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## Upcoming NGFA Events

March 13-15

**120<sup>th</sup> Annual Convention**  
Hotel Del Coronado. San Diego, Calif.

[Registration](#)

For a full listing of events, go to [ngfa.org/events](http://ngfa.org/events)

## San Diego is waiting: Annual Convention early bird rate ends soon

Members can save \$50 on registration for the NGFA's 120th Annual Convention in San Diego if they register **by Feb 10**.

The convention, which takes place March 13-15 at the historic Hotel del Coronado in San Diego located right on the Pacific Ocean, features notable speakers, open forums and general sessions that explore the most important issues facing the industry in the year ahead.

Events include several tours, the **National Grain and Feed Foundation Golf Tournament** and the gala banquet and reception.

The annual golf tournament supports the National Grain and Feed Foundation. This year's tournament is at the 27-hole championship Steele Canyon Golf Club, which was designed personally by Gary Player with respect and appreciation for the natural beauty of the terrain. As one of Southern California's finest golf clubs, Steele Canyon has been awarded *Golf Digest's* Four Star Rating, one of only three golf clubs so honored in San Diego County.

**Confirmed speakers** include Carl Casale, the president/CEO of CHS Inc., Ivo Daalder, the president of The Chicago Council on Global Affairs, and Commissioner Christopher Giancarlo of the Commodity Futures Trading Commission.

Casale will share his perspectives on the challenges and opportunities facing the grain, feed, grain processing and exporting industry in meeting world demand for food, feed, fuel and exports, as well as changes he sees on the horizon. He also will address major public policy challenges confronting

the industry and U.S. and global agriculture, and how best to address them - and the role he envisions for the NGFA in helping achieve industry priorities in the years ahead.

Daalder will provide an important perspective on increasingly important geopolitical events, which have the prospect of affecting the U.S. political and economic climate, including the grain, feed and processing industry. Recent attacks by ISIS and ripple effects in the Middle East, the climate-change agreement recently achieved in Paris, fallout from the Trans Pacific Partnership deal, China's economic and military ascendancy, and Russia's expansionist activities, to name a few, are in process of reshaping the world order.



Giancarlo brings considerable private sector experience from the financial services industry and from the legal profession to the Commission. He will present a major address on current initiatives at the commission, including position limits, the *bona fide* hedge definition proposal, and the agency's proposed rules for automated trading. Giancarlo also will address concerns about the regulatory climate and its impacts on the ability of FCMs and hedgers to manage risk, as well as impacts on efficient hedging and risk management.

The convention includes the **Transportation Open Forum**, to be held Sunday, March 13th at 3:30 p.m. Thomas Menzies, deputy program director for the Transportation Research Board at the National Academies of Science, Washington, D.C., will present the results and recommendations of the group's major 2015 study that proposed a major overhaul in how North American freight railroads are regulated and overseen by the federal government. The congressionally mandated three-year study found that economic regulation of freight railroads has not kept pace with the structure and profitability of the rail industry since the Staggers Rail Act, and recommended significant changes in the process for reviewing rail mergers, resolving rail rate disputes and determining whether railroads are fulfilling their common-carrier service obligation – all extremely timely and pertinent considerations given the current rail

environment. Also featured is Noël Perry, senior consultant at FTR Transportation Intelligence, who will provide an outlook on the freight market for truck, barge and vessel transportation, and trends reshaping those transportation sectors.

Additionally, the convention offers unique chances to **tour the local area**, with special tours including a walk along the La Jolla Coast and a shopping trip; an afternoon sailing on the *Adventuress*, is a gorgeous 60' luxury sailing catamaran, on San Diego Bay; and a downtown brewery tour, which taps into San Diego's rich history and its bustling beer scene.

Annual association business also is taken care of at convention; the event begins with a day of open committee meetings and association business is



conducted throughout the meeting.

More program information is coming soon for a not-to-be-missed convention! [Register here](#).

## NGFA hosts regional FSMA seminars

By David Fairfield, Senior Vice President of Feed Services

The NGFA is planning several regional seminars to educate industry members on the far-reaching new feed safety rules being promulgated by the Food and Drug Administration (FDA) to implement the [Food Safety Modernization Act](#) (FSMA).

NGFA Senior Vice President of Feed Services David Fairfield, who serves as chair of the Animal Food Subcommittee of the Food Safety Preventive Controls Alliance, is leading a full-day seminar on FSMA in Modesto, Calif., on March 10. Those interested in the seminar can contact [David Fairfield](#).

Hosted by NGFA, Safe Animal Feed Education, and the California Grain and Feed Association, the seminar is the first in a series of several seminars to be conducted by NGFA in partnership with state feed control agencies and state and regional affiliates that will help industry members understand the changes, requirements and appropriate exemptions included in the FSMA rules.

The new rules will serve as components of the new prevention-orientated regulatory framework for food and feed being implemented by FDA under authority provided by FSMA.

Fairfield notes that: “Most of our members are going to be impacted [by FSMA]...the final rules are going to establish a new set of expectations across the supply chain.”



FDA on Sept. 17 published its final regulations mandated by FSMA to establish requirements for current good manufacturing practices (CGMPs), hazard analysis and risk-based preventive controls, as well as supply-chain programs that apply to human food, animal feed and pet food.

FDA’s final regulations apply to domestic and foreign facilities that manufacture, process, pack or hold animal feed and/or pet food, and ingredients used in such products. Generally, with some exceptions, that means the new requirements apply to facilities that are required to register with FDA under the agency’s existing facility registration regulations implemented as part of the Bioterrorism Act.

In November, FDA released the agency’s final rules mandated by FSMA for produce safety, foreign supplier verification programs (FSVP), and accreditation of third-party certification bodies/auditors. FDA’s final rules for FSVP and accreditation of third-party certification cover a wide variety of entities involved with importing food, including importers of raw agricultural commodities (e.g., grain and oilseeds), animal feed and feed ingredients, and human food and food ingredients.

For more information about FSMA and NGFA education efforts, click [here](#).

## China grants two soybean biotech import authorizations

**By Sarah Gonzalez, Director of Communications and Digital Media**

The NGFA received reports from CropLife China and Monsanto Co. this week that China granted import approval to new soybean biotechnology traits, including Monsanto's Roundup Ready 2 Xtend soybean (MON87708) and Omega-3 soybean (MON87769). In all, China granted three safety certificates and 13 renewals for biotech products.

Monsanto noted in a statement that the Roundup Ready 2 Xtend soybean technology now will be commercially available in the United States and Canada for the 2016 planting season. Although the soybeans are tolerant to both glyphosate and dicamba herbicides, the use of dicamba herbicide over the top of Roundup Ready 2 Xtend soybeans remains in late stage of Environmental Protection Agency (EPA) review and is not currently approved by the agency, Monsanto noted.

No biotech corn traits were granted new import authorizations by China during the latest round of approvals, including Dow AgroSciences's Enlist corn.

"We have been working closely with Chinese authorities and to date we have successfully met every milestone the Chinese Ministry of Agriculture (MOA) has requested," according to a statement from Dow. "That said, China's regulatory process continues to be unpredictable. In fact, there were no corn traits on the list of approvals."

## What is your Congress up to during the week of Feb. 8?

**By Bobby Frederick, Director of Legislative Affairs and Public Policy**

As Peyton Manning likely heads for the exits, Paul Ryan assumes his first budget season as Speaker of the House as the fiscal year 2017 appropriations season kicks off today with the release of President Obama's proposed budget blueprint.

Next up, the Republican-controlled Congress will endeavor to develop and advance its version of a budget. From there, the House and Senate will set out to individually complete 12 appropriations bills, resolve differences between them and send them to the president by the end of the current fiscal year (Sept. 30).

This roadmap of the budget and appropriations process may sound easy enough, but since 1977, the appropriations bills have been completed on schedule only four times – the last time being 1997. Typically, Congress relies on passing a continuing resolution to keep the government funded while buying more time for negotiations on a comprehensive spending package known as an "omnibus."

The House is scheduled to be in session for only 20 weeks between now and the end of September, and will face a challenge of juggling a budget and 12 spending bills, along with all the other policy issues that stack up prior to adjourning for the fall elections.

### **Congressional visits recap:**

NGFA contributed to the Hill blitz last week in cooperation with the Agricultural Retailers Association. It was a great opportunity to thank members of Congress and their staffs for a productive 2015, which

saw a long-term highway bill passed, the U.S. Grain Standards Act reauthorized, the Surface Transportation Board reauthorized, crop insurance protected from cuts and record funding for inland waterways construction and rehabilitation projects.

The congressional visits also allowed the NGFA to tee up its 2016 legislative priorities, including federal preemption of biotech labeling, passing another Water Resources Development Act (WRDA) and advocating for new markets through agreements like the Trans Pacific Partnership. OSHA's process safety management retail exemption also was discussed.

Tom Tunnell, President and CEO of Kansas Grain and Feed, and current NGFA Chairman Gary Beachner, president and CEO of Beachner Grain, secured meetings with Senate Agriculture Committee Chairman Pat Roberts and Sen. Jerry Moran, both R-Kan., and Kansas Reps. Kevin Yoder and Lynn Jenkins, among others.

Tom Bressner, executive director of the Wisconsin Agri-Business Association, also participated and met with many staff members of the Wisconsin delegation, including Speaker Ryan's office.

Thanks also to representatives of NGFA member GROWMARK for allowing NGFA to participate in visits with several members of the Illinois congressional delegation, including Rep. Rodney Davis (R), and staff of Sens. Mark Kirk (R), Dick Durbin (D), and Congresswoman Rep. Tammy Duckworth (D).

Engaging members of Congress and their staff at home and in D.C. are an important part of the policy process. The relationships maintained and developed through fly-ins are valued and appreciated.

### **Elsewhere in Congress this week:**

The House works on legislation to permanently authorize cost of living adjustments for veterans' service-connected disability compensation, as well as a bill that would change FDA's rules on menu labeling at food establishments.

The Senate tries to reboot a stalled comprehensive energy measure and also will consider a bipartisan North Korea sanctions bill.

Commodity Futures Trading Commission Chairman Timothy Massad will testify at a House Agriculture Appropriations hearing on Feb. 10 about the agency's 2016 funding proposal.

Agriculture Secretary Tom Vilsack will testify at the House Agriculture Appropriations Subcommittee about President Barack Obama's budget request for his department on Feb. 11. And EPA Administrator



The NGFA and Kansas Grain and Feed Association met with Sen. Pat Roberts, R-Kan., to discuss government regulation, as well as the Grain Standards Act and the Surface Transportation Board reauthorization.

Gina McCarthy goes before the House Agriculture Committee the same day for a hearing to “consider the impacts of the Environmental Protection Agency’s actions on the rural economy.”

### Election Calendar

Feb. 9th	New Hampshire Primary
Feb. 20th	South Carolina Republican Primary Nevada Democratic Caucus
Feb. 23rd	Nevada Republican Caucus
Feb. 27th	South Carolina Democratic Primary

### Answer to 1/26/16 trivia question:

Category: State Capitals.

The Clue: “A 1957 event led to the creation of a national historic site in this city, signed into law by a president whose library is now there too.”

The Answer: “What is Little Rock, Arkansas?”

The NGFA winner: **Blish Hills, External Quality Assurance, Land O’Lakes, Inc.**

### Trivia

Which President and NFL coach brokered a deal to allow a star player to miss his Army reservist duty in order to play in the NFL Championship game?

**BONUS:** Political Pick’em for bragging rights (for the political guru in you):

- 1) Predict the percentage of the vote Bernie Sanders and Hillary Clinton will each garner in New Hampshire tonight.
- 2) Predict who will finish first, second and third on the Republican side in New Hampshire tonight.

Please e-mail your answer to [bfrederick@ngfa.org](mailto:bfrederick@ngfa.org)

If you have any questions about these policies above, or on something you did not see in this update, please contact NGFA Director of Legislative Affairs Bobby Frederick at [bfrederick@ngfa.org](mailto:bfrederick@ngfa.org) or 217-417-5400.

## Rhode Island and New Hampshire consider GMO labeling

**By Sarah Gonzalez, Director of Communications and Digital Media**

State lawmakers in New Hampshire and Rhode Island will be considering bills this week that would mandate the presence of a “GMO” label on foods made with genetically engineered ingredients.

Rhode Island’s House Committee on Health, Education and Welfare will hold a public hearing today on a handful of measures that would establish rules for labeling.

Meanwhile, the New Hampshire House of Representatives will take up labeling legislation on Feb. 10, although its House Environment and Agriculture Committee gave the bill an unfavorable recommendation in a 12-7 vote last week.

Vermont’s mandatory GMO labeling law is set to go into effect July 1, but the food industry is challenging the law in court. Meanwhile, industry representatives are encouraging Congress to adopt federal preemption legislation to provide alternatives to on-package GMO labeling in the next few months to avoid a confusing, patchwork set of state labeling rules.

## Cuba coalition celebrates one-year anniversary

**By Sarah Gonzalez, Director of Communications and Digital Media**

The NGFA is joining the U.S. Agriculture Coalition for Cuba (USACC) for a one-year anniversary event on Feb. 10 at the National Press Club. The coalition of agriculture groups was formed to support the lifting of the Cuba embargo to increase access to the country's market.

President Obama laid out plans in December 2014 to chip away at the more than 50-year-old U.S. embargo. The USACC supports the progress made in the past year since Obama announced plans for the United States to reestablish diplomatic relations and expand trade and travel with Cuba. The coalition’s primary focus is on ending the embargo and allowing open trade and investment to occur.

“Under current sanctions, U.S. food and agriculture companies can legally export to Cuba,” the coalition notes. “However, financing restrictions limit the ability of the U.S. industry to competitively serve the market. Foreign competitors such as Canada, Brazil, the European Union and Argentina are increasingly taking market share from U.S. industry because those countries do not face the same restrictions on financing.”

The coalition maintains that Cuba is a logical market for U.S. food and agriculture exports, with 11 million consuming citizens only 90 miles off the coast of the United States.

“Normalizing trade relations between the United States and Cuba will enhance Cuban citizens’ access to affordable food while providing the U.S. farm and business community with new market access opportunities,” according to USACC.

The Obama administration in January loosened export restrictions to allow companies to sell nonagricultural products to Cuba on credit, but export restrictions on agricultural products are still in place and their removal requires congressional action.

Although some in Congress believe the Cuban communist regime needs to show more dedication to human rights and an empowered private sector before providing U.S. benefits, farm state lawmakers are touting the merits of increased trade. Sens. Heidi Heitkamp, D-N.D., and John Boozman, R-Ark. introduced a bipartisan bill in April 2015 to make it legal for U.S. exporters to finance agricultural exports into Cuba and are continuing to advocate for its passage.

“The agriculture economy is critical for my state, and crops we excel at growing – like black beans, peas, lentils and barley – are in high demand in Cuba,” Heitkamp said in a statement. “As we continue to open up relations with Cuba, it’s critical that our producers get access to this hungry market.”

## **USDA announces certificates for marketing loans**

**By Sarah Gonzalez, Director of Communications and Digital Media**

The U.S. Department of Agriculture (USDA) announced that producers who have crops pledged as collateral for a marketing assistance loan can now purchase a commodity certificate that may be exchanged for the outstanding loan collateral. The authority is provided by the 2016 Consolidated Appropriations Act, legislation enacted by Congress in December.

Commodity certificates are available beginning with the 2015 crop in situations where the applicable marketing assistance loan rate exceeds the exchange rate. Currently, the only eligible commodity is cotton, as the crop is the only marketing assistance program eligible commodity that has prices below the loan rate.

USDA’s Farm Service Agency (FSA) routinely provides agricultural producers with marketing assistance loans that provide interim cash flow without having to sell the commodities when market prices are at harvest time lows. The loans allow the producer to store and delay the sale of the commodity until more favorable market conditions emerge, while also providing for a more orderly marketing of commodities throughout the marketing year.

These loans are considered “nonrecourse” because the loan can be redeemed by delivering the commodity pledged as collateral to the government as full payment for the loan upon maturity. Commodity certificates are available to loan holders having outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan.

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