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Inside This Issue

Resolving rail rate disputes with carriers – where to turn?

By Randy Gordon, President

Elsewhere in this edition of the NGFA Newsletter, we reprint an article published June 15 by the U.S. Department of Agriculture's Agricultural Marketing Service that examines questions surrounding ever-escalating freight rail rates for wheat over the past several years, and the disparities that exist between wheat rail rates and those for other commodities, such as sorghum, shipped between identical origins and destinations. The authors basically throw up their hands in the article's concluding paragraph, stating that each of the possible factors they examined to explain what is driving up wheat rail rates don't seem to hold water, meaning the issue is "still an open question."

On another front, the NGFA for many years has been urging the federal Surface Transportation Board (STB) to develop a new, streamlined, less burdensome and cost-effective methodology specific to grain and other agricultural products simply to provide ag shippers with some form of reasonable access to a mechanism they can use to challenge rail rates believed to be excessive and unreasonable. In 2014, the NGFA spent considerable time, effort and expense to develop an alternative approach – which we called the "Ag Commodity Maximum Rate Methodology" – that was proposed to the STB as an alternative to the agency's three existing methodologies for challenging and resolving rail rate disputes. While the STB conducted an extensive public hearing and took subsequent comments from all parties on the NGFA's proposal, the agency has not acted upon it. Instead, the agency most recently proposed the concept of developing a new rate-challenge system for "very small rate disputes" involving all commodities, which unlikely would provide the kind of access to a reasonable rate-dispute mechanism sought by the NGFA and other agricultural shippers.

Most recently, the NGFA has been involved in a separate STB proceeding that is examining procedural improvements the agency could make to its existing rate-challenge methodologies. But while any improvements would be welcome, this amounts to just tinkering around the edges of existing rate-challenge systems that are fundamentally flawed from an agricultural shipper perspective.

So, where does one turn?

Let me suggest that your NGFA has a tool available that has been around since Oct. 1, 1998 – a confidential Rail Mediation Service that is available to NGFA-member companies to mediate certain rail rate issues with NGFA-member rail carriers.

The Rail Mediation Rules were developed and adopted at the same time as the Rail Arbitration Rules. Both were developed and adopted by the NGFA and Association of American Railroads. The Rail Arbitration and Mediation Rules are unique – the only ones of their kind in existence for any commodity sector. As such, they're the envy of many other shipper organizations and companies in other sectors that are heavy users of freight rail.

The Rail Arbitration and Mediation Rules reflect the NGFA's core philosophical belief that the best method for resolving business disputes is for the parties themselves to directly engage with one another to try to reach an acceptable solution. Indeed, the preface to the NGFA Rail Arbitration Rules states, "rail arbitration is not intended to replace the private negotiation and resolution of disputes by parties. In all cases, rail users and railroads are encouraged to make reasonable efforts to resolve matters before pursuing formal dispute-resolution procedures."

Nothing precludes rail customers and railroads from arbitrating a rate dispute under NGFA's current Rail Arbitration Rules, provided both parties agree to do so. But rail mediation may offer another mechanism to NGFA-member companies to engage on rail rate issues one-on-one with their carriers.

So, what kind of rate disputes are eligible for NGFA rail mediation? There are two broad categories:

- A dispute involving an allegation of unreasonable discrimination by a rail carrier as to rates charged a rail shipper or receiver for rail transportation.

Arbitration Decision

Default judgment:

Case No. 2777 – Parrish & Heimbecker, Limited (Watrous, Saskatchewan, Canada) v. Dale L. Bukurak (Regina, Saskatchewan, Canada)

For a full listing of arbitration decisions, visit the website.

Upcoming NGFA Events

July 24-26

CONVEY 2017

Kansas City, Mo.
Register

Oct. 23-25

NGFA-PFI Feed and Pet Food Joint Conference

Louisville, Ky.
Save the date

For a full listing of events, go to ngfa.org/events

• A dispute involving an allegation that the switching rates, rules or practices of carriers unreasonably bar access of a rail shipper or receiver to markets.

Further, unlike NGFA's Arbitration System (including Rail Arbitration), where decisions and the underlying facts of a case are published if the dispute proceeds to a decision by the arbitrators, rail mediation and any statements made during the mediation process are treated as confidential. All statements made in mediation are considered privileged against use in any other proceeding relating to the dispute, even in cross-examination. Notes taken by any person during the mediation process must be destroyed after the mediation concludes, except for notes pertaining to any final agreement reached between the parties. And, any person(s) serving as a mediator cannot be called as a witness or be otherwise involved in any ongoing arbitration or litigation if the mediation does not result in a settlement.

The following railroads have signed agreements to mediate rail rate disputes with NGFA member companies: BNSF Railway Co., Canadian National Railway, Kansas City Southern Railway, Norfolk Southern Corp., Ohio Central Railroad System, Red River Valley & Western Railroad, Union Pacific Railroad and WATCO Transportation Services.

NGFA's Rail Mediation Rules are one page, and can be accessed here. If you have questions, please contact NGFA Senior Vice President, General Counsel and Secretary Charlie Delacruz at cdelacruz@ngfa.org or at 202-289-0873.

NGFA's Rail Mediation Service. It may be worth a look!

Railroad Rates for Wheat

This article is reprinted from the U.S. Department of Agriculture's Grain Transportation Report on June 15, 2017.

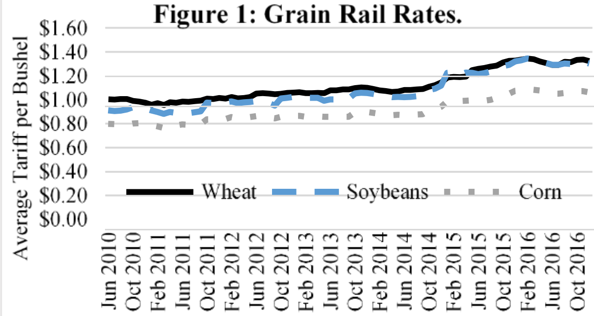
The cost of transportation can make or break business for grain shippers and farmers, because U.S. grain markets operate within a competitive world market. For many agricultural producers and shippers, railroads are the only option to reach markets, especially for remote wheat producers who cannot cost-effectively reach them by barge or truck. Therefore, railroad rates are critically important to them. In recent years, cash prices for wheat and other grains in the United States have declined against increasing world production. At the same time, rail rates for wheat have continually increased, making wheat less competitive in export markets. U.S. wheat exports have been declining since 2011. Given the significance of rail rates to the grain industry, it is important to understand the factors influencing rates. This article discusses recent trends in wheat rail rates and sheds light on some of the factors affecting overall grain rail rates by evaluating the extent to which three factors explain trends in wheat rail rates. The factors are: (1) the demand for rail transportation from wheat and other grain shippers; (2) rail input costs; and (3) the demand for rail transportation from other commodities.

Wheat Rail Rates and Market Prices

Figure 1 shows rail rates between 2010 and 2016 for corn, soybeans, and wheat.1 The data reflect rail tariff rates for major origination/destination pairs in the agricultural sector, and come from Table 7 of the Grain Transportation Report (GTR). The chart shows the rates by commodity, averaged across railroads and locations. The trends in grain rail rates are clear. Grain rates have consistently risen over the past half-decade (even accounting for inflation), with a few brief exceptions. In 2010, rail rates for wheat were around $1.00 per bushel. At the end of 2016, they were just under $1.40.

Wheat (and soybean) rates are also high relative to other grains, such as corn and sorghum, even over the same origin/destination corridors. For instance, the average rail rate for wheat (including BNSF and Union Pacific) for shuttle service between Wichita, KS, and Houston, TX, in June 2017 is $4,226/car, but $3,215 for corn, $3,959 for soybeans, and $3,163 for sorghum (milo).

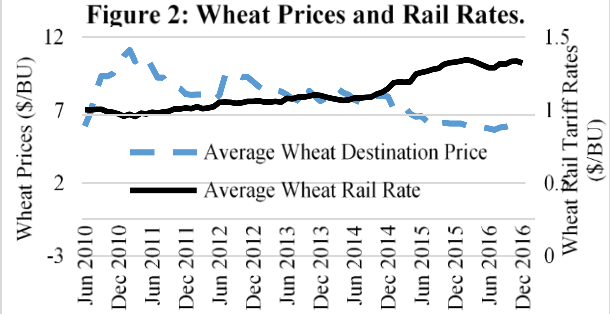
Figure 1: Grain Rail Rates.



Source: Grain Transportation Report.

These rate changes and spreads are significant and puzzling relative to the price received for a bushel of wheat at its destination, which has declined. On the left axis, Figure 2 shows wheat destination prices from Table 2 of the GTR (dashed blue line). On the right axis, the figure also shows rail rates from Table 7 (solid black line). The chart demonstrates that while wheat prices have declined significantly in recent years, wheat rail rates have continued to increase. The puzzle is why rail rates for wheat have not declined as wheat prices have fallen. The joint USDA and U.S. Department of Transportation 2010 Study of Rural Transportation Issues showed that historically rail rates for wheat and wheat prices tend to move in the same direction.2 While many factors can influence rail rates, at present none of them seem to satisfactorily explain recent trends in rail rates for wheat and other grains.

Figure 2: Wheat Prices and Rail Rates.

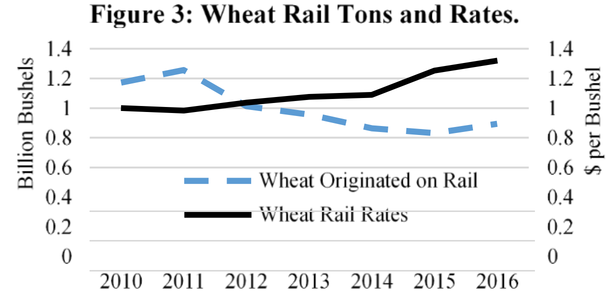


Source: Grain Transportation Report.

Factors behind Wheat Rail Rates

An increase in wheat production and the expected associated increased in the demand for rail transportation from wheat, might partially explain the decline in wheat prices with a rise in rail rates. If an increase in wheat's demand for rail transportation was the primary factor behind wheat rail rate increases, one would expect wheat car loadings to increase over time as well. That is, with an increase in demand, wheat rail rates and wheat carloads should move in the same direction. However, Figure 3 shows that wheat originations and wheat rail rates have been moving in opposite directions. Wheat rail tonnage declined between 2011 and 2016, while rail rates rose. Therefore, an increase in the demand for rail transportation from wheat shippers is not a plausible explanation of the increases in wheat rail rates. Instead, wheat's demand for rail transportation is down, as exports have decreased with increased world wheat production. This adds to the puzzle of why wheat rail rates are up if demand is down.

Figure 3: Wheat Rail Tons and Rates.

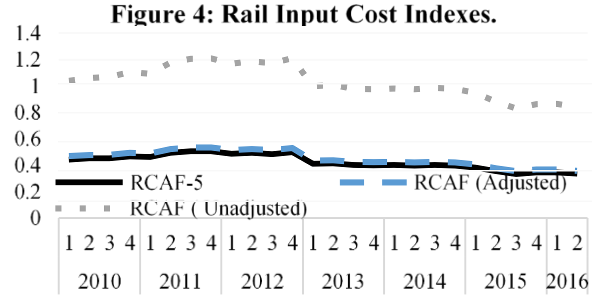


Source: Rail Rate Checker and GTR.

Another hypothesis that might explain what is happening is rail costs, which may play a role in the increase in rail rates. Figure 4 shows the Surface Transportation Board's indices of rail costs. By all three measures, overall rail costs were decreasing on average between 2010 and 2016. Therefore, changes in input costs are also not a plausible explanation of why rail wheat rates have been increasing.

Another factor for consideration driving rail wheat rates is the potential for railroads to move other traffic besides wheat. Figure 5 shows that, between 2010 and 2014, there is a plausible connection between grain rates and total rail car loadings. Essentially, an increase in the total demand for rail transportation will push all rail rates up to some degree. However, this story breaks down after 2014 when total carloads declined significantly (mostly from coal), while grain rates continued to rise.

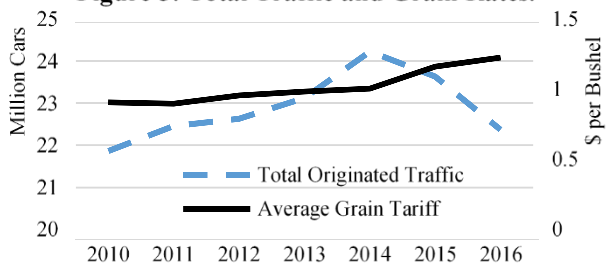
Figure 4: Rail Input Cost Indexes.



Source: Surface Transportation Board.

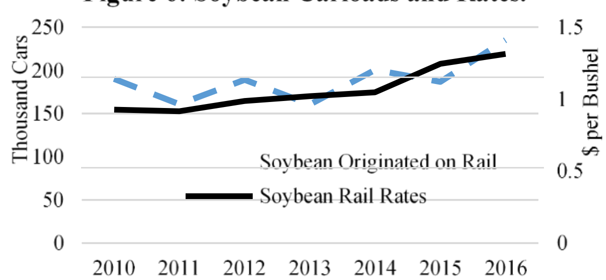
A related factor for consideration is that the demand for rail from other grain commodities is pushing up wheat rail rates. Figure 6 shows that soybean rates and car loadings have been moving in the same direction, indicating an increased demand for rail from soybeans, likely due to increased soybean production over time. GTR Table 16 shows that, in 2016, there were more soybeans than wheat inspected in the Pacific Northwest for export. Therefore, it is possible that increased grain traffic pushed corn, soybean, and wheat rates up simultaneously. However, the biggest weakness with this explanation is that between 2014 and 2016 total carloads have decreased significantly more than grain carloads have increased (1.8 million car load decline in total carloads between 2014 and 2016 versus 90 thousand carload increase in total grain carloads, including corn, soybeans, and wheat).

Figure 5: Total Traffic and Grain Rates.



Source: Rail Rate Checker and GTR.

Figure 6: Soybean Carloads and Rates.



Source: Rail Rate Checker and GTR.

Moreover, even though soybean carloads have increased over time, total grain carloads have been relatively stable over the past half-decade. In 2010, grain carloads peaked at 1.71 million cars, declined through 2013, and rose through 2016, but only back to 1.69 million cars.

Conclusions

In recent times, wheat and other grain shippers have been struggling against falling grain prices and rising rail rates. Wheat shippers in particular have found it difficult to compete in export markets, as they face higher rail rates than other grain shippers over similar corridors and rates that have not declined in response to changes in world wheat markets. This article tries to explain changes in wheat rail rates over the past few years. However, no answer has been completely satisfactory. Wheat rail demand and rail costs both appear to be down. The demand for rail from soybeans has increased, which may explain some of the increase in wheat rates, but it does not sufficiently account for the significant decline in total rail traffic or the stable total grain car loadings. Therefore, the factors driving wheat rates is still an open question. A better understanding would benefit wheat and other grain producers and shippers, who rely on transportation to reach end markets.

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1 Throughout the article: prices and rates are adjusted for inflation using the All Commodity, Producer Price Index from the St. Louis Federal Reserve; destination wheat prices are an average of hard red winter wheat prices in the Gulf and hard red spring wheat prices in Portland, OR; wheat rates and volumes include BNSF, Union Pacific, and CSX; corn and soybean rates and volumes include Canadian National as well.

2 USDA and U.S. DOT, *Study of Rural Transportation Issues*, April 2010, p. 239.

NGFA, partner organizations, recommend USDA drop proposed biotech regulatory changes

The NGFA, in a statement submitted jointly with four other agribusiness associations Monday to the U.S. Department of Agriculture (USDA), urged that the Animal and Plant Health Inspection Service (APHIS) withdraw its proposed regulations governing the importation, interstate movement and environmental release of certain genetically engineered organisms.

APHIS requested comments on its proposed “Part 340” revisions, which include the elimination of the notification process for certain genetically engineered organisms in favor of an affirmative permitting scheme. APHIS says its proposed revisions are an attempt to increase the “efficiency and precision” of its regulations to keep pace with advancements in biotechnology.

The NGFA, Corn Refiners Association, National Oilseed Processors Association, North American Export Grain Association and North American Millers’ Association responded that government authorities in important U.S. export markets had not been adequately consulted nor accepted USDA’s proposed regulatory approach, which could result in significant disruptions in trade of U.S. agricultural commodities and processed products. The organizations urged the agency to withdraw the proposed changes to its Part 340 rule and instead turn attention to engaging with international governments to build a better understanding and acceptance around the reasons the agency is seeking to modify its regulatory oversight.

“Above all else, APHIS needs to ‘do no harm’ by avoiding prematurely implementing a regulatory approach under Part 340 with respect to advancements in genetic engineering technology that puts U.S. grain and agri-bulk exports at risk,” the NGFA and other organizations said. “APHIS should not be working at cross-purposes to undercut the Administration’s focus on trade and exports.”

USDA must develop a “comprehensive engagement strategy” with regulatory agencies in other countries to build international acceptance around a science- and risk-based approach that ensures genetically engineered plants do not pose a plant pest or noxious weed risk, the groups stated.

“…APHIS’s regulatory approach must be recognized by, and acceptable to, government regulatory authorities in U.S. export markets so as not to trigger regulatory action against U.S. commodities produced using genetic engineering or plant-breeding innovation, including gene-editing, in international commerce,” the comments state.

The NGFA and the same grain- and oilseed-based agribusiness organizations also submitted a joint statement in response to the Food and Drug Administration's (FDA) request for comments on the use of genome-editing techniques to produce new plant varieties intended for use in human and/or animal food.

The organizations recommended that FDA require notification from plant breeders that develop and intend to commercialize plant genome-editing techniques. This would enable the agency to know about the kind of traits being developed so it can determine whether it would be advisable for seed developers to consult with FDA on any food safety or labeling-related issues prior to commercialization.

Mandatory premarket notification is essential if FDA is to fulfill its statutory obligation to protect and ensure consumer confidence in the safety of the human and animal food supply, notes the statement.

This awareness of new plant-breeding technology also will be invaluable in facilitating the domestic and international marketability of crops utilizing these new techniques, "thereby benefiting agricultural producers, the value chain, consumers and ultimately plant breeders," the organizations stated. "The transparency made possible by plant-breeder notification…also is essential to maintaining and further enhancing consumer confidence in FDA's science-based approach for determining food safety…."

The organizations also noted that plant breeding innovation will not be confined to the United States, but will encompass plant developers in a wide range of other countries from which human or animal food will be exported to the United States. "In the absence of a notification requirement, FDA's awareness about the presence of foods developed through various plant-breeding techniques in other countries or regions of the world would be limited severely," the statement said.

"Simply put, from our perspective – and we suspect from the viewpoint of U.S. and global consumers – the worst possible outcome would be one in which FDA has only cursory or hearsay awareness, at best, about the types of plant gene-editing techniques being developed and the specific human and animal food products in which those techniques are being utilized," they said.

Congressional update: Congressional baseball and fly-in recap

By Bobby Frederick, Director of Legislative Affairs and Public Policy

After the jarring attack last week that injured members of Congress, staff and volunteers during a baseball practice for the annual Congressional Baseball Game for Charity, it has been comforting to hear almost daily news about the improved conditions of the two most seriously injured: Matt Mika, director of government affairs with Tyson Foods and Rep. Steve Scalise, R-La., the House Republican Whip. The game raised a record $1.5 million for charity and it was the most widely attended game in series history, with 25,000 tickets sold. The ag community, including the author, NGFA President Randy Gordon and his wife, Barbara, gathered in camaraderie and tribute to Matt Mika during the second inning of the game:

On the floor: This week, the Senate continues work on nominations for personnel at the Treasury Department and Nuclear Regulatory Commission. Senate Republicans also are expected to release a draft health care reform bill on June 22. Meanwhile, the House considers legislation to expedite surface water storage facility projects on federal lands, as well as legislation to authorize pilot projects to assist low-income individual in joining the workforce.

Committee watch: The House Agriculture Committee conducts a hearing on university research programs in the next farm bill on June 22 and another hearing on derivative clearinghouses next week. Meanwhile, the Senate Agriculture Committee will conduct a hearing on President Trump's nomination of J. Christopher Giancarlo to be chairman of the Commodity Futures Trading Commission.

NGFA fly-in recap in 500 words or less: It's been two weeks since NGFA's Country Elevator Committee and International Trade and Agricultural Policy Committee convened for the annual advocacy day fly-in where more than 50 NGFA members and six state affiliate groups conducted more than 90 congressional office visits to promote NGFA priorities:

Priority #1: Continuing to grow agricultural trade matters. We can't lose ground in the North American Market and we can't miss out on Asia-Pacific Opportunities.

• U.S. food and beverage companies are *the* largest source of manufacturing jobs and U.S. food and agricultural exports support more than 15 million jobs.

• NAFTA has been a bonanza for U.S. farmers and ranchers as total U.S. agricultural exports to Canada and Mexico have more than quadrupled, growing from $8.9 billion in 1993 to $38.6 billion in 2015.

• The Asia-Pacific region accounts for up to 42 percent of all U.S. agricultural exports, totaling $63 billion.

The asks: 1) Will you work with the new administration to preserve market access for agricultural products in the North American market? 2) Will you strengthen U.S. global competitiveness by urging the administration to engage in new trade agreements in the Asia-Pacific Region?

Priority #2: Putting America first means not allowing agriculture to lose its comparative advantage against foreign competition when it comes to inland waterways and port infrastructure.

• The inland waterways system is the lowest-cost, most fuel-efficient and most environmentally friendly way to ship grain and ag products, but the majority of our locks and dams were built in the 1930s and are now dilapidated.

• Unscheduled work stoppages along the Upper Mississippi River have increased 700% in the last decade and studies show that a disruption at Lock 25 would cost 7,000 jobs & $2.4 billion in economic activity.

• Farmers already help pay for infrastructure improvements through a successful 50/50 public-private partnership that is the Inland Waterways Trust Fund (a 29 cent per gallon tax on diesel fuel).

The asks: 1) Will you support a FY 2018 Energy & Water Appropriations bill that includes industry supported investments in our waterways (i.e. full use of the inland waterways trust fund revenues, $3.17 billion in operations and maintenance and $1.33 billion for Harbor Maintenance)? 2) As you work on an infrastructure package, will you prioritize funding for the 25 backlogged inland waterways modernization projects ($8.75 billion) & oppose efforts to implement tolling?

Priority #3: The next farm bill should focus on working lands conservation programs over anti-competitive, land idling conservation programs

- Working lands programs like EQIP and CSP are the key to sustainability and should be prioritized.

- Per the most recent data, more than ¼ of the 24 million acres enrolled in CRP are prime farmland.

- Inflated CRP rental rates pay farmers not to farm and hinder beginning farmers from accessing land.

The asks: Will you prioritize working lands conservation programs, push back against short-sighted, costly proposals to increase CRP to 30-40 million acres and address escalating CRP rental rates in the next Farm Bill?

Special election snapshot: Republicans held serve in the two congressional districts in Georgia and South Carolina that were vacated by Tom Price (now Health and Human Services Secretary) and Mick Mulvaney (now the head of the Office of Management and Budget). The race to replace Price was the most expensive House race, ever ($55 million for one congressional seat).

Trivia answer for 6/7/2017 Newsletter: Leonardo da Vinci designed the water gate used in modern canal locks. (Also known as the Miter Lock).

Trivia winner: No winner!

Trivia

Katherine Lee Bates wrote this poem after being inspired on a trip to Pike's Peak in 1893. It was subsequently turned in to a well-known song in the U.S. and one of the verses describes the color of wheat. Name the song AND feel free to share which artist sings your favorite rendition.

Email your answer to bfrederick@ngfa.org

NAFTA ag leaders commit to open markets in joint statement

Agriculture Secretary Sonny Perdue and the top agriculture officials from Mexico and Canada issued a joint statement Tuesday recognizing the benefits of the North American Free Trade Agreement (NAFTA) and their commitment to open trade.

Perdue, Canadian Minister of Agriculture and Agri-Food Lawrence MacAulay and Mexican Secretary of Agriculture, Livestock, Rural Development, Fisheries and Food Jose Calzada issued the following statement after a series of meetings conducted in Perdue's home state of Georgia this week.

"Our three nations are connected not only geographically, but through our deeply integrated agricultural markets. Our trading relationship is vital to the economies – and the people – of our respective countries. We are working together to support and create good jobs in all three countries. We share a commitment to keeping our markets open and transparent so that trade can continue to grow. That mutual commitment was reaffirmed in our discussions this week.

"The North American Free Trade Agreement has greatly helped our respective agricultural sectors as well as our consumers who have benefitted from an ever-growing variety of safe, affordable food products all year around. While even the best trading partnerships face challenges from time to time, our agricultural differences are relatively few in the context of the $85 billion in agricultural trade that flows between our three nations each year.

"Over the years, the United States, Mexico and Canada have also worked collaboratively to protect plant and animal health, conduct joint research, and share best practices. These efforts have helped to eradicate several pests and diseases from the region, differentiating us from the rest of the world. Our three countries remain committed to continued collaboration to ensure a safe and reliable regional supply chain that makes the North American agriculture sector more competitive.

"Our visit to Georgia fostered the mutual understanding and personal relationships that will help North American agriculture thrive, improve our regional partnership and collaboration, and strengthen our trading relationship."

Trump nominates Doud as USTR's chief agriculture negotiator

President Donald Trump on June 16 nominated Greg Doud, president of the Commodity Markets Council, to serve as chief agricultural negotiator for the Office of the U.S. Trade Representative. The post, most recently held by Darci Vetter during the Obama administration, will be a vital position as the Trump administration seeks to engage in negotiations to modernize the North American Free Trade Agreement and engage in other bilateral trade talks.

Prior to joining the Commodity Markets Council in 2013, Doud worked on the staff of the Senate Agriculture Committee for Sens. Pat Roberts, R-Kan., and Thad Cochran, R-Miss. Prior to that, he spent eight years as the chief economist for the National Cattlemen's Beef Association and worked for the U.S. Wheat Associates and the economic consulting firm World Perspectives.

Raised on a farm near Mankato, Kan., Doud now owns part of his family's 100-year old farm. He has degrees in agriculture and agricultural economics from Kansas State University and was named the Outstanding Young Alumnus of the Kansas State University Agriculture Alumni Association. Doud and his family live on their horse farm in Lothian, Md.

Perdue names acting leadership positions at USDA

Agriculture Secretary Sonny Perdue named three individuals who will take on leadership roles as the U.S. Department of Agriculture (USDA) continues the reorganization he announced on May 11.

In accordance with the 2014 Farm Bill, USDA created a new Under Secretary of Trade and Foreign Agricultural Affairs as part of a realignment of several mission areas. The reorganization also included a reconstituted mission area reporting to a newly-named Under Secretary for Farm Production and Conservation. Also, the U.S. Forest Service will be the only agency to report to the Under Secretary for National Resources and Environment. For these three mission areas, Perdue named Acting Deputy Under Secretaries, who will serve in their roles until the president nominates and the Senate confirms appointees.

Jason Hafemeister, until now serving as the Acting Deputy Under Secretary for Farm and Foreign Agricultural Services, will now be Acting Deputy Under Secretary for Trade and Foreign Agricultural Affairs. He has been involved in agricultural farm and trade policy for more than 25 years, including almost 20 at USDA and with the Office of the U.S. Trade Representative.

Dr. Robert Johansson will serve as the Acting Deputy Under Secretary for Farm Production and Conservation, while also concurrently remaining USDA's Chief Economist, a position he has held since July 2015. The Farm Production and Conservation mission area will focus on domestic agricultural issues. "Locating the Farm Service Agency, the Risk Management Agency, and the Natural Resources Conservation Service under this domestically-oriented under secretary will provide a simplified one-stop shop for USDA's primary customers, the men and women farming, ranching, and foresting across America," according to USDA's announcement.

Dan Jiron will fill the role of Acting Deputy Under Secretary for Natural Resources and Environment. With more than 29 years of public service and natural resources management, Jiron was appointed Associate Chief of the Forest Service in July 2016. Under the reorganization plan, the Under Secretary for Natural Resources and Environment will retain supervision of the U.S. Forest Service.

"These three career USDA employees already have shown the leadership and expertise needed to deliver the highest quality service to our customers – the people of American agriculture," Perdue said in a statement. "I welcome them to the leadership team and I thank them for their dedication to agriculture."

CONVEY17: How will food safety rules change grain management practices?

The Food Safety Modernization Act (FSMA) and the Food and Drug Administration's regulations implementing the statute represent the most far-reaching changes to food and feed safety rules since 1938. Their impact will be examined comprehensively during NGFA's and ***Grain Journal*** Magazine's upcoming CONVEY17 conference.

Dr. Charles Hurburgh, professor of agricultural and biosystems engineering and head of the Iowa State Grain Quality Research Laboratory and the extension-based Iowa Grain Quality Initiative at Iowa State University, will lead a session at CONVEY17 about the impact of FSMA on U.S. feed and food supply chains.

"FSMA was by design an interactive standard with individualized practices based on defensible science rather than the more typical checklist standard," he noted. "Expect this to be challenging at first as the whole system adapts."

The FDA has asked Hurburgh to create training materials for inspections of bulk grain and grain processing facilities under FSMA.

CONVEY17, a revamped version of the former NGFA-Grain Journal Safety Conference, will focus annually on key regulatory, safety and operational issues that are vital to facility managers and key employees. The conference will provide the most up-to-date information available on keeping facility operations safe and in compliance with government regulations. CONVEY17 also includes wide-ranging breakout sessions structured to allow attendees to customize their program around three tracks – Safety, Grain Quality, and Operations.

Bruce Sutherland, president of Michigan Agricultural Commodities, Inc. (MAC), Lansing, Mich., recently noted that "[CONVEY] is a good opportunity for me to bone up on both safety and FSMA issues that face MAC and our industry."

This year's conference is scheduled for July 24-26 at the Westin Kansas City Hotel at Crown Center in Kansas City, Mo. Importantly, the money-saving early bird registration deadline ends at midnight Friday, June 23 – so register today! Agenda information and registration for CONVEY17 is available here.

CONFERENCE
CONVEY17
OPERATIONS | COMPLIANCE | QUALITY
JULY 24-26, 2017 • WESTIN CROWN CENTER • KANSAS CITY, MO