Regional NGFA/NAEGA Industry Workshop on October 9 in Portland, Ore. These workshops bring together industry members and representatives of federal government agencies, including USDA's Animal and Plant Health Inspection Service and FGIS, the Food and Drug Administration and U.S. Coast Guard to discuss current industry issues and trends. These regional meetings have received high marks from federal and industry attendees. About 50 people attended the event.

Risk Management Committee
Report to the NGFA Board of Directors
March 2025

I. Key Issues:

- Engage with the futures exchanges.
- Engage with the Commodity Futures Trading Commission (CFTC).

II. Committee Activities:

- A. CFTC Commissioners:** On February 11, 2025, President Trump nominated Brian Quintenz to be CFTC Chairman. Quintenz was a commissioner during President Trump's first term and has worked in the cryptocurrency industry since 2021. Currently, Caroline Pham is the acting Chair, and her first term ends April 13, 2027. Former Chairman Russ Behnam's last day was February 7, 2025. Kristin Johnson's first term expires April 13, 2025, and Christy Goldsmith Romero's first term ended April 13, 2024. Goldsmith Romero is in her holdover year. Both Johnson and Goldsmith Romero had been nominated for other positions within the Biden Administration, but their nominations were not acted on during the last Congress. Summer Mersinger's second term ends April 13, 2028. There currently are two Democrat commissioners and two Republican commissioners.
- B. Changes to CME Contracts:** On December 16, 2024, the CME Group announced amendments to the corn, soybeans, oat, and both wheat contracts. Changes included increasing loadout rates for corn, soybeans, oats and both wheat contracts from 6 cents per bushel to 9 cents and increasing both wheat storage rates from 6 cents per bushel per month to 8 cents to harmonize with corn and soybean storage rates. For corn and soybeans there is an increase from 16.25 cents per bushel over par to 24 cents per bushel over par in the delivery differential for the St. Louis-East St. Louis and Alton Switching Districts. There also was an expansion of the area of existing delivery territories on KC HRW Wheat Futures and inclusion of specific rules around placing 110-car unit trains in KC HRW Wheat load outs. There is an elimination of the weekly rate of loading obligation on KC HRW Wheat load outs in favor of only a daily rate of loading obligation. Lastly, there is an introduction of a cash premium for loading KC HRW Wheat faster than the obligated daily rate of loading.
- C. Commitments of Traders Reports:** The Risk Management Committee continues to urge CFTC to more frequently publish commitments of traders' (COT) reports and to reduce the lag time between data collection and reporting.
- D. Basel III Endgame:** NGFA submitted comments to the Federal Reserve Board, FDIC, and Office of the Comptroller of the Currency. NGFA asked these banking regulators to

remove the negative impact on derivatives of their proposals to increase capital requirements on the largest U.S. banks. The regulations increase capital requirements in many ways, including by making banks hold more capital when they engage as Futures Commission Merchants (FCM) in derivative markets. The proposal has the potential to increase trading costs and reduce FCM availability. Given the potential negative economic ramifications of the rule that were brought to light through advocacy efforts, the rulemaking progress in the Biden Administration slowed and is anticipated to slow further or potentially stop completely under the Trump Administration.

- E. CME Group's FCM:** On October 29, 2024, CME Group received approval by the National Futures Association to establish a futures commission merchant (FCM). CME Group applied to establish a FCM when FTX was attempting to gain approval to operate a direct trading model. CME Group has told NGFA they finished the FCM approval process as a defensive strategy given that CFTC has not precluded direct trading. CME Group said they appreciate the protections FCMs bring to the marketplace, and they do not currently have plans to use their established FCM.
- F. Relations:** In August, approximately 15 members of the committee traveled to Chicago to visit with both CFTC and CME Group with the goal of maintaining and developing relationships with both organizations. The meetings also helped committee members better understand CFTC's work and to receive an update from CME Group's ag team on the Kansas City wheat contract, corn contract, Span 2 margining, the K algorithm for matching orders, and the dynamic circuit breaker (2-minute pause during periods of large price movements). The Committee is making plans to travel to Washington, DC in the summer of 2025 to engage with CFTC and Congress.
- G. Legislation:** The committee is monitoring the House Agriculture Committee's work on a CFTC Reauthorization bill.

III. Other Actions:

The Risk Management Committee and NGFA staff also were engaged in the following activities during the September 2024 – March 2025 period:

- A.** Monthly check-in calls with CME Group.
- B.** Monitoring CFTC announcements of violations and fines and the reasons they happened.
- C.** Preparing to provide information to the Trump Administration on the importance of CFTC to the commodity marketplace. There is speculation the Trump Administration may propose to merge CFTC's functions into the Securities Exchange Commission.

Safety, Health, and Environment Committee

Report to the Board of Directors

March 2025

I. Key Issues:

- Heat Injury and Illness Proposed Rule

II. Committee Activities:

- A. OSHA Published Heat Injury and Illness Proposed Rule:** On July 2, OSHA published a heat standard proposal that would require employers to develop an injury and illness prevention plan to control heat hazards in workplaces affected by excessive heat. Excluded from the rule would be short-duration employee exposures to heat, emergency response activities, work at indoor sites kept below 80°F, telework, and indoor sedentary work activities.

NGFA submitted comments on the Advance Notice of Proposed Rulemaking (ANPRM) docket and to the Small Business Regulatory Enforcement Fairness Act (SBREFA) Panel regarding the heat standard.

On January 14, the NGFA led coalition, including 9 other agribusiness organizations, submitted comments to OSHA in response to the *Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings Notice of Proposed Rulemaking* that was published on August 30, 2024. NGFA worked with the law firm Ogletree Deakins in drafting the comments that are specifically tailored to our value chain.

In the comments, the Coalition supports OSHA's goal of protecting workers from heat-related injuries and illnesses. However, the Coalition argues that OSHA should withdraw the proposed rule because it exceeds OSHA's legal authority, is overly broad, and potentially undermines the effectiveness of Coalition members' heat illness prevention programs already in place.

Members of the Coalition include: Agricultural Retailers Association, American Feed Industry Association, Corn Refiners Association, Edible Oils Producers Association, North American Millers Association, National Oilseed Processors Association Pet Food Institute, The Fertilizer Institute and the U.S. Poultry and Egg Association.

III. Other Actions:

The committee and NGFA staff also were engaged in the following activities during the September 2024 – March 2025 period:

- On November 13 NGFA Safety Consultant Joe Mlynek delivered a webinar to NGFA members focusing on Strategies to Mitigate Workplace Hazards.
- The NGFA, the Missouri Agribusiness Association, and the law firm Conn Maciel delivered a webinar on Nov. 19 with further details on OSHA Region 7 expanding the Grain Handling Regional Emphasis Program to include Missouri.
- NGFA staff meet with outgoing OSHA Assistant Secretary Doug Parker and his senior staff to discuss the status of current issues during the transition to the Trump Administration.
- The NGFA partnered with Missouri Agribusiness Association to conduct a one-day Regulatory Compliance Seminar on Jan. 22 in Jefferson City, Mo.
- Safety, Health, and Environment Committee held an in-person meeting on Jan. 29-30 at the CHS office in Inver Grove Heights, Minn. Topics discussed included finalizing the agenda for CONVEY'25.

Sustainability Committee

Report to the NGFA Board of Directors

March 2025

I. Key Issues

- Inflation Reduction Act: The Clean Fuels Production Credit (section 45Z) guidance was issued by Treasury and IRS on January 10th, 2025: Comments Due April 10th, 2025
- USDA Publishes Interim Rule on Technical Guidelines for Climate-Smart Agriculture Crops Used as Biofuel Feedstocks, January 15th, 2025: 60-Day Comment Period ends March 16th, 2025
- Navigating New Administration Changes and Uncertainty Around:
 - Inflation Reduction Act, Climate Smart Commodities

II. Committee Activities

- A. In person Committee Meeting:** In October 2024, the committee held an in-person committee meeting at a member location.
- The Committee group aligned to an Operating Structure. The committee agreed that its operating structure should continue to consist of the following workgroups: 1) Policy; 2) Protocols and Standards; and 3) Communications.
 - Topics that were discussed:
 - Clean Transportation Fuel Initiatives
 - Updates to GHG Protocol and Science Based Targets Initiatives
 - The Election: Impacts on Federal Climate Policies
 - EU Deforestation Regulation
 - IRA Section 45Z implementation
- B. List of Acronyms:** During the Committee Meeting in October, a list of sustainability acronyms was shared by a member of the Committee. The committee feedback on the acronym was positive and NGFA has asked for feedback from the committee to update the terminology as an NGFA resource.

III. Issues for Discussion

- **Traceability to the farm continues to have increasing importance as it relates to sustainability programming in voluntary markets, international markets, and domestic policy (biofuels):** What should NGFA's role be in these conversations, especially as it relates to navigating the complexities of the agricultural supply chain?

- **Identity Preserved (IP) Grain:** Should NGFA be fostering education and feasibility of IP through the supply chain?

IV. Other Actions:

- A. The committee drafted and recommended a mission statement for the committee moving forward: “NGFA’s Sustainability Committee will help create a more resilient and sustainable future for North American grain and feed supply chains. Our work aims to advance food security, resource optimization and economic growth for its members in a rapidly changing world via knowledge sharing, partnerships, and influencing domestic and global policy as it relates to sustainability.”
- B. The Communication workgroup has recommended that NGFA conduct a webinar to provide an update on the anticipated status of existing federal climate policies under the Trump Administration and the status of EUDR. A webinar on 45Z would likely make sense too.

Transportation and Logistics Committee

Report to the NGFA Board of Directors

March 2025

Rail Shipper/Receiver Subcommittee

I. Key Issues:

- Engage with the Surface Transportation Board (STB or Board) on proceedings.
- Engage with rail carriers, STB and Congress on rail service problems.

II. Subcommittee Activities:

- A. Rail Service:** NGFA continues to engage with Class I carriers, STB and Congress on the need for sustained, reliable rail service.
- B. STB:** Patrick Fuchs was designated by President Trump as Chairman of the Board effective January 20, 2025, and he is eligible to serve the entire four-year term for President Trump as Fuchs' second term does not expire until January 14, 2029. Robert Primus' first term expires December 31, 2027, Karen Hedlund's first term expires December 31, 2025, and Michelle Schultz's first term expires January 11, 2026. The fifth Board seat is vacant and is expected to be filled soon. There currently are two Democrat Board members and two Republican Board members.
- C. Rail Safety:** A train derailment near East Palestine, Ohio in February 2023 that drew national attention led to bills last Congress in both chambers that would mandate two-person crews, require a regulatory review of train length maximum limits, create train speed limits, mandate two separate processes for rail car inspection, and require the installation of hot-box detectors among other things. Due to the multitude of items that could negatively impact rail service, NGFA opted to not endorse the bills. The Senate Commerce Committee passed its bill, but a full Senate vote was not held. The House bill was not brought up for a Committee vote.

On July 15, 2024, the National Transportation Safety Board (NTSB) released its final report on the East Palestine derailment. NTSB found a visual rail car inspection failed to catch the failing wheel bearing and thus one of NTSB's main recommendations is for research to create regulations on bearing defect detection systems. NTSB also recommends a phaseout of DOT-111 cars to happen more quickly since DOT-111 cars are more likely to become compromised during derailments. NTSB also has many recommendations to improve the emergency response effort. Of note, NTSB did not identify train length as a contributing factor to the derailment, nor are there recommendations for visual railcar inspections.

Vice President JD Vance toured East Palestine on February 3, 2025, and reportedly said “we continue to need to do better on rail safety in this country,” and he promised to work on it, but at another point he said it will be up to Ohio’s two new senators and their colleagues to pass it. Ted Cruz (R-TX) is Chairman of the Senate Commerce Committee and Sam Graves (R-MO) is Chairman of the House Transportation and Infrastructure Committee. Neither committee is anticipated to hold votes on a rail safety bill. However, if the Trump Administration pushes for a bill the sentiment toward the bill in Congress could change.

- D. Common Carrier Obligation Legislation:** NGFA is advocating for a bill cosponsored by Sens. Tammy Baldwin (D-WI) and Roger Marshall (R-KS) that would further define Class I rail carriers’ common carrier obligation. The bill is anticipated to be reintroduced in the current Congress.
- E. Rail Rate Arbitration and Final Offer Rate Review (FORR):** In December 2022, STB issued rules on rail rate arbitration and FORR to create new methods for shippers to challenge unreasonable rail rates in smaller disputes. STB prescribed an all or none approach to Class I rail carriers opting into rail rate arbitration and there was not unanimity among the carriers. Thus, FORR became the default method for shippers to file smaller rate cases.

On August 20, 2024, the 8th Circuit of Appeals decided STB lacks statutory authority to prescribe rates through FORR and thus vacated STB’s final rule for FORR. Since FORR is no longer available, the options for shippers to challenge unreasonable rail rates reverts to Full Stand-Alone Cost (SAC), Simplified SAC, or Three-Benchmark. To enable a simpler method for smaller rate disputes, another STB rulemaking will be required.

- F. CN Acquisition (FD 36744):** On January 14, 2025, STB approved CN’s acquisition of the Northern Iowa Railway Company with conditions. STB is requiring CN, upon shipper’s request, to provide written justification for any rate increase above the rate of inflation. CN also is required to create a local service plan for the Board, and all directly impacted shippers and provide quarterly updates during the 3-year oversight period.
- G. Private Railcar Use Rulemaking Proceeding (EP 768):** On July 26, 2021, NGFA and other petitioners filed a petition requesting STB to create incentives for rail carriers to efficiently use private railcars. NGFA and the other petitioners argued that STB regulation has not kept pace with the changeover in railcar ownership. STB remains in the pre-rulemaking stage.
- H. California Air Resources Board (CARB):** CARB has proposed changes to locomotive regulations. By 2030, CARB seeks to require all freight locomotives operating in California to be less than 23 years old and by 2035, for all freight locomotives to be emission free. On April 5, 2024, NGFA led a coalition of ag associations requesting the U.S. Environmental Protection Agency (EPA) to reject the proposal. On January 15, 2025, CARB withdrew its proposal. CARB regulators said its zero-emission plans for locomotives would have been rejected by the Trump administration.

- I. **Private Tank Car Proceeding (NOR 42144):** After a ten-year proceeding, the STB issued a mostly unsavory decision for private tank car providers in their case against UP. According to STB, UP reasonably relied on STB precedent authorizing charges to move empty railcars to repair shops. Regarding the allegation that UP failed to pay for its use of private tank cars, STB wrote that there is no persuasive evidence that UP failed to reimburse private tank car providers for those charges or that the private tank car providers have availed themselves of existing processes to ensure they are compensated. However, the Board is modifying its prior treatment of this issue and moving forward will prohibit UP from charging for empty repair moves unless it can demonstrate that car providers are reimbursed for these costs.

III. Other Actions:

The Rail Shipper/Receiver Subcommittee and NGFA staff also were engaged in the following activities during the September 2024 – March 2025 period:

- A. **Rail Service:** NGFA worked on behalf of members with rail carriers and STB to obtain better rail service. NGFA also helped members understand regulatory remedies available to them.
- B. **U.S./Mexico Rail Crossings:** In September 2023 and December 2023, Customs and Border Protection closed rail crossings that severely restricted commerce between the United States and Mexico. NGFA rallied other agricultural groups and worked with the affected rail carriers to convince Congress and the Biden administration to pressure the Customs and Border Protection to reopen the crossings.

In 2024, service conditions were substandard for grain railcars that go through the Eagle Pass and El Paso crossings. On July 31, 2024, NGFA sent an agricultural coalition letter to the U.S. government asking them to work with their Mexican government colleagues to improve rail service in Mexico. NGFA has had many subsequent meetings with U.S. government officials on the topic of Mexico rail service.

NGFA has the following asks: 1) For Ferromex to stop embargoing U.S. agricultural products; 2) For Ferromex to cycle U.S. agricultural railcar equipment more efficiently; 3) For Ferromex to develop enough infrastructure to support bi-lateral trade; and 4) for Mexico's National Service for Animal and Plant Health, Food Safety and Quality (SENASICA) to utilize a more efficient grain inspection process that does not require trains to stop at the border, preferably a process to allow U.S. origin testing in lieu of border testing.

- C. **BNSF Programs:** In June 2024, the Subcommittee provided BNSF an opportunity to explain their strategy for revising grain shuttle and destination efficiency train (DET) programs. BNSF reduced shuttle offering from 155 to 140 sets, increased direct DETs from 8 to 15, and held regular DETs unchanged. BNSF believes it can increase turns to 2.7 trips per month in the last quarter of 2024 to offset the reduction in the number of grain shuttles.

- D. Canada Rail Labor:** In 2024, NGFA sent three letters to the Canadian government asking for their assistance to ensure agricultural freight continues to move regardless of the duration or outcome of the negotiations between CN and CPKC and the Teamsters Canada Rail Conference. On August 23, the Canada Industrial Relations Board ordered the striking workers back to work and imposed binding arbitration. Mediation meetings will occur over seven days in March 2025 and if a mediated settlement is not reached during those seven days, arbitration will be scheduled to take place in April.
- E. East Coast Ports:** On January 8, 2025, the International Longshoremen's Association and United States Maritime Alliance announced a tentative agreement on a new six-year master contract to avert a second strike within four months. The first strike began on October 1, 2024, and lasted for three days before a temporary agreement was reached to resume work through January 15, 2025. The NGFA organized agricultural coalition efforts twice to ask the Biden Administration and then the incoming Trump Administration to help with the negotiations.
- F. STB Hearing:** On September 16 and 17, STB held a hearing on Growth in the Freight Rail Industry and NGFA's President and CEO, Mike Seyfert, testified and provided ideas on how STB can help grow rail freight volumes, such as by finishing its proceeding on efficient use of private railcars and by issuing guidance on the common carrier obligation.

Motor Carrier Subcommittee

I. Key Issues:

- Work to safely increase trucking capacity and efficiency by engaging with the U.S. Department of Transportation (U.S. DOT) and Congress.

II. Subcommittee Activities:

- A. Infrastructure Investment and Jobs Act (IIJA):** NGFA is monitoring the implementation of the apprentice program to allow commercial driver's license (CDL) holders aged 18-20 to drive across state lines. As of December 31, 2024, there are 59 companies approved to hire apprentices and 36 people have completed the apprenticeship program. This is seen as a pathway for more people to enter the trucking industry.
- B. House Transportation and Infrastructure Committee Votes:** NGFA led a coalition of agricultural associations in supporting the following trucking bills that were passed by the House Transportation and Infrastructure Committee on May 23, 2023. These bills are anticipated to be reintroduced in the current Congress for consideration as part of the next surface transportation reauthorization. The current surface transportation bill expires on September 30, 2026.

H.R. 3372 - 91,000-lb. Weight Exemption Pilot Program

H.R. 3318 - 10% Axle Variance for Dry Bulk

H.R. 3013 – Licensing Individual Commercial Exam-takers Now Safely and Efficiently
H.R. 2367 – Truck Parking Safety Improvement Act

- C. Independent Contractor Rule:** A Department of Labor rule was released in January 2024 is a set of guidelines for determining if a worker is an employee or an independent contractor. The Fifth Circuit Court of Appeals has postponed oral arguments that were scheduled for February 5, 2025, in a case seeking to undo new independent contractor rules. The Trump Administration has until March 25 to inform the court how it plans to proceed with the case. It is anticipated the Trump Administration will rescind the Biden era rule.
- D. Lawsuits:** NGFA is monitoring lawsuits in which plaintiffs bypass suing independent truck drivers and instead sue the companies who hired them to haul their freight.
- E. Insurance:** NGFA monitors bills that would increase the minimum liability insurance requirements for interstate motor carriers above the current \$750,000.
- F. Hour-of-Service:** NGFA stays apprised of any attempts to change the agricultural exemption to the hours-of-service rules.

Waterborne Commerce Subcommittee

I. Key Issues:

- Maintaining navigational access to the Lower Snake River Dams. The Columbia-Snake River System is the third-largest grain export corridor in the world, transporting nearly 30 percent of U.S. grain and oilseed exports through a sophisticated navigation system to deliver high value farm products safely and efficiently to West Coast ports and consumers worldwide.
- Continue to advocate for timely and efficient rehabilitation, modernization, and maintenance of the inland waterways system through implementation of policy such as the Infrastructure Investment and Jobs Act (IIJA) and Water Resources and Development Act of 2024 (WRDA) to keep U.S. agriculture competitive in the global market.

II. Subcommittee Activities:

- A. Snake River Dams:** In December 2024, the U.S. Army Corps of Engineers and the Bureau of Reclamation announced that they will update an environmental study on the management of federal dams along the Columbia and Snake rivers, based on the policy papers published since the 2020 study. NGFA submitted comments in opposition to the updated study on the basis that the policy papers were not scientific studies and that no new scientific information has been produced since 2020. It is likely that action on the dams will slow under the new administration. The committee will use the next two years to identify steps that can be taken to better prepare industry for when the political environment changes.

- B. Appropriations:** In December 2024, Congress passed another Continuing Resolution, holding funding levels at FY24 amounts. Several House Appropriations Committee members have indicated they anticipate a full-year CR for FY25 to be passed in March, and that the committee will move to working on FY26 appropriations. It is important to note that should Congress pass a full-year CR for FY25, there could be a sequestration order or an across-the-board cut to all programs, projects and activities, under the Fiscal Responsibility Act of 2023. Due to the complexities of the caps in both defense and non-defense discretionary spending, it is unclear the total percentage of the potential cuts to both these categories, but it is possible the industry could see waterways project delays.
- C. WRDA 2024:** The 2024 Water Resources Development Act (WRDA) was signed into law by President Biden on January 4, 2025. The final bill permanently sets the cost share for inland waterways projects to 75% (federal)/25% Inland Waterways Trust Fund.

Issues for Discussion/Input:

- Are there opportunities for efficiencies in the inland waterways systems that NGFA can identify for the Trump administration's campaign to improve government efficiency?
- How will possible Trump administration policies on the Panama Canal and the Jones Act impact the agriculture industry?

Trade and Crop Technology Committee

Report to NGFA Board of Directors

March 2025

I. Key Issues:

- EU Deforestation
- Mexico Non-GMO
- America First Trade Policy

II. Committee Activities:

A. European Union Deforestation (EUDR): During the Sep. 8-9 Board of Directors meeting in Colorado Springs, several Board and Executive Committee members asked about NGFA's plan to develop compliance guidance for the EUDR at both the country elevator and export level. NGFA had been in a holding pattern in developing any material because the US Soybean Export Council (USSEC) was taking the lead in working with both the US Government and EU. Based on the EC and Board recommendations NGFA sent a letter to the Office of the U.S. Trade Representative and the USDA urging both to assist the grain, feed, processing and bulk commodity export industry in complying with the EU's Deforestation regulation that, at the time, would be fully implemented on January 1, 2025. USSEC did not have any objections to the letter.

While the implementation of the EUDR has been postponed from its planned launch in January 2025, NGFA remains concerned that, if implemented, the EUDR will have a direct logistical, operational, and financial negative impact on U.S. grain and oilseed. NGFA believes that in the absence of a complete repeal of EUDR there needs to be better communication and collaboration between the USG and EU before the regulation goes into effect and will communicate this to the Trump Administration.

B. America First Trade Policy: On January 20, President Trump [issued](#) an memorandum titled the "America First Trade Policy," which mandates a sweeping review of current US trade and economic policies. Notably, not among this plan is the immediate imposition of new tariffs. Instead, the memo focuses on establishing a "robust and reinvigorated trade policy that promotes investment and productivity" while benefiting "American workers, manufacturers, farmers, ranchers, entrepreneurs, and businesses."

The memo also directs several agencies to investigate and make recommendations relating to trade deficits, unfair trade practices, and creating an External Revenue Service; and to review existing US trade agreements, the *de minimis* exemption, and export controls. The outcomes and recommendations are due to President Trump by April 1, 2025.

On Feb. 2 President Trump [signed three executive orders](#) to impose new tariffs on Mexico, Canada and China to start on Feb. 4. On Feb. 5 agreements were reached to temporarily pause the tariffs for Canada and Mexico for 30 days. This 30-day suspension is intended to provide time for all parties to finalize and implement enhanced border security initiatives.

However, on Feb. 10, President Donald Trump announced 25% tariffs on [steel](#) and [aluminum](#) imports. The tariffs will apply widely to all U.S. imports of steel and aluminum, including from Canada and Mexico. Trump authorized the new tariffs under Section 232 of the Trade Expansion Act, which gives the President broad authority to impose trade restrictions on domestic security grounds.

No agreement has been reached with China. They imposed new tariffs on a range of U.S. products, not including grains or oilseeds. Beginning February 10, a 15 percent tariff was imposed on coal and liquefied natural gas, and a 10 percent tariff was imposed on crude oil, agricultural machinery, large-displacement cars, and pickup trucks.

On Feb. 13, Trump signed an [Executive Order](#) implementing reciprocal tariffs to address trade imbalances. The EO directs agencies to investigate and propose remedies for unfair trade practices, including higher tariffs imposed by other nations, non-tariff barriers, subsidies, and currency manipulation. The Administration aims to ensure that U.S. trading partners with higher duties on American goods face equivalent tariffs. Howard Lutnick, Trump's nominee to lead the Commerce Department, said all reports should be complete by April 1 and that Trump could act immediately afterward.

These tariffs are in addition to the new 10% tariff on goods from China, and the 25% tariff on imports from Canada and Mexico that are currently paused.

NGFA is continuing to closely monitor the results of the review by agencies on trade deficits and trade practices and the negotiations between the Trump Administration, Canada, China and Mexico.

- C. Mexico Non-GMO Corn:** On Feb. 5 the Mexican government announced a repeal of the provisions of their decree that was in dispute regarding biotech corn: (1) an immediate ban on the use of GE corn in dough and tortillas, and (2) an instruction to Mexican government agencies to gradually eliminate the use of GE corn for other food uses and in animal feed.

The committee is continuing to monitor the status of Mexican President Claudia Sheinbaum's proposed two constitutional amendments that would declare corn as an element of the country's national identity and prevent the cultivation of GM corn in Mexico.

III. Other Activities:

The committee and NGFA staff also were engaged in the following activities from September 2024 – March 2025:

- The Crop Technology Subcommittee met on Oct. 3 to discuss priority crop technology policy, issues and messaging moving forward. During the productive discussions with grain handlers, producers, government agencies and tech providers, the committee agreed that NGFA needs to focus on developing principles that drive committee engagement, greater information sharing with tech providers, more communication to members on deregulated traits and increased engagement with producer and agribusiness associations.
- NGFA staff and Chairman O'Mara attended a briefing on Dec. 3 by Luis Rosendo Gutierrez, Mexico's newly appointed Undersecretary of International Commerce who will be the point person in President Sheinbaum's administration to negotiate the 2025 renewal of the USMCA. During the discussion Undersecretary Rosendo highlighted that Sheinbaum delivered a presentation on Nov. 28 (Thanksgiving) that highlighted the government's plan to improve and increase rail infrastructure in Mexico over the next three years.
- The Trade Subcommittee met virtually on Dec. 6 to discuss the status of trade related issues and the next steps during the transition in Congress and from the Biden Administration to the Trump Administration.
- NGFA offered its support to Howard Lutnick, nominee for Secretary of Commerce, for his Confirmation hearing on Wed., Jan. 29, noting in a statement, "As the U.S. agricultural sector relies on fair and open trade, we need a leader at the Department of Commerce who will ensure a level playing field for U.S. agriculture and agribusiness and push back against unfair barriers to trade that disadvantage U.S. agriculture and the grain and feed industry."
- The Crop Technology subcommittee met with Corteva's wheat breeding team on Jan. 31 to discuss the company's new non-GMO hybrid Hard Red Winter Wheat technology and the status of commercial introduction. NGFA anticipates additional collaboration and communication with Corteva prior to the launch of the hybrid seed.
- NGFA met with representatives from the Office of Public Liaison in the Executive Office of the President on Feb. 7 to establish a relationship with the White House and identify key contacts for NGFA's priority issues including trade and crop technology.
- NGFA staff and Chairman O'Mara met with staff and legal representatives from ASTA and BIO on Feb. 10 to discuss the impact of the December 2 court decision that vacated the SECURE Rule while letting approved traits stand.

Trade Rules

Report to the Board of Directors

March 2025

Ratified Amendments to the Trade Rules

Last year, the NGFA membership ratified amendments to the Trade Rules, which had been approved by the NGFA Board based upon the recommendation of the Trade Rules Committee. These amendments related to 1) the removal of gender-specific terms (i.e., he/him/his) throughout the rules; and 2) updating provisions in the Secondary Rail Freight Trading Rules and making them consistent with the Grain and Feed Trade Rules.

Trade Rules-Related Activities

■ Opening of the Mid-Mississippi

Last year, pursuant to NGFA Barge Freight Trading Rule 18(J), the special committee officially declared the opening of the Mid-Mississippi River for navigation as of 7 a.m. on March 12, after the *MV Philip M. Pfeffer* reached Dubuque at 2:27 a.m. on March 12. At the time this report was written, no information or expectations are known related to this year's opening. Serving on the committee are Jeff Webb, Chair (Cargill); Jake Brodbeck (ADM) and Matt Tomayko (Ingram).

■ Specially-assigned task force review

Barge Digital Transformation (BDT) platform: This task force addresses BDT issues within the structure of the Trade Rules Committee. It helped develop the platform, crafted “BDT Best Practices” and is currently prioritizing new development and enhancements for BDT.

Secondary Rail Freight Trading Rules: This task force has monitored contracting and trading issues for this subset of rules since their adoption in 2007. In February 2025, the group conducted its annual call and noted no issues or concerns arising out of the secondary rail freight trading sector that related to the rules.

Containers Trading Rules: This 11-member task force that reviews the rules for issues related to container trading was consulted earlier this year. No issues were reported, and it's noted that no major disputes or disruptions in that marketplace had surfaced since the rules were adopted.

The reports of the task forces will be presented to the full committee when they meet at convention.

■ Trade Rules and Arbitration Seminar

NGFA conducted its renowned biennial Trade Rules and Arbitration Seminar last year in St. Louis. On all accounts, the program was considered highly successful. Plans will begin this year for the next installation of the program in May 2026.

■ **Web-Based Rules Programming**

Registration for the online program featuring the Grain Trade Rules, which was launched in 2017 and updated in 2022, continues at a steady pace. The Feed Trade Rules program, which originally launched in 2022, has experienced technical issues but is expected to be online again later this year.

Future Activities and Rules under Review

■ **AAFCO-related provisions:** The Feed Trade Rules Subcommittee has discussed and developed proposals for the rules that refer to the Association of American Feed Control Officials (AAFCO). The subcommittee determined that changes in the AAFCO process for approval of feed ingredients do not warrant amendments related to the rules; however, other reasons were identified to change the rules, including that various commodities traded under the rules are not specifically listed by AAFCO. The group noted that the commodities for which AAFCO provides definitions may not be broad enough, and there are other feeds traded for which parties may wish to have the rules applied. The subcommittee's findings and recommendations for amendments to the rules will be presented to the full committee when it meets during convention.

■ The Grain Trade Rules Subcommittee's findings also will be presented to the full committee during convention on various topics:

-- **Electronic contracting** – with increased fraudulent email activity and corresponding awareness and security, there are concerns about the impact on electronic contracting. Examples include email confirmations blocked or caught in spam filters and reluctance by recipients of emails about opening attachments.

-- **Adequate assurances** – under the UCC and as common practice in the grain industry, when reasonable grounds for insecurity arise about the performance of a party to a contract, the other party may demand adequate assurance of due performance and until provided such assurance may suspend its own performance on the contract. There is no relevant provision in the trade rules.

-- **Damages claims by a defaulting party** – the rules do not provide for damages to a defaulting party for any gains realized by the non-defaulting party due to shifts in market prices. Questions arise about a party's ability to voluntarily wash out contracts, but the rule does not prevent such voluntary actions, it merely precludes a defaulting party from using the rules as the basis for a claim.

■ **Rail shipments** – the Grain Trade Rules Subcommittee deferred on another matter to a subgroup, which met twice to consider whether the terms for rail shipments under Grain Trade Rule 18 should match the Secondary Rail Freight Trade Rules. The conclusions and recommendations of this subgroup will be presented to the full committee when it meets during convention.

	Jan. EC Mtg.	Convention	Trade Rules Sem.	Fly-In	CONVEY	Sept. BOD Mtg.	CEC
2025	Fairmont Tremblant Quebec, Canada (T) Jan. 7 \$379++ CAD	Omni La Costa Carlsbad, CA (Su-T) March 9-11 \$349++		Hilton Arlington NaLa Arlington, VA (M-Th) June 2-5 \$264++	Hilton Omaha Omaha, NE (M-W) Jul. 14-16 \$176++	R-C Pentagon City Arlington, VA (M-W) Sept. 8 - 10 \$339++	JW Indianapolis Indianapolis, IN (Su-T) Dec. 7-9 \$185
2026	R-C Laguna Niguel Dana Point, CA (T) Jan. 6 \$399++	Grand Hyatt Nashville Nashville, TN (Su-T) March 22-24 \$339++	<i>Kansas City, MO</i>	Arlington, VA (TBA Jan. '26)	Hilton Omaha Omaha, NE (M-W) Aug. 3-5 \$183++	GH Deer Valley Deer Valley, UT (Su-T) Sept. 13-15 \$349++	St. Louis Union Station Hotel St. Louis, MO (T-Th) Dec. 8-10 \$165
2027	<i>TBD</i>	Grand Hyatt San Antonio San Antonio, TX (Su-T) March 7-9 \$299++		Arlington, VA (TBA Jan. '27)	<i>TBD</i>	<i>Colonial</i> <i>Williamsburg</i>	Omni Louisville Louisville, KY (Su-T) Dec. 12-14 \$184++
2028	<i>TBD</i>	La Quinta Resort La Quinta, CA (T-Th) March 28-30 \$359++	St. Louis, MO	Arlington, VA (TBA Jan. '28)	<i>TBD</i>	The Broadmoor Colorado Springs, CO (M-W) Sept. 11-12 \$395++	<i>Kansas City, MO</i>
2029	<i>TBD</i>	<i>TBD</i>		Arlington, VA (TBA Jan. '29)	<i>TBD</i>	<i>TBD</i>	<i>TBD</i>