



NGFA Board of Directors Report
March 2024
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Agenda

March 19, 2024

12:45 to 4:00 P.M. (EST)

Omni ChampionsGate, ChampionsGate, Florida

The Grand Salon

Brian Schouvieller, NGFA First Vice Chairman

12:00 Luncheon for Board Members

Heritage Park

12:45 Welcome and Call to Order

Brian Schouvieller

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

Charlie Delacruz
Charlie Delacruz

Recognition of outgoing/incoming members

Brian Schouvieller

Nominating Committee – EC Recommendations & Approval

Benjamin Smith/Brian Schouvieller

Financial Update

Max Fisher/Mike Seyfert

NGFA Proposed Budget FY 24/25

Max Fisher/Mike Seyfert

Proposed Changes to Investment Policy

Max Fisher

Management Update

Mike Seyfert

LRP Pillars Update

Mike Seyfert

Committee Implementation Update

Jess McCluer

Communications Pillar and Strategic Plan Update

Sarah Gonzalez/Mike Seyfert

Foundation Update

Brian Schouvieller

Farm Bill Update

Joe Kapraun/Stephanie See

Transportation/Infrastructure Update

Justin Cauley/Jessica Stephan
Brock Lautenschlager

Union Walk Around Rule

Jess McCluer

North American Export Grain Association (NAEGA Update)

Alejandra Castillo, President and CEO

Upcoming Meetings

Rebecca Grubbs

Other Issues – Open Discussion

Brian Schouvieller

4:00 Adjournment

Brian Schouvieller



National Grain and Feed Association

Minutes

NGFA BOARD OF DIRECTORS

*Grand Hyatt Seattle
Seattle, Washington*

September 18, 2023

Presiding: Greg Beck NGFA Chairman

NGFA Chair Greg Beck called the meeting to order at approximately 9:00 a.m. Directors attending were Augusto Bassanini, Gary Beachner, Jeff Bechard, Chris Boerm, JoAnn Brouillette, Wyatt Brummer, Kayla Burkhardt, Bo DeLong, Scott Docherty, Allen Douglass, Chris Faust, Tom Fernandes, Bill Free, Gary Gantz, Robert Geers, Kevin Gray, Kim Hawks, Mark Heil, Beau Hepler, Roger Hugenberg, Dennis Inman, Paul Katovich, Jason Klootwyk, Stu Letcher, Kellie Melton, Brad Morrison, Dan Mostad, Randal Olstad, Scot Ortman, Shay Rambur, Brian Schouvieller, Mike Seyfert, Kyle Shermock, Benjamin Smith, Mike Tate, Andrew Utterback, Sheryl Wallace, Tom Wapp, Eric Wilkey and Jeff Wilson.

Non-director committee chairs attending were MJ Anderson (Risk Management), Gary Devlin (Rail Shipper/Receiver), Nick Friant (Grain Grades and Weights), Joe Kapraun (International Trade & Ag Policy) and Jessica Stephan (Waterborne Commerce).

NGFA staff attending were Charlie Delacruz, Dave Fairfield, Max Fisher, Sarah Gonzalez, Rebecca Grubbs, Mary Hitchcock, Todd Kemp, 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 23, 2023.

Committees Task Force

Eric Wilkey and Jess McCluer presented the Committee Structure Task Force's final report and recommendations to the Board [*copy of Task Force report attached*]. A detailed presentation and thorough discussion ensued.

Rules and Bylaws Amendments

Charlie Delacruz presented five sets of amendments to various rules and bylaws for the Board's approval [*copy of the complete text of the amendments attached*]:

- 1) Degenderizing of the Trade Rules: The Trade Rules Committee recommended amendments to remove gender-specific references (i.e., he/him/his) that involve each subset of the Trade Rules.
- 2) The Secondary Rail Freight Trading Rules Task Force and Trade Rules Committee concluded references to CBOT "open outcry" sessions and "normal" and "full" versus "partial" business days and sessions were outdated, and Rules 6 and 12 be consistent with other rules provisions.
- 3) Based upon a subgroup assigned to consider increasing the pre-occurrence damages cap for Rail Arbitration cases, the Rail Arbitration Rules Committee recommended increasing the cap from \$400,000 to \$600,000.
- 4) NGFA Bylaws: To clarify a) directors and officers may be elected electronically and apart from the annual business meeting; and b) the meeting for its other purposes may be conducted virtually – amendments to NGFA's Bylaws were proposed at recommendation of legal counsel.
- 5) NGFDS Bylaws: NGFDS (the affiliate that administers the BDT platform) voted to amend its bylaws: a) to align the terms for its directors and officers; and b) to allow for a quorum of 1/3 for its meetings (at recommendation of legal counsel). NGFDS Bylaws provide that the NGFA Board is also to approve amendments to NGFDS Bylaws.

Motions passed unanimously to approve each of the amendments as submitted.

Financials

Max Fisher presented on NGFA's finances. He reported as of mid-year that NGFA has a net income of \$1,149,011, which can be attributed to keeping costs to less than budgeted levels, experiencing higher than expected arbitration income, and realizing higher membership dues. Todd Kemp discussed implementation of the new dues policy.

Management Update

The Board went into an executive session, and Mike Seyfert reported on NGFA management-related topics, including a recently undertaken review following questions that just surfaced relating to how NGFA's 401(K) plan has been administered; and plans under consideration for restructuring of NGFA's operations and staff.

Foundation

Brian Schouvieller, National Grain and Feed Foundation Chair, discussed the Foundation's financials and fundraising goals. Mr. Schouvieller focused upon initiatives currently underway that include funding of scholarships for university students in the field of agriculture through MANRRS (Minorities in Agriculture, Natural Resources and Related Sciences); support for the Animal Ag Alliance; and the Purdue University dust explosion study. Mr. Schouvieller also

advised of an initiative under review to assist with fundraising that involved NGFA matching donated funds.

Recess

The Board recessed for lunch at 12:11 p.m., and it reconvened at 1:06 p.m.

Committees Task Force (cont.)

The Board was asked about any further thoughts or questions related to the Committees Task Force report discussed earlier. None were presented.

A motion passed unanimously for approval of the recommendations in the report of the task force.

Farm Bill

Stephanie See reported on efforts to develop and execute a strategy to achieve NGFA's priorities related to the Farm Bill, which include reducing the amount of prime farmland in the Conservation Reserve Program, increasing funding for market access and foreign market development programs, and strengthening crop insurance as a risk management tool for farmers. Ms. See stated there is speculation the Farm Bill could be completed anytime between the end of this year and the end of 2024.

Snake River

Anthony Pena, Government Relations Manager for Pacific Northwest Waterways Association gave a presentation on the activities of his association and issues in general impacting the Snake River.

PFI Proposal

Dave Fairfield stated the Pet Food Institute (PFI) in April announced an initiative to federalize all regulatory oversight of dog and cat food products, including ingredients used to make such products, due to inconsistencies in regulatory oversight performed by individual states. The initiative has the potential to negatively impact animal feed because the existing regulatory framework for pet food and animal feed is closely intertwined. PFI has agreed to collaborate with NGFA and other groups to explore improvements for existing regulatory oversight.

Rail

Rail Shipper/Receiver Committee Chair Gary Devlin and Max Fisher provided an overview of the newly proposed reciprocal switching rule at the Surface Transportation Board; the rail safety legislation being considered in Congress; and issues involving certain rail carriers shortening the timeline for requests and filing of claims by shippers related to rail tariff overcharges.

Biotech Wheat and Soybeans

Mr. McCluer stated NGFA met with representatives from the Argentina-based Bioceres Crop Technology Company to discuss the global regulatory status of the drought-tolerant HB4® wheat and soybeans in April 2023. He advised there has been little change since the information highlighted in the September 2022 Board report other than Bioceres confirmed it formally

submitted an application to USDA for approval of commercialization of the biotech wheat in the U.S., and Bioceres is in the process of responding to USDA's questions about the data in the application.

OSHA

Mr. McCluer updated the Board on the potential impacts of OSHA's heat injury and illness prevention program in indoor and outdoor settings standards being considered by the Small Business Advocacy Review Panel (SBAR) under the Small Business Regulatory Enforcement Fairness Act. He highlighted the points raised by the NGFA representative during the SBAR session on September 12, specifically that a one-size fits all approach is not feasible.

FGIS User Fees

Mr. McCluer and Nick Friant, Grain Grades and Weights Committee Chair, reported on plans by the Federal Grain Inspection Service to increase fees for inspection and weighing services. Because exports declined this year, the agency drew from its reserve fund to cover expenses, and it projects a deficit by the end of the fiscal year. Based upon discussions with the Executive Committee, Mr. McCluer presented the Board with recommendations that NGFA request Commodity Credit Corporation assist the agency in shoring up its reserve fund, and that NGFA conduct a study to determine if U.S. exports are at a competitive disadvantage due to increased costs for inspection and weighing services.

Other Topics

An open discussion of topics by the Board members and committee chairs ensued, including challenges involving availability and shrinking in the insurance markets, labor and employment laws, technological platform innovations, NGFA's relationships with other trade groups, the non-connected PAC, trade promotion and US export competitiveness.

Adjournment

No other business was brought before the Board, and a motion passed unanimously to adjourn the meeting at 5:10PM.

Respectfully submitted:

Charlie Delacruz
NGFA Secretary

Approved:

Greg Beck
NGFA Chairman



National Grain and Feed Association Committee Structure Task Force Final Report – August 1, 2023

Overview

In April 2023, the National Grain and Feed Association initiated a process to evaluate and make recommendations to its Board of Directors for the Association's committee structure. A Committee Structure Task Force of ten industry leaders was convened. The Task Force (appendix one) was chaired by Eric Wilkey and supported by Jess McCluer as the NGFA staff lead. Roots and Legacies Consulting, a third-party firm, was contracted to facilitate stakeholder engagement and guide the Task Force in the development of recommendations.

The Task Force utilized stakeholder engagement to inform their recommendations. A survey was distributed to members and individual and group interviews were conducted to understand the perspectives of members and review peer models.

- 10 question electronic survey was distributed to membership
- Survey was available for two weeks
- 6,151 members invited, including the primary point of contact at all member companies, committee members, and other stakeholders such as former committee members, former Chairmen and NGFA staff
- 215 respondents
- 13 individual and group interviews with 36 participants
- Interviews were representative of membership with attention to size of company, geography, and levels of experience with NGFA committees

The Task Force conducted virtual meetings to launch the initiative. An in-person meeting was held in Overland Park, Kansas on June 14, 2023. During the in-person meeting, the Task Force reviewed stakeholder input collected through the survey and interviews. A brief presentation on building and managing effective committees provided a foundation for best management practices.

There was resounding consensus that the NGFA committee structure is a vital part of the Association. The Task Force identified many aspects of the current structure that are effective and support high performing committees. There was also agreement that a thorough evaluation of the committee structure in the spirit of continuous improvement was timely.

A preliminary report was presented to the NGFA Executive Committee on June 20, 2023. A virtual meeting was held with Executive Committee members not in attendance. Executive Committee members provided feedback on the recommendations and rationale. The Task Force reconvened in sub-groups for virtual meetings to discuss supporting implementation. The entire Task Force met on July 27, 2023 to discuss feedback on the preliminary report and further refine the recommendations.



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Committee Structure Recommendations

The following recommendations were developed by the NGFA Committee Structure Task Force and are respectfully submitted to the NGFA Board of Directors.

Recommendation 1

Maintain the following committees:

- Trade Rules
- Arbitration and Appeals
- Grain Grades and Weights
- Foundation Trustees
- Legal Council
- Rail Arbitration
- Risk Management
- Safety, Health and Environmental

Recommendation 2

Establish Sustainability as a committee.

Rationale: The Sustainability Task Force provided a report to support establishing a committee. Sustainability/ESG is an industry interest that will continue. NGFA serves members by providing leadership in this area. Committee members will help elevate the NGFA's ongoing commitment to sustainability to NGFA members and stakeholders.

Recommendation 3

Establish a committee focused on Feed, combining Feed Legislative and Regulatory Affairs with Feed Manufacturing and Technology. Subcommittee areas of feed legislative and regulatory affairs and feed manufacturing and technology.

Rationale: This structure supports efficiency in reporting on shared issues and maintains the freedom to work in sub-committees with deep expertise in specialty areas. The subcommittees provide an opportunity to maintain industry leadership in feed legislative and regulatory affairs and manufacturing and technology areas.

The Task Force believes this approach will not diminish the effectiveness of the NGFA in representing member interests. Stakeholder feedback collected through the survey and interviews aligns with the recommendation to combine feed committees. Establishing an Ag Policy and Legislative Affairs Committee (recommendation 6) supports collaboration and expanded opportunities for the Feed Legislative and Regulatory Affairs Subcommittee.

This model is similar to the structure of the Trade Rules committee and specialty areas.



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Recommendation 4

Rename the Country Elevator Committee to better reflect the current scope and breadth.

Rationale: The Country Elevator Committee has an important role. A new name that encompasses aspects of grain, oilseed and feed handling and origination, trading, operations, and NGFA members' connection to farmers better communicates the value to members.

Recommendation 5

Establish a Trade and Crop Technology Committee. Reposition committee work assigned to International Trade/Ag Policy and Crop Technology committees.

Rationale: Removing "international" from the title aligns with today's industry. There are dependencies between crop technology and trade.

Recommendation 6

Establish an Ag Policy and Legislative Affairs committee. Reposition committee work assigned to International Trade/Ag Policy and Crop Technology committees.

Rationale: An Ag Policy and Legislative Affairs committee emphasizes the importance of NGFA advocacy efforts. This structure supports collaboration across committees on regulatory and legislative issues. This committee can aggregate the work of other committees to provide coordinated action.

Recommendation 7

Establish a Transportation & Logistics committee with subcommittees. Subcommittee areas of Rail Shipper/Receiver, Motor Carrier, and Waterborne.

Rationale: This structure supports efficiency in reporting on shared issues and maintains the freedom to work in sub-committees with deep expertise in specialty areas. The subcommittees provide an opportunity to maintain industry leadership in rail, waterborne commerce and motor carriers modes of transportation. The Task Force believes this approach will not diminish the effectiveness of the NGFA in representing member interests. Stakeholder feedback collected through the survey and interviews aligns with the recommendation to combine transportation committees.

The proposed committee structure is similar to the approach of member companies to coordinate transportation modes and logistics management. Further, this model is similar to the structure of the Trade Rules committee and specialty areas.

Recommendation 8

Retire the Finance and Administration committee.

Rationale: As the industry has evolved, the purpose of this committee is less relevant to members.



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Recommendation 9

Establish a Communications and Marketing & Membership committee.

Rationale: The Task Force recognized the need for a committee focused on communications and marketing and membership. The proposed committee will:

- serve as a voice for members,
- support ongoing, high-quality marketing of the NGFA to members and other stakeholders,
- provide input on strategies to effectively refine the NGFA brand and promote member benefits, programs, and services using diverse communications channels,
- encourage a growing membership base by identifying prospective members and recommending recruitment strategies, and
- advise on the development of education and outreach programs and other member engagement initiatives.

Committee membership is recommended to include a range of experience levels and be inclusive of communications and marketing professionals from member companies.

Recommendation 10

Clarify the purpose of each committee.

Rationale: Committee effectiveness will improve by clarifying the purpose of each committee and aligning NGFA Board of Directors, committee chairs, committee members, members, and staff. Clarity of purpose will also support information and outreach efforts to increase member awareness. The Task Force has discussed and created a preliminary draft of committee purpose statements to support implementation.

Recommendation 11

Develop guidance documents for committee chairs, staff liaisons, and committee members.

Rationale: Clear and regularly maintained guidance documents support association vitality and continuity/succession planning. Risk associated with staff turnover and committee chair and member attrition can be mitigated with documentation. Guidance documents, or “play books,” also support establishing expectations and holding members and staff accountable. The Task Force has discussed and created a preliminary draft guidance document to support implementation.

Recommendation 12

Reinforce the concept of continuous improvement with annual self-evaluation reports for each committee.

Rationale: Require an annual self-evaluation report from each committee with a short, focused set of questions to measure relevancy and confirm purpose. The Board Chair can use this information to inform any future adjustments to committee structure.



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Recommendation 13

Create a communications and marketing plan for NGFA committees.

Rationale: Member survey and interview feedback revealed opportunities for increasing awareness of committee purpose, committee work on industry issues, and member opportunities for involvement. The Task Force recommends the following for consideration.

1. Create energy and excitement around the committee process; lean into the sentiment of the “committee structure is the heart and soul” of NGFA; appeal to members’ interest in service
2. Enhance the information available on the website to clarify committee purpose, include information on how to become involved, add details to support transparency in qualifications, term limits and committee size limits
3. Place committee information in a more prominent location on the website (i.e., homepage banner)
4. Feature committee work in communications beyond informing of hot topics
5. Encourage committee chairs and staff liaisons to share content for social media with NGFA communications team
6. Provide member only access to meeting summaries, information about joining meetings, and committee activity, as appropriate
7. Create a “Committee 101” training to inform members
8. Consider ways to more effectively connect the Board of Directors to committee work
9. Record the stories of committee chairs and members to celebrate the history of NGFA and provide context for future work

Recommendation 14

Encourage increased outreach to Feed industry representatives for participation in all committees.

Rationale: The Task Force recognizes the value of professional in the Feed industry and acknowledges industry issues that impact grain, oilseed, and feed sectors. The Task Force believes there is opportunity to strengthen conversations with additional Feed representations across committees.

Recommendation 15

Review and enhance the CAP application process.

Rationale: The CAP program is a highly valued opportunity for member development and is directly tied to the committee structure. Adjustments to the committee structure support a review of the CAP application process to ensure alignment. The Task Force also supports a review of the CAP program as it has evolved into much more than committee apprenticeship.

Recommendation 16

Formalize more frequent review and approval of committee appointments by the Board Chair.

Rationale: Committees experience attrition through the year. An annual review process creates gaps in representation.



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Recommendation 17

Implement a simple, but robust committee membership application process.

Rationale: A process to collect interest for committee membership provides access and transparency for members. Committee chairs and staff liaisons have access to a pool of interested members and have information to support decision making. An application for committee membership aligns with the application process in place for CAPs.

Recommendation 18

Clarify associate member participation in committees, as appropriate.

Rationale: Associate members bring valuable expertise to committee work, when aligned with the work of the committee and given parameters for participation. The Task Force supports more discussion about what parameters are necessary and appropriate by committee.



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Appendix One: Task Force Membership

Eric Wilkey, Chair
Arizona Grain, Inc.

Augusto Bassanini
UGC

Matt Frederking
Mid-America Pet Food

Nick Friant
Cargill

Emily Gonderinger
Viserion

Jason Klootwyk
Agtegra Cooperative

Dennis Inman
Grain, Central Farm Service

Ron Seeber
Kansas Grain and Feed Association

Jessica Stephan
Bunge

Jess McCluer, NGFA Staff Lead
National Grain & Feed Association



ATTACHMENT 2

NGFA Board of Directors – September 2023

The following amendments to various rules and bylaws will be proposed for approval to the NGFA Board of Directors when it meets on September 18, 2023:

NGFA Trade Rules

■ Degenderizing of the rules

The Trade Rules Committee has completed a comprehensive review of the rules to remove gender-specific terms and references (i.e., he/him/his). The committee's recommended amendments impact each subset of the Trade Rules (Grain Trade Rules, Feed Trade Rules, Barge Trade Rules, Barge Freight Trading Rules, Secondary Rail Freight Trading Rules).

■ Secondary Rail Freight Trading Rules – open outcry; business day

Based upon the findings of the task force that monitors this subset of the rules, the Trade Rules Committee has concluded that references to “open outcry” sessions at the CBOT and “normal” business days and “full” sessions versus “partial” business days and sessions were outdated. The committee also recommends that Secondary Rail Freight Trading Rules 6 and 12 be consistent with the terms in Grain Trade Rule 30(A) and Feed Trade Rule 28(A).

NGFA Rail Arbitration Rules – increasing monetary cap on claims

The Rail Arbitration Rules Committee assigned a subgroup to consider increasing the pre-occurrence damages cap for cases under the rules. The cap was last increased from \$200,000 to \$400,000 in 2013. The subgroup concluded: 1) grain and oilseed commodity prices had increased; 2) costs in general had increased (30% per several indices); 3) an adjustment was justified; 4) adjusting the cap by 30% equals about \$520,000 (thus, proposing a round number between \$550,000 and \$600,000 as a new cap). The Rail Arbitration Rules Committee agrees with these findings and proposes an increase to \$600,000.

NGFA Bylaws – elections; annual business meeting

To clarify 1) the election of NGFA directors and officers may occur electronically and separately from the annual business meeting; and 2) the meeting for its other purposes may be conducted virtually – amendments to NGFA's Bylaws are proposed at the recommendation of legal counsel.

NGFDS Bylaws – officer terms; quorum requirements

The Board of Directors for National Grain and Feed Digital Solutions (NGFDS) – the separate affiliate that administers the Barge Digital Transformation platform – voted to amend the NGFDS bylaws: 1) to extend the terms of the chair and vice chair to two years to align them with the terms for directors and other officers; and 2) to allow for a quorum of 1/3 for meetings of directors (at the recommendation of legal counsel to address continuing challenges in securing a quorum for meetings). The NGFDS Bylaws provide that the NGFA Board is also to approve these amendments to the NGFDS Bylaws.



ATTACHMENT 2

PROPOSED AMENDMENTS

[additions underlined; deletions stricken-through]

NGFA Trade Rules Amendments – degenderizing of terms

Grain Trade Rules

Rule 2. Brokers ...

(B) A person, firm, or electronic trading platform is not a broker:

- (1) who has possession and absolute control of merchandise shipped to ~~him~~ them to sell and collect the price (Therefore, a commission merchant to whom grain is consigned for sale is not a broker.)
- (2) who receives a salary instead of a commission or brokerage.
- (3) who acts for one principal to the exclusion of all others.

(C) A broker has the power to bind ~~his~~ the principals only to the extent of ~~his~~ the broker's instructions. The principals are not liable for any acts of the broker in excess of such instructions.

(D) A broker who, in good faith or otherwise, exceeds ~~his~~ the broker's authority is liable for any resulting damages

...

Rule 8. Sample Grain ...

Shipments rejected because of quality discrepancies shall be compared with the sale sample by either the inspection committee or some other duly authorized or agreed committee of the market in which such rejection is made, and the finding of said committee shall be final. If the finding is in favor of the Buyer, the Buyer shall at once notify the Seller by telephone. It shall then be the duty of the Seller to make satisfactory adjustment with the Buyer not later than 12 p.m. of the following business day. If not adjusted within this time frame, the shipment shall be subject to the order of the Seller and the Buyer shall buy-in for the account of the Seller, cancel, or extend the defaulted contract and notify the Seller of ~~his~~ the Buyer's action. ...

Rule 12. Grades Outside of Contract Terms

(A) Rail Shipments ...

(2) Origin Grades

Grain that is sold for delivery, origin inspection, shall be covered by an inspection certificate of the grade contracted. If the Seller wishes to apply grain that is not in accordance with the contract specifications, ~~he~~ the Seller shall notify the Buyer by rapid written communication, or by telephone confirmed by subsequent written communication. The Buyer shall immediately notify the Seller if ~~he~~ the Buyer will accept the grain and at what discount. ...

Rule 13. Condition Guaranteed on Arrival of Rail Cars

(A) ...

If the Buyer fails to ascertain and report the condition and official grade as provided above, ~~he~~ the Buyer shall waive all rights under the guarantee for that portion of the contract. Diversion of the shipment by the Buyer to a point beyond the original destination shall constitute an acceptance of the grain and a waiver of the guarantee. ...

(C) ...

If the Buyer is unable to unload, recondition and salvage the grain as requested by the Seller, ~~he~~ the Buyer shall immediately notify the Seller of this fact. The Seller shall then dispose of the shipment. The Buyer shall then elect either to cancel the affected portion of the contract or request a replacement shipment. ...

Rule 15. Rail Weight Settlements ...

(D) ...

For rail grain which is unloaded at export terminals, the unloading Buyer shall notify the original shipper or, at shipper's option, ~~his~~ the shipper's designated agent of the final unload weights by telephone or rapid written communication within two (2) business days of unload. The unloading Buyer shall send the original weight certificate or duplicate copy thereof to the original shipper or designated agent within five (5) business days of unload, accompanied by a statement covering



ATTACHMENT 2

the cost of weighing charges. The original shipper or designated agent shall make final settlement with the original weight certificate or duplicate copy. All invoices are due and payable upon presentation....

Rule 19. Routing of Rail Grain

(A) Grain that is sold delivered shall be deliverable via any railroad at the discretion of the Seller, unless otherwise agreed at the time of sale. If such shipments are routed by the Buyer, the carrier becomes the Buyer's agent, and the Seller's liability for routing ceases when ~~he~~ the Seller furnishes bill of lading in accordance with the Buyer's instructions.

Rule 21. Drafts

(A) Margins

If sales are made on destination terms, the Seller shall leave ample margin in ~~his~~ the Seller's drafts to provide for possible variations in weights, grades or other quality factors.

(B) Overdrafts

If an overdraft has been made on a grain shipment, and has been discovered before the draft is paid, the Buyer shall elect either to pay the overdraft for account of the Seller, or to request the Seller to reduce ~~his~~ the Seller's draft to the proper amount.

If the Buyer elects to pay the overdraft for account of the Seller, or if drafts are paid and an overdraft is not discovered until final accounting is rendered, the Seller shall reimburse the Buyer on demand for the full amount of said overdrafts.

Rule 22. Payment That Is Conditioned on Presentation of Original Drafts and/or Invoices ...

Sight drafts or invoices are subject to payment on presentation to the Buyer or ~~his~~ the Buyer's designated agent, when properly documented and substantiated by the original bill of lading, and/or delivery order and, if applicable, original weight and inspection certificate(s).

Rule 26. Contracts Made Subject to "Embargoes," "Strikes" or "Cars" ...

(E) It shall be the duty of the Seller to notify the Buyer by rapid written communication, or by telephone confirmed by subsequent written communication, on or before the expiration of the contract, of ~~his~~ the Seller's inability to make the shipment or delivery within the contractual specifications. If the Seller fails to notify the Buyer as above, the embargo, strike and/or car clause shall be void.

Rule 28. Failure to Perform

(A) Seller's Non-Performance

If the Seller finds ~~that he~~ the Seller will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Seller's duty at once to give notice of such fact to the Buyer by telephone confirmed by subsequent written communication. The Buyer shall then, at once elect either to: ...

If the Seller fails to notify the Buyer of ~~his~~ the Seller's inability to complete ~~his~~ the contract, as provided above, the liability of the Seller shall continue until the Buyer, by the exercise of due diligence, can determine whether the Seller has defaulted. In such case it shall then be the duty of the Buyer, after giving notice to the Seller to complete the contract, at once to: ...

(B) Buyer's Non-Performance

If the Buyer finds ~~that he~~ the Buyer will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Buyer's duty at once to give notice of such fact to the Seller by telephone confirmed by subsequent written communication. The Seller shall then, at once elect either to: ...

If the Buyer fails to notify the Seller of ~~his~~ the Buyer's inability to complete ~~his~~ the contract, as provided above, the liability of the Buyer shall continue until the Seller, by the exercise of due diligence, can determine whether the Buyer has defaulted. In such case it shall then be the duty of the Seller, after giving notice to the Buyer to complete the contract, at once to: ...



ATTACHMENT 2

Feed Trade Rules

Rule 2. Brokers ...

(B) A person, firm, or electronic trading platform is not a broker:

- (1) who has possession and absolute control of merchandise shipped to ~~him~~ them to sell and collect the price. (Therefore, a commission merchant to whom feed is consigned for sale is not a broker.)
- (2) who receives a salary instead of a commission or brokerage.
- (3) who acts for one principal to the exclusion of all others.

(C) A broker has the power to bind ~~his~~ the principals only to the extent of ~~his~~ the broker's instructions. The principals are not liable for any acts of the broker in excess of such instructions.

(D) A broker who, in good faith or otherwise, exceeds ~~his~~ the broker's authority is liable for any resulting damages. ...

Rule 9. Routing of Rail Feed

(A) Feed that is sold delivered shall be deliverable via any railroad at the discretion of the Seller. If such shipments are routed by the Buyer, the carrier becomes the Buyer's agent, and the Seller's liability for routing ceases when ~~he~~ the Seller furnishes bill of lading in accordance with the Buyer's instructions. ...

Rule 14. Rail Demurrage and/or Additional Charges

The Seller shall be liable for any demurrage and/or additional charges accruing on feed billed to "shipper's order" or "delivery order" when such charges can be shown to have accrued by reason of the inability of the Buyer, through act of the Seller or ~~his~~ the Seller's agent, to get possession of the bill of lading and/or other documents necessary to furnish disposition and also providing Buyer notifies Seller on date of arrival that such documents are unavailable to Buyer.

Rule 17. Condition Guaranteed Upon Arrival ...

(C) ...

If the Buyer is unable to handle as requested, it shall be ~~his~~ the Buyer's duty to notify the Seller of this fact at the time ~~he~~ the Buyer notifies the Seller of the shipment's condition and the Seller shall dispose of the shipment and shall, at the Buyer's option, either cancel the affected portion of the contract or make a replacement shipment. ...

Rule 19. Default on the Shipping Schedule and/or the Contract Shipping Period

(A) Default by the Seller: When the Seller finds ~~that he is~~ the Seller to be in default on the shipping schedule, and/or the contract shipping period, ~~he~~ the Seller shall notify the Buyer at once by telephone confirmed by subsequent written communication.

Upon receipt of such notice, the Buyer shall, within twenty-four (24) hours thereafter, advise the Seller by telephone confirmed by subsequent written communication which of the following options ~~he~~ the Buyer elects to exercise: ...

If the Seller fails to notify the Buyer of ~~his~~ the Seller's default, the liability remains in force until the Buyer, by the exercise of due diligence, can determine whether the Seller has defaulted. The Buyer shall notify the Seller at once by telephone confirmed by subsequent written communication and within twenty-four (24) hours thereafter, advise the Seller by telephone confirmed by subsequent written communication, which of the options (1) or (2) or (3) above ~~he~~ the Buyer elects to exercise.

If the Seller defaults on the contract, ~~he~~ the Seller is liable for all reasonable costs and expenses as shall have been incurred to and including the day the Buyer elects one of the three options.

(B) Default by the Buyer: When the Buyer finds ~~that he is~~ the Buyer to be in default on the shipping schedule and/or the contract shipping period, ~~he~~ the Buyer shall notify the Seller at once by telephone confirmed by subsequent written communication.

Upon receipt of such notice, the Seller shall, within twenty-four (24) hours thereafter, advise the Buyer by telephone confirmed by subsequent written communication which of the following options ~~he~~ the Seller elects to exercise: ...



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If the Buyer fails to notify the Seller of his the Buyer's default, the liability remains in force until the Seller, by the exercise of due diligence, can determine whether the Buyer has defaulted. The Seller shall notify the Buyer at once by telephone confirmed by subsequent written communication and within twenty-four (24) hours thereafter, advise the Buyer by telephone confirmed by subsequent written communication which of the options (1) or (2) or (3) above he the Seller elects to exercise.

If the Buyer defaults on the contract he, the Buyer shall be liable for all the reasonable costs and expenses as shall have been incurred to and including the day the Seller elects one of the three options.

Rule 25. Drafts

(A) Margins

If sales are made on destination terms, the Seller shall leave ample margin in his the Seller's drafts to provide for possible variations in weights, grades or other quality factors.

(B) Overdrafts

If an overdraft has been made on a feed shipment, and has been discovered before the draft is paid, the Buyer shall elect either to pay the overdraft for account of the Seller, or to request the Seller to reduce his the Seller's draft to the proper amount. ...

Rule 26. Payment That Is Conditioned on Presentation of Original Drafts and/or Invoices ...

Sight drafts or invoices are subject to payment on presentation to the Buyer or his the Buyer's designated agent, when properly documented and substantiated by the original bill of lading, and/or delivery order and, if applicable, original weight and inspection certificate(s).

Barge Trade Rules

Rule 6. Weights ...

(F) In the event any portion of the barge cargo is not unloaded at the receiving elevator or at the receiving point, the unloading Buyer must notify his the Seller and the shipper within twenty-four (24) hours, or as soon thereafter as practicable.

Rule 12. Payment of Original Drafts and/or Invoices

Sight drafts or invoices are subject to payment on presentation to the Buyer or his the Buyer's designated agent, when properly documented and substantiated by the original bill of lading, a certificate of cargo insurance where applicable, and any other loading documents required by the contract.

Drafting or invoicing may be made with the type of inspection certificate stipulated in the contract. If a federal appeal inspection was requested and the federal appeal inspection does not meet the requirements of the contract, the Buyer may reject the application. If the Buyer has not paid the draft or invoice, he the Buyer may reject it. If the Buyer has paid the draft or invoice, the Seller shall reimburse the Buyer on demand for the full amount paid on the draft or invoice.

Barge Freight Trading Rules

Rule 3. Brokers ...

(B) A person, firm, or electronic trading platform is not a broker:

(1) who has possession and absolute control of merchandise shipped to him them to sell and collect the price. ...

(C) A broker has the power to bind his principals only to the extent of his-the broker's instructions. The principals are not liable for any acts of the broker in excess of such instructions.

(D) A broker who, in good faith or otherwise, exceeds his-the broker's authority is liable for any resulting damages. ...



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Rule 10. Release Instructions ...

(B) Notice of Release after Unloading:

- (1) The Consignee or ~~his~~ the Consignee's agent shall give the Barge Operator or ~~his~~ the Barge Operator's agent notice of release by telephone, confirmed to the Barge Operator in writing by the end of the next business day, when a barge is unloaded and ready to be picked up. In order to release a barge as of 0700 hours the barge must be unloaded prior to 0700 hours and notice of release be given by 1100 hours.
- (2) For Saturday, Sunday and legal holiday unloading, barges shall not be considered to be released unless:
 - (a) the Consignee or ~~his~~ the Consignee's agent gives the Barge Operator or ~~his~~ the Barge Operator's agent pre-advice on the preceding business day, or
 - (b) the Consignee or ~~his~~ the Consignee's agent contacts the Barge Operator or ~~his~~ the Barge Operator's agent by telephone on a Saturday, Sunday or legal holiday and releases the barge(s) by 1100 hours that day, confirmed to the Barge Operator in writing by the end of the next business day.

Rule 14. Failure to Perform

(A) Seller's Non-Performance

If the Seller finds ~~that he~~ the Seller will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Seller's duty at once to give notice of such fact to the Buyer by telephone confirmed by subsequent written communication. The Buyer shall then at once elect to: ...

(B) Buyer's Non-Performance

If the Buyer finds ~~that he~~ the Buyer will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Buyer's duty at once to give notice of such fact to the Seller by telephone confirmed by subsequent written communication. The Seller shall then at once elect to: ...

If the Buyer fails to notify the Seller of ~~his~~ the Buyer's inability to complete ~~his~~ the contract, as provided above, the liability of the Buyer shall continue until the Seller, by the exercise of due diligence, can determine whether the Buyer has defaulted. In such case it shall then be the duty of the Seller, after giving notice to the Buyer to complete the contract, at once to: ...

Secondary Rail Freight Trading Rules

Rule 2. Brokers ...

(B) A person, firm, or electronic trading platform is not a broker:

- (1) who has possession and absolute control of merchandise shipped to ~~him~~ them to sell and collect the price. ...
- (C) A broker has the power to bind ~~his~~ principals only to the extent of ~~his~~ the broker's instructions. The principals are not liable for any acts of the broker in excess of such instructions.
- (D) A broker who, in good faith or otherwise, exceeds ~~his~~ the broker's authority is liable for any resulting damages. ...

Rule 9. Failure to Perform

(A) Seller's Non-Performance

If the Seller finds ~~that he~~ the Seller will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Seller's duty at once to give notice of such fact to the Buyer by telephone confirmed by subsequent written communication. The Buyer shall then, at once elect either to: ...

If the Seller fails to notify the Buyer of ~~his~~ the Seller's inability to complete ~~his~~ the contract, as provided above, the liability of the Seller shall continue until the Buyer, by the exercise of due diligence, can determine whether the Seller has defaulted. In such case it shall then be the duty of the Buyer, after giving notice to the Seller to complete the contract, at once to: ...

(B) Buyer's Non-Performance

If the Buyer finds ~~that he~~ the Buyer will not be able to complete a contract within the contract specifications, it shall be ~~his~~ the Buyer's duty at once to give notice of such fact to the Seller by telephone confirmed by subsequent written communication. The Seller shall then, at once elect either to: ...



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If the Buyer fails to notify the Seller of ~~his-the Buyer's~~ inability to complete ~~his-the~~ contract, as provided above, the liability of the Buyer shall continue until the Seller, by the exercise of due diligence, can determine whether the Buyer has defaulted. In such case it shall then be the duty of the Seller, after giving notice to the Buyer to complete the contract, at once to: ...

Secondary Rail Freight Trading Rules Amendments – open outcry; business day

Rule 12. Definitions

(A) Business Day

~~(1) For the purpose of these rules, a “normal business day” shall be defined as the hours from 8 a.m. to 5 p.m. in Chicago, Illinois, USA excluding Saturday, Sunday and legal holidays when the Chicago Board of Trade open outcry as a full session.~~

~~(2) A “partial business day” shall be defined as the hours from 8 a.m. to 12 p.m. in Chicago, Illinois, USA, excluding Saturday, Sunday and legal holidays when the Chicago Board of Trade open outcry has a partial session.~~

~~(3) Wherever the term “holiday” or “legal holiday” appears in these rules, or in a contract, it shall mean those scheduled holidays observed by the Chicago Board of Trade, Chicago, Illinois, USA.~~

For the purpose of these rules, a “business day” shall be defined as the hours from 8 a.m. to 5 p.m. in Chicago, Illinois, USA excluding Saturday, Sunday and legal holidays. Wherever the term “holiday” or “legal holiday” appears in these rules, or in a contract, it shall mean those scheduled holidays observed by the Chicago Board of Trade, Chicago, Illinois, USA.

Rule 6. Advice of Schedules ...

(B) Application Process for Non-Shuttle Freight:

(1) The Buyer, by verbal communication, shall furnish car placement order information to the Seller no later than: 2 p.m.

~~(a) 2 p.m. on normal business days.~~

~~(b) 12 p.m. on partial business days.~~

~~(c) 2 p.m. on order deadline day.~~

Rail Arbitration Rules Amendments – increasing monetary cap on claims

Rail Arbitration Rule 2. Matters to be Arbitrated

(F) A party shall not be obligated to arbitrate claims seeking more than \$600,000 ~~\$400,000~~ per occurrence, exclusive of interest and legal costs. ...

NGFA Bylaws Amendments – elections; annual business meeting

Article IV. Membership Meetings and Action

Section A. Annual Meeting: The annual meeting of the Members of this corporation for the election and appointment of officers and directors, for a presentation on the activities and financial condition of the corporation by the President and Treasurer of the corporation, and for such other business as may properly come before the meeting, shall be held in a manner and at such place, date and time as may be determined by the corporation. ...

Section C. Notice of Meetings: Written notice, stating the manner, place, date, and time of the meeting shall be mailed or distributed by electronic means not less than 10 days nor more than 40 days before the date of the meeting to each Member qualified to vote. Notice of an annual meeting must include a description of any matter(s) to be considered at the meeting for which the Act requires Member approval. Notice of a special meeting must include a description of all matters for which the meeting is called.



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Article VI. Board of Directors

Section D. Board Composition, Election, and Terms of Office: (1) Elected Directors: Members eligible to vote shall elect 45 directors ("Elected Directors"). The term of office of Elected Directors shall be three years. An Elected Director may serve up to two consecutive terms. Thereafter, an Elected Director may be eligible for election to the Board after one year following the last term of elected service. Up to two (2) of the 45 Elected Directors may be the chief executive staff officers employed by Affiliated Association Members.

(2) Appointed Directors: Each Affiliated Association Member shall be eligible to appoint one director ("Appointed Directors") provided that each such appointee satisfies the requirements as specified in Section C of this Article, and provided that each Affiliated Association Member meets the requirements as fixed by the Board with respect to the right to make such appointment. ~~The Affiliated Association Member shall provide notice of such appointment at least ten (10) days prior to the annual meeting of Members.~~ Each Appointed Director shall serve at the discretion of the Affiliated Association Member that appointed such Appointed Director.

Section E. Regular Meetings: A regular meeting of the Board shall be held following the election of the Board ~~at the annual meeting of~~ by the Members, and no additional notice of the Board meeting shall be required. The Board may designate or provide by resolution the time and place for holding other regular meetings, without additional notice.

Section L. Vacancies: Any vacancy occurring in the Board because of the death, resignation, or disqualification of an Elected Director, may be filled by the appointment of a new director by the Chairman for the unexpired term. Any vacancy occurring in the Board because of an increase in the number of elected directors may be filled by appointment by the Chairman; such directors so appointed shall serve until the next annual ~~election by meeting of~~ the Members. Any vacancy occurring on the Board because of the death, resignation, or disqualification of an Appointed Director shall be filled by the Affiliated Association originally appointing said Appointed Director.

Article VII. Officers

Section C. Appointment of Certain Officers; Terms of Office: The President, the Secretary, and the Treasurer shall be appointed by the Board at the regular meeting of the Board following the annual ~~election of the Board by meeting of~~ the Members, and if not so appointed, then said officers shall be appointed by the Executive Committee. The Board and the Executive Committee have the right to appoint said officers for a period of more than one year but not more than three years.

Article IX. Committees

Section B. Arbitration Appeals Panel: (1) ~~Within 30 days following the close of the annual meeting of the Members,~~ ~~†~~The Chairman of the corporation shall appoint 12 persons who are officers, partners or employees of Members eligible to arbitrate disputes before the corporation, who shall serve ~~until the date of the next annual meeting,~~ as members of the arbitration appeals panel. The Chairman of the corporation shall also appoint from this panel a permanent chairman of the arbitration appeals panel.

Section C. Nominations Committee: At least ten days prior to ~~the election of the Board any annual meeting of the Members,~~ the Chairman of the corporation shall appoint a Nominations Committee, whose duty it shall be to recommend to the membership ~~at the annual meeting~~ the names of persons to be elected to office. The Chairman of the corporation shall designate one individual to serve as chair of the Committee.

Section D. Trade Rules Committee: The Chairman of the corporation shall appoint thirteen or more persons to serve on a Trade Rules Committee: at least three as a subcommittee on feed rules, at least three as a subcommittee on grain rules, at least three as a subcommittee on barge rules, at least three as a subcommittee on barge freight trading rules, and one as a chairman. It shall be the duty of this Committee to consider the Trade Rules, and proposals for changes in or additions to such Trade Rules, and to report its recommendations to the membership ~~at the annual meeting~~ or to the Board.

Article XVI. Amendments

Section A: These Bylaws, the Trade Rules and the Arbitration Rules may be amended (1) by a two-thirds vote of the Members ~~present at any annual meeting at in~~ which a quorum ~~participates is present;~~ or (2) by a two-thirds vote of the Board ~~present at a meeting at in~~ which a quorum ~~participates is present,~~ subject to ratification by two-thirds of the Members ~~present at the next annual meeting at in~~ which a quorum ~~participates is present.~~ Any amendments to be



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proposed to the membership at an annual meeting shall be sent in writing to each Member entitled to vote at least 30 days prior to such annual meeting.

NGFDS Bylaws Amendments – officer terms; quorum requirements

Section 4.08. Quorum of Directors and Action by the Board

Unless a greater proportion is required by law, one-third ~~a majority~~ of the Directors then in office shall constitute a quorum for the transaction of business. If a quorum is present at the commencement of a meeting, a quorum shall be deemed present throughout such proceedings. Except as otherwise provided by law or by the Articles of Incorporation or these Bylaws, the act of a majority of the Directors present at a meeting, ~~however, not less than five,~~ at which a quorum is present shall be the act of the Board.

Section 6.02. Term and Election of Officers

The Executive Director shall be the member of the Board employed by NGFA. The Chairman, ~~and the~~ Vice-Chairman, ~~shall be elected by the Board for one-year terms. The~~ Secretary and Treasurer shall be elected by the Board for two-year terms.

NGFA Financial Summary

NGFA's 2023/24 fiscal year runs from April 1, 2023, through March 31, 2024.

Revenue

2023/24 membership dues were budgeted at \$4,717,007 and were on pace to reach the target, but receipts fell in January 2024 when NGFA initiated a new payment system that requires a tutorial. NGFA staff continue to assist members with the new system, but delays could shift more dues collections to the 2024/25 fiscal year. As a result of the delays, NGFA has lowered its 2023/24 membership dues projection to \$4,500,000.

In anticipation of delayed dues carried over from the 2023/24 fiscal year, dues for 2024/25 are budgeted at \$4,815,000. In the fall of 2023, NGFA's Executive Committee opted to leave dues levels unchanged for the January 2024 and July 2024 dues invoicing but will reevaluate ahead of the January 2025 invoicing.

Conference income for 2023/24 is projected at \$530,186, slightly below the budget of \$544,528 due to a downtick in sponsorships, attendance, and trade show participation. Conference income for 2024/25 is budgeted at \$562,957, nearly mirroring the current year and adding in Trade Rules Seminar.

Arbitration income for 2023/24 is projected at \$591,000 and exceeds the \$290,000 budgeted income. Commodity prices trending downward are anticipated to lower arbitration income in 2024/25. Only three arbitration cases have been filed from January 1, 2024, through February 29, 2024. For 2024/25, arbitration income is budgeted at \$100,000, which is in line with historical levels for years with less volatile commodity prices where disputes occur less often.

Expenses

The professional services projection for 2023/24 is \$28,000 and \$201,000 is budgeted for 2024/25 to accommodate outsourcing of accounting and financial functions and a safety position. NGFA management's decision to outsource two full-time positions reduces salaries and other payroll expenses, but a cost-of-living adjustment for employees and replacing a part-time employee with a full-time employee leads to overall higher anticipated spending on employees in 2024/25. NGFA projects spending \$4,049,000 on salaries and other payroll expenses in 2023/24 and the 2024/25 budget is \$4,110,500.

Rent for NGFA's office space is projected at \$341,000 for 2023/24 and is budgeted at \$325,987 for 2024/25. In 2023/24, NGFA's landlord passed on two years of tax assessments and a higher allocation of taxes due to the building having higher vacancy than prior years. In 2024/25, NGFA should only have to pay one assessment for extra property tax and the landlord has increased the monthly escrow to cover expected assessments.

Legal fees for 2023/24 are projected at \$135,000 mostly for rail legal bills associated with Surface Transportation Board proceedings.

Information technology expenses for 2023/24 are projected at \$162,000 and include maintenance costs for a new database that will connect NGFA's data for membership, conferences, advocacy, and finances.

In 2023/24, a \$165,000 placeholder expense is recorded under the operating profit line for possible outcomes of one-time events related to Convey and employee benefit reconciliation.

Profit/Loss

For 2023/24, NGFA is projecting operating income of \$574,305 which is \$171,550 better than budget. Management stewardship kept major expense items below budgeted levels in conjunction with higher than expected arbitration income. For 2024/25, NGFA is budgeting a lower operating income of \$88,535 primarily due to management's estimates of reduced arbitration income.

Other Balance Sheet Items

As of January 31, 2024, NGFA has \$9,432,918 in long-term financial reserves. Over the past fiscal year, the long-term reserve has gained \$1,319,232. Most of the increase is due to unrealized gains and a transfer of \$500,000 in excess cash from NGFA operations.

NGFA has healthy operating balances with \$1,002,089 in its operating accounts and \$3,378,246 in its operating reserve. NGFA invests its operating reserves in certificates of deposit and U.S. Treasuries to capitalize on excess cash.

Deferred revenue in the amount of \$396,177 represents a healthy start to revenues projected for the annual meeting in March.

Deferred rent on the balance sheet reflects a rent credit for the NGFA office lease that expires April 30, 2028.

Net income of \$1,244,698 on the balance sheet represents all forms of income for NGFA, such as operating and the long-term reserve.

National Grain and Feed Association
Balance Sheet as of January 31, 2024

ASSETS

FVC Operating	319,174
FVC Sweep	615,759
Truist Operating	42,105
Paypal	25,052
Operating Reserve	3,378,246
Total Cash On Hand	4,380,335
Arbitration Escrow - 2882	405,176
Arbitration Escrow - 2963	337,657
Arbitration Escrow - 2982	2,114,769
Total Cash Held in Trust	2,857,602
Accounts Receivable	90,274
Prepays	116,857
Due To/From - Intercompany	(25,771)
Total Current Assets	7,419,297
Fixed Assets, Net of Depreciation	419,694
Long Term Reserve	9,432,918
Security Deposits	22,642
TOTAL ASSETS	17,294,551

LIABILITIES

Accounts Payable	158,466
Credit Cards	1,617
Accrued Expenses	178,563
Total Current Liabilities	338,646
Oral Arbitration - Awards in Trust	2,956,614
Payroll Liabilities	104,562
Vacation Liabilities	219,406
Deferred Convention Revenue	323,909
Deferred Sponsorship Revenue	72,268
Deferred Rent	681,087
Total Liabilities	4,696,492

EQUITY

Fund Balance	11,332,361
Net Income	1,244,698
Restricted Fund	21,000
Total Equity	12,598,059
TOTAL LIABILITIES AND EQUITY	17,294,551

NGFA Proposed Budget for 2024/25

NGFA Fiscal Year: April 1 - March 31

Revenue	2023/24 Projection	2023/24 Budget	2024/25 Budget
Membership Dues	4,500,000	4,717,007	4,815,000
Convention (Net)	281,925	281,925	280,147
Registration Income	566,825	566,825	675,750
Sponsorship Income	225,000	225,000	205,000
Expenses	-509,900	-509,900	-600,603
Country Elevator Conf. (Net)	219,693	238,535	200,564
Registration Income	417,425	420,500	420,375
Sponsorship Income	90,000	115,000	95,000
Expenses	-287,732	-296,965	-314,811
Convey (Net)	28,568	24,068	33,812
Registration Income	78,362	56,900	72,512
Sponsorship Income	1,000	10,000	12,500
Expenses	-50,794	-42,832	-51,200
Trade Rules Seminar (Net)	0	0	48,434
Registration Income	0	0	103,025
Sponsorship Income	0	0	50,000
Expenses	0	0	-104,591
Arbitration Income	591,000	290,000	100,000
Digital Solutions Income	50,000	50,000	50,000
Interest from Checking Account	10,000	NA	7,500
Other Income	12,119	8,720	8,000
Total Revenue	5,693,305	5,610,255	5,543,457

NGFA Proposed Budget for 2024/25

NGFA Fiscal Year: April 1 - March 31

<u>Expense</u>	2023/24 Projection	2023/24 Budget	2024/25 Budget
Salaries and Payroll Expenses	4,049,000	4,100,000	4,110,500
Professional Services	28,000	28,000	201,000
Legal	135,000	185,000	185,000
Public Relations	12,000	14,000	12,000
Communications	0	0	9,200
Rent & Occupancy	341,000	313,000	325,987
IT	162,000	175,500	155,620
Special Projects	65,000	71,000	75,000
Dues & Subscriptions	52,000	52,000	68,000
Administrative Expenses	26,000	31,000	31,000
Administrative Fees	8,000	8,000	34,000
Insurance	25,000	19,000	14,080
Business Taxes and Licenses	6,000	6,000	6,735
Travel	85,000	85,000	100,000
Meetings (Bd, Cmtes, Exec)	125,000	120,000	126,800
Total Expenses	5,119,000	5,207,500	5,454,922
 Operating Profit	 574,305	 402,755	 88,535

2023/24 operating profit does not include a \$165,000 placeholder for possible outcomes of one-time events related to Convey and employee benefit reconciliation. Subtracting the \$165,000 placeholder from the \$574,305 operating profit lowers the projection to \$409,305.

National Grain and Feed Association

Cash Flow Statement

April 1, 2023 - January 31, 2024

CASH FLOW FROM OPERATING ACTIVITIES	As of January 31, 2024
Net Income	1,244,698
Depreciation	68,749
Decrease in Accounts Receivable	124,820
Increase in Prepaids	(39,439)
Decrease In Intercompany Accounts	(19,052)
Decrease in Accounts Payable and Accrual	(1,455)
Decrease in Credit Card	(28,141)
Decrease in Payroll Liabilities (includes vacation liability)	(60,990)
Increase in Deferred Revenue	385,177
Increase in Arbitration Advances	10,788
Net Cash Provided by Operating Activities	1,685,155
CASH FLOW FROM INVESTING ACTIVITIES	
Increase in Capital Expenditures	(178,430)
Increase in Long Term Reserve Purchases	(1,319,232)
Net Cash Used by Investing Activities	(1,497,662)
Net Increase in Cash During Period	187,493
Operating Cash at Beginning of Year	3,404,564
Operating Reserve at Beginning of Year	788,278
Total Available Cash at Beginning of Year: April 1, 2023	4,192,842
Operating Cash at End of Period	1,002,089
Operating Reserve at End of Period	3,378,246
Total Available Cash at End of Period: January 31, 2024	4,380,335

Performance of Long-Term Reserves for the Association and Foundation

Market Value of NGFA Long-Term Reserves, 12/31/2023: \$9,381,244

Market Value of NGFF Reserves, 12/31/2023: \$1,126,113

1-year Returns

12/31/22-12/31/23	<u>Equities</u>	<u>Fixed Income</u>	<u>Cash/Cash Equiv.</u>	<u>Total Portfolio</u>
Association	22.9%	6.8%	1.8%	15.0%
Foundation	22.1%	6.6%	1.1%	13.7%
Indices	<u>Equity Benchmark</u>	<u>ICE BOA 1-5 Year</u>		
	21.2%	6.3%		

3-year Returns (Annualized)

12/31/20-12/31/23	<u>Equities</u>	<u>Fixed Income</u>	<u>Cash/Cash Equiv.</u>	<u>Total Portfolio</u>
Association	5.9%	-0.3%	0.7%	3.1%
Foundation	6.7%	-0.3%	0.4%	3.0%
Indices	<u>Equity Benchmark</u>	<u>ICE BOA 1-5 Year</u>		
	7.8%	-0.2%		

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 2023 to March 2024
Report to the NGFA Board of Directors
March 2024

I. Major Accomplishments

- Successfully fought for re-opening of rail crossings on US/Mexico border
- Continued positioning as the leader on agriculture transportation and waterways issues
- Continued participation with the Soy Transport Coalition as an ex-officio member of their board
- Clean audit issued for FY 22/23 in December
- Successfully completed Country Elevator Conference with largest attendance since 2017
- Nominations Committee work and board elections completed successfully
- Committees Review Task Force completed work and presented to Board in Sept.
 - All continuing, new, and restructured committees appointed and meeting at convention in Orlando
 - Additional aspects of approved plan will continue to be implemented over the coming year
- New class of CAPs appointed
- Meet with Mike held monthly and attendance holding steady
- Monthly meetings continued with state affiliates and continuing to try different days to determine best timing for largest number to join
- Participated in customer event with Norfolk Southern
- Participated in International Grain Trade Coalition meetings in Geneva
- Completed numerous interviews on NGFA priorities at National Association of Farm Broadcasters annual meeting
- Elected Chairman of the Ag. CEO Council by 24 other agriculture association CEOs

II. IT Functionality, Database & Upgrades

- New database and systems operating platform implemented and fully operational
 - Improved reports for year-to-year comparisons on dues, meeting revenues, etc.
 - Updates to programs, security, etc., throughout life of contract
 - Training and access to the program for all NGFA staff
 - New ways for member companies to interact with NGFA and track employees engaged with committees, e-mail lists, etc
- Installation of new server continues to be planned for 2024
 - Total equipment and labor costs approx. \$30,000

III. Employee Development

- Annual reviews completed for all staff members
 - Bonus timing will move in new fiscal year from December to March of each year to allow for more performance-based bonuses tied to annual goals/objective setting and annual review process

- Active shooter training completed in October for all team members via training session offered by building management company
- Several staff have completed or in process on trainings for specific job functions
 - Charlie completed management training program in the fall
- Reviewing training opportunities for the full team in 2024

IV. Staffing Updates

- Jess McCluer will become Senior Vice President Safety and Regulatory on April 1
- Trent Baker joined team in November as Manager, Systems and Office Operations reporting to Mary Hitchcock
- Amelia Fitzgerald joined team in March as Director, Marketing and Member Services reporting to Rebecca
- Visting with several consultants for potential policy representation to provide additional resources and help to lobbying and policy staff, following the highly successful model we have developed for safety programming
- Between the Fences, LLC hired to handle finances
- Tammy Elliot and Faith Silvers have departed NGFA to pursue new opportunities
- Todd Kemp retired on January 31 after 32 years of service

**NGFA Arbitration
Report to the Board of Directors
March 2024**

NGFA Arbitration case activity

For the year of 2023:

- NGFA Arbitration resolved over \$17.6 million in claims.
- 46 new cases were filed.
- Total dollar amounts claimed in these cases exceeded \$17.8 million.
- Individual claims ranged from \$4,341,033 to \$11,355, and the average claim amount was \$387,941.

Thus far, in 2024:

- Three new cases have been filed, representing a tapering off of new filings (compared to the historic-peak recent years) and return to levels of new filings not seen since 2017-2020.
- However, the cases filed during that historic peak are now at the most demanding stages (completing arguments; going before committees; decision-making; oral hearings; appeals).
- 18 pending cases involve oral hearings; four appeals have been filed.
- 25 cases have been assigned (or will be shortly) to arbitration committees.

Rules Amendments

In February, the NGFA membership ratified amendments previously approved by the Board at the recommendation of the Rail Arbitration Rules Committee. The pre-occurrence damages cap in the rules had been last increased from \$200,000 to \$400,000 in 2013. The Committee concluded grain and oilseed commodity prices had increased as had costs in general (30% per several indices); and adjusting the cap by 30% equals about \$520,000. Thus, the Committee proposed the following amendment increasing the cap to \$600,000 [*additions underlined; deletions stricken-through*]:

Rail Arbitration Rule 2. Matters to be Arbitrated

(F) A party shall not be obligated to arbitrate claims seeking more than \$600,000 ~~\$400,000~~ per occurrence, exclusive of interest and legal costs. ...

The amendment became effective on October 18, 2023, following the Board's approval in September, and it was ratified by the membership effective February 29, 2024.

Ongoing/future Arbitration-related activity

NGFA through the Arbitration Appeals Panel and Rail Arbitration Rules Committee continues to address topics impacting the rules and administration of the Arbitration System, including:

Contracts unsigned/lacking arbitration clauses: On issues concerning enforceability of arbitration and issuing default judgments when contracts are unsigned or lack arbitration provisions – NGFA remains cautious on communicating in these areas (to not encourage those wishing to skirt contractual obligations and take advantage of any ambiguity) but also encourages arbitration users about the value of signed contracts with arbitration clauses.

Consolidating cases: Given the overall increased caseload, including numerous similar cases involving the same parties, NGFA continues to value the efficiency and consistency of results of grouping cases together based upon similarity, compatibility, common parties and attorneys, etc.

Adding parties or claims after the case is filed: Given recent issues and increasing complexity in the current caseload involving the introduction of crossclaims, counterclaims and third-party claims among original and new parties, the Panel has decided to provide with clarity for these different types of claims in the rules and likely the arbitration services contract. The Panel intends to have amendments to propose to the Board for its approval later this year.

Oral hearings: Based upon experiences in which one or both parties become non-responsive and non-cooperative after a hearing was requested, including apparently with the intent to delay an arbitration, the Panel has decided to clarify in the rules that NGFA has some authority and discretion to deny or cancel a hearing so it may proceed with a case in an appropriate fashion. The Panel intends to present an amendment to the Board for its approval later this year.

Awarding of interest: Given some confusion about arbitrators' discretion on awarding interest in cases, the Panel is discussing adding clarity to the rules and intends to propose amendments to the Board for its approval later this year.

Arbitrator Guidelines: The Panel continues to review the guidelines for arbitrators that are distributed to arbitration committees at the outset of each case.

“Fast-Track” NGFA Arbitration: The Panel is discussing the concept of an alternative process for NGFA Arbitration with various possible features, including: 1) required consent of both parties; 2) fewer written arguments (one per side); 3) limits on lengths of arguments (excluding exhibits); 4) no extensions on filing deadlines; 5) no oral hearings; 6) simplified ruling (not detailed decision); 7) one arbitrator (not three); 8) no right to appeal within NGFA; 9) expectation of prompt decision (x days) by the arbitrator; and 10) possible expectation that arbitrators would be from Appeals Panel or equivalent.



Barge Digital Transformation (BDT) Project Report to the Board of Directors March 2024

National Grain and Feed Digital Solutions (NGFDS) – the separate corporation formed to administer the Barge Digital Transformation (BDT) platform – continues to serve the industry in this massive effort to provide a digital alternative to the time-consuming, inefficient, and costly delays inherent in the paperwork-intensive processes formerly common in the barge trade. The BDT platform officially launched for southbound corn on the Mississippi in November 2020 – after two years of prototyping, testing, and development with the tech provider essDOCS. The platform started with corn in 2020 and expanded to include all target commodities in 2021. The platform further expanded to include non-GMO soybeans and corn in January 2022.

Select activities since the last report to the NGFA Board

- NGFDS is planning its second in-person meeting of directors and officers in conjunction with the March 2024 NGFA Annual Convention in Orlando, Florida. It's first such in-person meeting was in conjunction with last year's NGFA Annual Convention. NGFDS directors and officers also meet remotely on a quarterly basis, including most recently on January 16, 2024.
- Amendments to NGFDS Bylaws: The NGFDS Board had voted to amend the NGFDS bylaws: 1) to extend the terms of the chair and vice chair to two years to align them with the terms for directors and other officers; and 2) to allow for a quorum of 1/3 for meetings of directors (at the recommendation of outside legal counsel to address continuing challenges in securing a quorum for meetings). Pursuant to the NGFDS Bylaws, the NGFA Board also approves amendments to NGFDS Bylaws. Therefore, the amendments were proposed to and approved by the NGFA Board in September 2023.

Ongoing and future activities

- General promotion, education, and outreach efforts continue in full swing, particularly including recruiting efforts heavily targeting the DDGS sector to facilitate the movement of DDGS through the system.
- NGFDS is discussing and coordinating with NGFA's Grain Grades and Weights Committee about what FGIS is currently doing with certificates and inspection data and the potential for integrating this digitally with the BDT system.
- Extensive work is underway on platform improvements and enhancements, involving the specially assigned task force, essDOCS and the NGFDS directors and officers toward a consensus moving through the identified priority tasks. After a thorough review of NGFDS's current financials and projections, the NGFDS Board has allocated funds for these efforts. The first round of improvements and enhancements were released in October 2023. The NGFDS Board has identified a second round of improvements and enhancements and expects work to begin on those this spring.

- NGFDS is in discussions with essDOCS regarding the terms of the contract that governs administration of the platform, which is due for renewal in October 2024.
- NGFDS has a current balance of \$148,647.06. Transactional volumes are steady and financial projections are positive. In addition to continuing to serve the industry by providing the BDT platform, NGFDS in December 2023 (for the third year in a row) paid to NGFA the annual administrative fee of \$50,000.
- Currently serving on the NGFDS Board are Julie Bradford (ADM); Steve Burbrink (CGB); Charlie Delacruz (NGFA); Jordan Garcia (Zen-Noh); John Kopina (Louis Dreyfus); Andrew Luttrell (Ingram Barge); Rich McCarty (ACBL); Steve Oberlander (CHS); Tyler Rongitsch (Cargill) and Jessica Stephan (Bunge). Currently serving as NGFDS's officers are Steve Oberlander, Chairman; John Kopina, Vice Chairman; Brittany Batz, Project Manager; Charlie Delacruz, Executive Director; and Mary Hitchcock, Secretary-Treasurer.
- We have 69 companies signed up for the BDT platform (52 shippers, 17 barge Lines). Five companies (4 shippers, 1 barge line) are newly signed up since our last report to the Board [*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. | COFCO International Grains US LLC | COFCO Growmark LLC | Consolidated Grain and Barge Co. | 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. | 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 | Viterra USA Ag Holdings, LLC | Viterra 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 2024

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.

II. Committee Activities:

A. Farm Bill: With divided chambers, and divisions in the Republican party—especially among House Republicans—getting anything passed this Congress has proven exceptionally difficult. As of the time we are writing this report, none of the 12 Appropriations bills for FY24 (which started last September) have passed Congress. Last fall, the 2018 Farm Bill was extended by one year (until Sept. 30, 2024), to allow Congress more time to work on the next package. Since that time, several suggested timelines have come and gone. Most recently, Senate Ag Committee Chairwoman Debbie Stabenow (D-Mich.) indicated she would not support a new Farm Bill if it included cuts to the climate-smart conservation funding in the Inflation Reduction Act, or the Supplemental Nutrition Assistance Program. Chairwoman Stabenow will retire at the end of 2024, so this announcement could suggest the Farm Bill will be punted to the next Congress.

Farm Bill Principles and Related Marker Bills: At its March 2023 meeting, the ITAP Committee agreed on the following principles for the next Farm Bill:

- *Crop insurance should be preserved as a primary risk management tool.*
- *Commodity programs should be market driven and not influence planting decisions.*
- *Funding authorizations for the Market Access Program should be increased to help build commercial export markets for U.S. agricultural products and commodities.*
- *Congress should increase investments in working lands conservation programs and ensure the U.S. Department of Agriculture (USDA) prioritizes EQIP and CSP.*
- *USDA conservation programs should target the most environmentally sensitive portions of farms.*
- *The Conservation Reserve Program (CRP) acreage cap should not be increased from 27 million acres.*
- *Congress should build on the positive CRP rental rate reforms in the 2018 farm bill to prevent the federal government from competing against socially disadvantaged and beginning farmers for land.*

- *The underutilized Transition Incentives Program (TIP) which transitions expiring CRP acres to beginning or socially disadvantaged farmers should be improved.*

To this end, there are several “marker bills” that NGFA is supporting for inclusion in the next Farm Bill. They are:

- The CRP Reform Act of 2023 (S. 1509)
- The Agricultural Export Promotion Act of 2023 (H.R. 648)
- The Expanding Agricultural Exports Act (S. 176)

B. Other Legislative Opportunities: With the creation of the new Ag Policy and Legislative Affairs Committee, new opportunities for committee engagement have arisen. While the policy direction remains in the appropriate policy committee, here is a summary of legislative engagement to promote those policies:

- **Government Funding:** We continue to advocate for the passage of appropriations bills that are supportive of our industry. We are working specifically with the subcommittees with jurisdiction over the Army Corps of Engineers to ensure adequate funding for inland waterway projects and to prevent language or funding for studies that would result in the closure of the locks and dams Lower Snake River (directed by Waterborne Commerce Subcommittee). We are also working to include language that stresses the importance of rail crossings to agricultural products and encourages Customs and Border Protection to consider alternatives to closing rail crossings when staffing shortages arise (directed by the Rail Subcommittee).
- **Innovative FEED:** We continue to look for legislative pathways for the Innovative FEED Act, which will establish a new category of animal food additives to cover ingredients that provide animal health, food safety or production benefits (directed by the Feed Committee).

C. Committee Fly-In: The NGFA Washington Fly-In will be held June 4-5, 2024. More information to come, following the NGFA Board of Directors meeting.

III. Issues for Discussion/Input:

- Are there trade or agricultural policies that are harming the industry of which the industry should be aware?
- A number of key Congressional leaders are retiring at the end of 2024. Which future leaders should NGFA be building relationships with this year?
- What other engagement opportunities exist for the new committee?

Business, Merchandising and Operations Committee
Report to the NGFA Board of Directors
March 2024

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 will help identify program topics and speakers for the Dec. 10-12, 2024, conference at the Sheraton Kansas City Hotel.
- B. Summer Fly-in:** In June, the committee will hold a committee meeting at NGFA’s Arlington, Virginia office and will meet with federal agency officials and 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).

III. Issues for Discussion/Input:

1. What types of Country Elevator Conference presentations and program format would provide the greatest benefit to your employees?
2. What issues affecting industry managers should the committee address?

IV. Other Actions:

The committee and NGFA staff also were engaged in the following activities during the September 2023 – March 2024 period:

- A.** The committee advised the NGFA Rail Shipper/Receiver Committee on rail service challenges and proposed rail policy.

- B.** The committee advised the NGFA Risk Management Committee on potential impacts of the federal banking regulators' proposal to increase capital reserve requirements on futures commission merchants.

- C.** The committee proposed and was authorized to change its name from the Country Elevator Committee to the Business, Merchandising and Operations Committee. The committee also updated its mission statement to focus more on the business interests of grain merchandising and handling.

Communications, Marketing and Membership Report to the NGFA Board of Directors March 2024

I. Communications

Email: In February 2024, NGFA began using MailChimp to send emails to NGFA members and external contacts with access to open and click rate data. Analytics data for the emails sent in January and February show an open rate of 42 percent and a click rate of 4.7 percent, which are both higher than the industry average for associations according to Higher Logic reports on email benchmarks.

Website: NGFA changed its website platform in January 2024. According to Google Analytics, the NGFA website had fewer users and views in the Oct 1, 2023-Feb. 29, 2024, period than the same period last year Oct. 1, 2022-Feb. 28, 2023. (16K users this year compared to 21K users last year). However, in the past 90 days (Dec. 1, 2023-Feb. 29, 2024), users have increased 490% compared to the previous 90 days due to convention registration and CAP applications.

Social Media: NGFA has three social media platforms: Twitter, LinkedIn and Facebook. In April 2023, NGFA began a subscription with Hootsuite, a social media monitoring tool. Available Hootsuite data suggest that between Oct. 1, 2023-Feb. 28, 2024 compared to the same period the previous year, page and profile reach and impressions grew among all social media platforms. Post reach decreased compared to the previous while post impressions grew, suggesting that the same users are viewing NGFA posts multiple times. Posts with the highest engagement rates include content related to the Grain and Feed Photo Contest and CEC sponsors on Facebook; the Eagle Pass rail crossing closure, NGFA annual convention registration and CAP applications on Twitter; and CEC speaker live photo updates and NAEGA's new CEO on LinkedIn.

Press: NGFA began a subscription to Critical Mention, a news monitoring service and journalist database, in June 2022. Between Oct. 1, 2023-Feb. 29, 2024, mentions of the NGFA in online and print publications peaked dramatically during the Texas rail crossing closures in December. A full analysis of NGFA coverage during this period in online publications, television and radio is available in this document.

Communications Survey: NGFA launched a project with Roots & Legacies in January 2024 to conduct an NGFA Communications Discovery and Analysis. The Communications, Marketing and Membership Committee will assess the results of an open-ended "Phase I" survey sent to a small group of NGFA leaders in February 2024. The committee will serve as the task force to help create and publicize a survey for all NGFA members to be completed by May 2024.

II. Marketing

Communications, Marketing and Membership (CMM) committee: The CMM committee met for the first time this year at convention, after being formed as part of the committee task force restructuring. The committee is chaired by Kelly Buchanan, Founder of Oak Valley Concepts, located in Covington, LA. NGFA staff members Rebecca Grubbs, Sarah Gonzalez and Amelia Fitzgerald are co-staff liaisons. The first committee meeting focused on the communications survey detailed in the communications section above.

CEC 2023: CEC 2023 was attended by 406 registered attendees, the largest number of attendees in at least 10 years. The strength of the program contributed to the increased attendee number, which helped mitigate the loss of revenue associated with a smaller trade show; the 2023 trade show featured 68 exhibitors, the smallest number in at least 10 years. Of the exhibitors who participated in 2022 but not 2023, 86% also dropped their NGFA membership in that timeframe. Despite this, improvements to the trade show layout yielded positive comments from the exhibitors in attendance and generated enthusiasm for next year. Ultimately the event netted \$219,693, approximately \$19k under budget.

CAP Class of '24-'25: NGFA in February welcomed 39 participants to the Committee Apprentice Program, the 11th group of CAPs to participate. The '24-'25 class officially began their CAP year here at convention and will conclude their year at next year's convention. In between they will attend the NGFA Summer Fly-In in Washington, DC in June and participate actively in their assigned committee's business.

128th Annual Convention: At the time of writing, convention was tracking to be on target financially, despite a reduction in attendance and sponsorships. The financials were helped by three factors: an increase in non-member attendees, an increase in Ag Village exhibitors and booth staff, and an increase in attendees registering after the early bird deadline. This last factor was also observed in the CEC 2023 registration pattern and reflects a trend that is being observed nation-wide. Final convention financials will be presented at the September board meeting in Colorado Springs, CO.

Upcoming Meetings & Events: Registration for the Trade Rules Seminar opened on March 5th. The Seminar this year will be held at the Hilton St. Louis Ballpark in St. Louis, MO on May 8 & 9.

NGFA's Summer Legislative Fly In will take place June 4 & 5 in Washington, DC. Information will be made available in early April.

CONVEY24 will be held July 24 – 26 in Omaha, NE at the Hilton Omaha. NGFA hosts CONVEY jointly with GEAPS and GEAPS Media. Registration will open late April.

Save the date for Harvest Safety Week 2024, to be held the week of August 19. During Harvest Safety Week NGFA each day sends timely harvest safety resources to its members and affiliates via email, webinar, social media, and other platforms.

Save the date for the 2024 September Board of Directors Meeting, to be held Monday September 9 at The Broadmoor in Colorado Springs, CO. More details will be made available in early summer.

III. **Membership Recruiting and Retention**

NGFA on March 4 welcomed Amelia Fitzgerald to the team; Amelia is the association's new Director of Marketing and Member Services. Amelia takes over primary membership duties from Todd Kemp, most recently NGFA's Executive Director of Membership, who retired Feb.1 after 32 years with NGFA.

Convention 2024 concludes the '23-'24 membership recruiting year. Since September '23, 22 new-member firms have joined the association. They are:

Active member:

1. Atlantic Trade & Grain
2. Dakota Access
3. Delta Diamond Ag LLC
4. Eagle Railcar
5. Guardian Energy Hankinson
6. Horizon Resources
7. Mozza Foods
8. North Dakota Soybean Processers
9. POET*
10. Scranton Equity Exchange
11. Stag Securities
12. Tyrosi LLC
13. Valero Grain Marketing LLC
14. Valero Marketing & Supply Co.

**POET consolidated their membership and added an additional entity, which updated their dues payment.*

Associate member:

1. Cadaro Inc.
2. Charm Sciences
3. FOSS North America
4. Oak Alley Concepts
5. One Degree Ag,
6. Soles Enterprises
7. SonicAire
8. Washington State Dept. of Ag

Transportation member:

1. Van-G Logistics

Membership has several goals for the '24-'25 membership year. New-member recruiting will continue to be focused on Active-type high-priority targets, with particular emphasis placed on the growing soyoil processing sector and on southeastern rail shippers/receivers who benefit from NGFA's representation on rail policy. Staff also plan to engage NGFA leadership in discussions about potential untapped sectors that could provide new recruiting opportunities.

Additionally, the membership team will take steps to strengthen connections with existing members who pay more than \$10k/year in dues and those who are not actively engaged with the association beyond writing their membership check. This will be accomplished through an association-wide membership marketing campaign and targeted communications with the companies in question.

Feed Legislative and Regulatory Affairs Committee

Report to NGFA Board of Directors

March 2024

I. Key Issues

- A. FDA Issues
- B. AAFCO Initiatives

II. Committee Activities

A. FDA Issues

- **FDA Animal Food Ingredient Approvals with Certain Claims:** In an action consistent with recommendations made by NGFA, the U.S. Food and Drug Administration (FDA) announced on Feb. 2 that it will withdraw [Policy & Procedures Manual \(PPM\) 1240.3605, Regulating Animal Foods with Drug Claims](#) to facilitate animal and veterinary product advancement, and to encourage the development of safe, novel products for unmet human and animal needs. By withdrawing the policy, FDA will allow nutritive substances with scientifically substantiated claims related to animal production to gain approval through animal food recognition processes, rather than the burdensome animal drug approval process.

Meanwhile, NGFA continues to seek passage within Congress of the bipartisan Innovative Feed Enhancement and Economic Development (Innovative FEED) Act ([H.R.6687](#) and [S. 1842](#)) that would create a new regulatory approval pathway for substances added to animal food or drinking water that affect the microbiome of the animal, influence the byproducts of the digestive process, or reduce pathogens in human food products derived from the animal.

- **Role of Grain, Feed as Vectors for Foreign Animal Diseases, ASF Virus:** NGFA continues to participate as a member of the [U.S. Swine Health Improvement Plan](#) (US SHIP) Feed Biosecurity Working Group. US SHIP is a U.S. Department of Agriculture (USDA) Veterinary Services sponsored collaborative effort involving industry, state and federal partners organized to develop voluntary standards to mitigate risks of introducing swine diseases into the United States and to provide a practical means for demonstrating evidence of freedom from disease in support of ongoing trade.

The Feed Biosecurity Working Group currently is conducting a pilot program to explore the feasibility of establishing a Safe Feed Import Program for ingredients sourced from African Swine Fever (ASF)/Classical Swine Fever (CSF)-virus endemic regions to minimize the risk of potential viruses that may be present in products. The proposed Safe Feed Import Program would create a rating system for ingredients based on certain criteria, including traceability, biosecurity at the country of origin, biosecurity upon arrival, and ingredient quarantine. The pilot program currently is solely focused on packaged feed ingredients, but there is significant interest in expanding the program to include bulk products.

In addition, the Working Group is developing recommendations about what “feed-immediate” actions should be taken in the event of an ASF/CSF outbreak in the U.S. The task force will consider actions related to swine feeders, feed bins, trucks, feed mills, feed formulas, and feed/feed ingredient supplier warehouses.

- **Future FDA Rulemakings and Guidance:** Anticipated FDA policy actions for 2024 include: 1) changes to certain customer assurance provisions within the Food Safety Modernization Act

(FSMA)-related human and animal food rules; 2) proposed revisions to FDA’s definition for “farm”; 3) final guidance associated with human food by-products used as animal food; 4) new mycotoxin regulatory guidance for zearalenone; and 5) guidance on production claims for nutritive animal foods. FDA’s rulemaking associated with the farm definition is particularly significant because operations that meet the definition are exempt from many of FDA’s regulations. According to the current Unified Agenda of Regulatory and Deregulatory Actions, FDA was slated to initiate rulemaking on the farm definition in February, but that has yet to happen.

B. AAFCO Initiatives

- **AAFCO Midyear Meeting:** Members of the Committee and NGFA staff serve as industry advisers to the Association of American Feed Control Officials (AAFCO) and participated within the AAFCO 2024 Midyear Meeting conducted on Jan. 23-25 in Chattanooga, Tenn. AAFCO’s actions are significant because most states adopt AAFCO model regulations and policies within their commercial feed regulatory frameworks. Among the topics addressed during the meeting were:
 - **Hemp Seed Meal:** The Ingredient Definition Committee during the meeting approved a new tentative definition for Hemp Seed Meal, Mechanical Extracted for use in diets of laying hens as a source of protein and fat at an inclusion of no more than 20 percent of the diet. This action represents the first step for approval of a hemp-derived feed ingredient by AAFCO.
 - **Feed Lot Numbers:** The Model Bills and Regulations Committee considered proposed regulations that would establish requirements to include a “lot identifier” on the labels, invoices or other documents accompanying commercial feeds in distribution to facilitate recalls and accurate tracing of the manufacturing and distribution history of the product. The new model regulations will be further considered within AAFCO before final adoption.
- **Pet Food Regulatory Oversight:** Legislation drafted by the Pet Food Institute (PFI) was introduced in the House ([H.R. 7380](#)) on Feb. 15 that would federalize regulatory oversight of dog and cat food products, and prohibit any State from directly or indirectly enforcing any authority or requirements related to marketing or labeling of such products. Currently, regulatory oversight of dog and cat food products (and animal feed) is primarily conducted by state departments of agriculture and offices of the state chemist. The major reasons stated by PFI for seeking the legislation are to: 1) eliminate inconsistencies in how individual states regulate products; and 2) codify and provide a legal basis for making certain marketing claims, such as “human grade” and “natural.”

III. Issues for Discussion

- Are there other FSMA-related issues or federal/state feed issues NGFA should address?
- Should NGFA be involved in other activities to address the potential for foreign animal diseases, such as ASF virus, entering the United States?

IV. Other Actions

The Committee and NGFA staff were engaged in the following during Sept. 2023 through March 2024:

- Meeting of the Codex Committee on Residues of Veterinary Drugs in Foods.
- Monthly meetings of the Food Industry Codex Coalition.
- Quarterly meetings of FDA’s Partnership for Food Protection Stakeholder Forum.
- Meetings of the Animal Agriculture Coalition that supports federal funding of animal agriculture research, education, and biosecurity needs, and reviews pertinent legislative and regulatory proposals.

Feed Manufacturing and Technology Committee

Report to NGFA Board of Directors

March 2024

I. Key Issues

- A. Feed Education and Training
- B. Feed Manufacturing and Technology

II. Committee Activities

A. Feed Education and Training:

- **Preventive Controls for Animal Food Course:** NGFA partners with Kansas State University to deliver the Food Safety Preventive Controls Alliance (FSPCA) Preventive Controls for Animal Food Course to industry representatives and regulatory officials to educate attendees about animal food safety requirements established by the Food Safety Modernization Act (FSMA). In addition, the course provides accredited training on the application of hazard analysis and critical control point (HACCP) principles within the feed industry. NGFA conducted its third course during 2023 on Nov. 14-16 in Manhattan, Kan. Three courses are scheduled for 2024: April 9-11, Aug. 27-29, and Nov. 5-7. Registration information is available on [NGFA's website](#).
- **NGFA Feed Distance Learning Courses:** As recommended by the Committee, NGFA in March launched five feed distance learning courses that address animal food safety and operations issues. Each course is 100 percent on-line, self-paced, interactive, and accessible at any time. The courses address: 1) medicated feed current good manufacturing practices (CGMPs); 2) FSMA-related animal food CGMPs; 3) FSMA-related animal food hazard analysis and preventive controls; 4) FSMA-related sanitary transportation requirements; and 5) feed pelleting operations. More information about the courses is available within the [Training](#) section of NGFA's website.
- **Involvement with FSPCA:** Senior Vice President David Fairfield serves on the FSPCA Executive Advisory Board (EAB) that recommends governance, policy, and strategic direction to support the Alliance's mission to develop curricula, and training and outreach programs to assist in FSMA compliance. Fairfield currently is leading a work group charged with revising the FSPCA animal food curriculum used for preventive controls qualified individual training.
- **NGFA Guidance on Regulatory Issues:** With Committee input, NGFA in January updated written resources available on [NGFA's website](#) to assist the grain and feed industry in understanding and complying with FDA requirements. Among others, topics addressed by the resources include: 1) rights and obligations during FDA

inspections; 2) controlling mycotoxin risk in animal food; 3) foreign animal disease prevention, preparedness and response; 4) testing animal feeds for *Salmonella*; 5) animal food ingredients and supplier selection; 6) FDA regulations applicable to the grain, feed, and processing industry; 7) summary of FDA's sanitary transportation requirements; and 8) FDA qualified individual training.

B. Feed Manufacturing and Technology Issues

- **Interaction with Universities on Feed-Related Education and Research:** On Nov. 13, NGFA met with staff from K-State's Grain Science Department and IGP Institute to discuss feed education and research needs.

On Jan. 5, NGFA participated in an advisory board meeting of Iowa State University's Iowa Grain Qualitive Initiative (IGQI). IGQI is a grain quality and processing research and information program that addresses grain production and processing topics. The advisory board provides recommendations for IGQI projects, as well as activities associated with the university's new feed mill and grain science complex, which was dedicated on Sept. 8. 2023.

III. Issues for Discussion

- Are there other feed-related training/education needs for which NGFA should consider developing materials?
- Are there other general feed industry training/education issues/initiatives that NGFA should consider addressing and/or monitoring?
- Are there other feed manufacturing/technology activities being undertaken by other entities in which NGFA should engage and/or monitor?

IV. Other Actions

The Committee and NGFA staff were also engaged in the following activities during the Sept. 2023 through March 2024 time period:

- Interacted with FDA on its mycotoxin compliance expectations.
- Participated in discussions within the Animal Agriculture Alliance related to animal rights and welfare, and consumer choice issues.
- Provided input to the Feed Legislative and Regulatory Affairs Committee to develop NGFA's recommendations on feed regulatory policy options.

Grain, Grades and Weights Committee

Report to the Board of Directors

March 2024

I. Key Issues:

- FGIS User Fees Increase
- Grain Grading Technology Automation
- APHIS Karnal Bunt Program
- FDA Reconditioning

II. Committee Activities:

- A. FGIS User Fees Increase:** FGIS ended FY23 with an Operating Reserve (OR) deficit of a little over \$500,000 where the operating expenses exceeded revenue by almost \$3.5 million. The original projection for the OR deficit at the end of August was almost \$4.5 million. However, AMS provided \$1.9 million in emergency funding and FGIS was able to allocate \$2 million in appropriated funds to the OR. Moving forward in FY24, FGIS planned to keep the operating expenses at FY22 levels and will increase the hourly contract rate from \$39.20 to \$60.

According to FGIS Deputy Administrator Arthur Neal it does not appear that the full fee increase will take place immediately. FGIS will be publishing an annual user fee adjustment in the *Federal Register* by the end of February/early March. This will be a 5% increase in fees, rather than the much larger increase they were originally proposing. After they publish the *Federal Register* notice on the annual fee adjustment, FGIS plans to publish an interim final rule to raise the fees to make up the difference. The interim final rule process will likely take several months to complete. While this will give industry a short-term reprieve on large user fee increases, a smaller-than-expected adjustment coupled with a projected decrease in export inspections will more than likely leave FGIS in debt for the second year in a row. NGFA and NAEGA are working with the FGIS to address the regulatory constraints on managing and adjusting fees in a more market-responsive manner, and will seek a solution that allows FGIS to remain viable while delivering service in a cost-effective manner.

- B. Grain Grading Technology Automation:** The NGFA and NAEGA created a task force to develop an agenda and facilitate a meeting with representatives from the grain handling, officially designated and delegated inspection agencies, grain grading equipment manufacturers and the FGIS to have an open discussion on the needs of the industry in technology, including what is currently being used and what needs to be created or modified to improve grading efficiency.

On Feb. 7 more than thirty representatives – both in-person and virtual and nationally and internationally– met at the Cargill office in Wayzata, Minn for a productive discussion and exchange of information. On Feb. 8 the NGFA-NAEGA task force met and identified the short, intermediate and long-term goals for recommendation to the NGFA Grain Grades and Weights and NAEGA Grades and Inspection Committee for their consideration.

- C. U.S. Karnal Bunt Program:** APHIS updated the wheat value chain, including NGFA, NAEGA, North American Millers Association and US Wheat Associates on the planned changes to the program buffer area in Arizona.

APHIS is planning to reduce the three-mile buffer area around Karnal bunt-positive fields to 0.2 miles based on an analysis completed by the agency. They determined that a reduced buffer distance of 0.2 miles will provide the desired level of phytosanitary protection from Karnal bunt. Since 2004, the regulated acres have decreased 94 percent. From an export standpoint, the only country that is actively monitoring the issue is the EU.

APHIS will continue with their National Survey Program that will impact domestic grain handling facilities. Specifically, 350 counties in 29 states participate and members will still be asked to provide samples for this study even though Karnal bunt has not been identified in their state/area since the issue began in the 1990s. APHIS stated the reason for the survey in low-risk areas is that grain could be potentially co-mingled with grain from high-risk Karnal bunt areas. NGFA has repeatedly asked APHIS to prioritize the survey in high-risk areas. At this point, it does not appear the National Survey will cease until there is no longer any Karnal bunt regulated acreage.

- D. FDA Reconditioning:** NGFA has been working to schedule a meeting with the FDA national office to discuss the significant delays that grain export facilities in the New Orleans area have experienced over the past several months regarding reconditioning plans after the FGIS has determined that the grain, e.g., corn, wheat or soybean is a Distinct Low Quality due animal excreta, e.g., deer droppings.

FGIS has also been having meetings with FDA to update and revise the FGIS/FDA MOU to allow pre-approved reconditioning plans for lots/sublots of grain that are found actionable for specific conditions. Unfortunately, FDA has not been very responsive in scheduling a meeting at the national level to discuss improving communication with the regional/local offices to expedite the reconditioning approval process and to make sure the regional/local offices have a better understanding of what the issue is when a request for the reconditioning of bulk commodity grain, determined to be DLQ, is made at an export facility.

NGFA is continuing to reach out to Capitol Hill staff in order to provide them an overview of the issue and to expedite the process in scheduling a meeting with the agency to further discuss.

III. Issues for Discussion:

- A.** For elevators operating in the interior market, has FGIS been responsive to your request to: 1) revert to the use of your previous Official inspection agency; and/or 2) use a different domestic Official designated agency if your facility is not receiving timely service from its incumbent agency? What experiences, pro and con, are you having with Official agencies at either export elevators or domestic facilities?
- B.** Are there further suggestions on issues that should be addressed with FGIS?

IV. Other Actions:

The committee and NGFA staff also were engaged in the following activities from September 2023 – March 2024:

- Conducted a Regional NGFA/NAEGA Industry Workshop on Oct. 12 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 30 people attended the event.
- Met with AMS Administrator, Deputy Administrator and FGIS Deputy Administrator to discuss user fees and technology automation on Oct. 30.
- Attended the invitation-only Technology Innovation conference, Nov. 8-9 in Lubbock, TX that was hosted by the Agricultural Marketing Service (AMS) and Texas Tech University’s College of Agricultural Sciences and Natural Resources. During the event representatives from USDA, academia, agriculture and the technology industry discussed challenges, opportunities and ways to collaborate in order to improve accurate, consistent and timely grading and auditing services in the changing marketplace.

Risk Management Committee
Report to the NGFA Board of Directors
March 2024

I. Key Issues:

- Engage with the futures exchanges on risk management products.
- Engage with the Commodity Futures Trading Commission (CFTC) through meetings with staff and commissioners and by submitting comments on rulemakings.

II. Committee Activities:

- A. CFTC Commissioners:** CFTC has all five commissioner slots filled. CFTC Commissioner Rostin (Russ) Behnam was confirmed as Chairman in January 2022. On March 28, 2022, the U.S. Senate confirmed Kristin Johnson and Christy Goldsmith Romero to fill Democratic seats and Caroline Pham and Summer Mersinger to fill Republican seats. Over the past two years this committee has met in person or virtually with all commissioners
- B. CME Group Implementation of Contract Changes:** The CME Group’s current policy on contract change implementation is to exclude existing contracts containing “significant” open interest. This can result in a multi-year delay in the implementation of contract changes. Recently, CME Group has expressed receptivity to ideas on implementing contract changes sooner.
- C. Kansas City Wheat Contract Review:** The CME Group continues a review of its Kansas City wheat contract with feedback from individual customers and NGFA. Potential changes include adjustments to storage rates, shuttle train execution, and additional delivery locations.
- D. Corn Contract Review:** The CME Group is beginning a review of its corn contract and loadout rates are the only discussion point we have learned of at this point.
- E. Digital Asset Legislation:** The Risk Management Committee is monitoring and ensuring digital asset legislation does not negatively impact agricultural markets.
- F. Commitments of Traders Reports:** The Risk Management Committee met with CFTC and the Senate and House Agriculture Committees to discuss NGFA’s request for CFTC to more frequently publish commitments of traders’ (COT) reports and to reduce the lag time between data collection and reporting. CFTC staff said manual data cleaning is prohibiting CFTC from changing its current COT publishing process. CFTC is proposing an update to the format for clearing members to transmit large trader reports to streamline

its process. NGFA submitted comments supporting CFTC's update that will make it possible for more timely and frequent COT reports.

G. 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.

III. Issue for Discussion Input:

1. What risk management issues are you experiencing?
2. Are there items not in this report that you feel this committee should investigate?

IV. Other Actions:

The Risk Management Committee and NGFA staff also were engaged in the following activities during the September 2023 – March 2024 period:

- A. Monthly check-in calls with CME Group.
- B. Monitoring CFTC announcements of violations and fines and the reasons they happened.
- C. Monitoring CME Group's implementation of SPAN 2 margin framework.

Safety, Health, and Environmental Quality Committee

Report to the Board of Directors

March 2024

I. Key Issues:

- Joe Mlynek – Safety Consulting Services for NGFA
- Heat Injury and Illness Small Business Review Panel
- Union Walkaround Proposed Rule
- OSHA Warehousing and Distribution Center National Emphasis Program

II. Committee Activities:

A. Joe Mlynek – Safety Consulting Services for NGFA: NGFA formally converted the safety training and education role to a consultant position and signed a contract with Progressive Safety Services, LLC that is operated by Joe Mlynek who also serves as President. Joe works with [Safety Made Simple](#), too. As part of the agreement, Progressive Safety Services, LLC will work with NGFA to conduct the following:

- Review and update safety sheets and programs available to members;
- Create new training materials, e.g., tip sheets, guidance document, and videos;
- Work with NGFA to provide several safety webinars to members each year; and
- Assist with regional safety seminars as needed.

Joe has already completed review of the e-recordkeeping guidance document since OSHA has recently revised the standard; is scheduled to provide three webinars in 2024 and is in the process of updating NGFA's Safety and Health manual.

B. Heat Injury and Illness Small Business Review Panel: OSHA is in the process of finalizing a proposed rule on Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings. NGFA submitted comments to OSHA on Oct. 3 reiterating opposition to any broad federal regulation on heat.

Brian Corderman, Farmers Coop in Alva, Okla., who is a member of NGFA's Safety, Health and Environmental Quality Committee participated as a small entity representative (SER) on the Sept. 12 Small Business Advocacy Review panel, consisting of officials from the agency, the U.S. Small Business Administration's (SBA) chief counsel for advocacy and the Office of Management and Budget's Office of Information and Regulatory Affairs. When an OSHA proposal is expected to have a significant impact on a number of small entities, the agency must notify the SBA's Office of Advocacy, which then recommends that SERs be consulted on the rule and its effects.

Specifically, NGFA is opposed to the creation of one-size-fits-all federal regulation. The

Association's primary concern with the proposed rulemaking on heat injury and illness prevention is that it will place an undue regulatory burden on grain handling facilities in both indirect (employee time) and direct costs (equipment) and additional paperwork requirements. Some examples include: 1) additional paperwork burdens related to monitoring and recording the proposed initial heat (80°) or high heat index (87°) in numerous locations throughout a facility both indoor and outdoor; 2) retrofitting facilities and purchasing new equipment related to ventilation and thermometer measurement (wet bulb) in outdoor environments; and 3) acclimation and employee training, preparedness and equipment, to name a few. In addition, OSHA does not specifically identify what is defined as "indoor" and/or "outdoor;" therefore, it is difficult to determine what should be done in each circumstance to address the issue.

The NGFA encouraged OSHA to consider the recommendations of the SERs and not burden facilities with a one-size-fits-all standard that is overly complicated and lacks the necessary flexibility for employers to determine and implement appropriate controls to protect their employees.

- C. Union Walkaround Proposed Rule:** In comments submitted Nov. 13 to OSHA, the NGFA joined a coalition of agriculture and business groups to urge OSHA to withdraw a proposal that would expand access for third parties to participate as employee representatives in OSHA inspections.

OSHA issued the Notice of Proposed Rulemaking (NPRM) for a "Worker Walkaround Representative Designation" rule on Aug. 30. Among other issues, the proposed rule would open the door to union representatives at non-union workplaces if an OSHA Compliance Safety and Health Officer (CSHO) determined the third party would positively impact the inspection. This would include environmental activists, anti-fossil fuel activists, plaintiffs' attorneys, or anyone else with an agenda against the employer.

However, the NPRM includes no guidance on how CHSOs should determine who qualifies as the "authorized representative" of the employees, or what to do when competing third parties claim interests in an inspection.

In its comments, the coalition noted that the proposal would violate several laws, including the OSH Act, the National Labor Relations Act, and the Fourth Amendment.

The new regulation also does not limit how many employee representatives could be included in an OSHA inspection. Because this regulation is highly desired by the administration's union supporters, this regulation is expected to be finalized quickly and issued sometime this spring. On February 9, it went to the White House office in charge of reviewing regulations.

- D. Warehousing and Distribution Center National Emphasis Program (NEP):** NGFA conducted a virtual meeting with senior OSHA staff including Manday Evans, Deputy

Assistant Secretary and Kim Stille, Director, Directorate of Enforcement Programs to discuss OSHA's inclusion of NAICS 493130 (Farm Product Warehousing and Storage) in the Warehousing and Distribution Center NEP that went into effect in July 2023. Prior to the call there were several recent instances of CSHOs trying to apply the NEP at traditional grain elevator facilities, presumably confusing those worksites as being under 493130 and other instances where part of the facility may be a farm product storage facility, but the NEP inspection has been expanded to the grain elevator portion of the facility, e.g. flat storage structures.

During the call, we highlighted that grain handling facilities are a different kind of operation than all of the other industry sectors covered by the Warehouses NEP. It involves little, if any, PIT operations, no storage racks, no picking and packaging, no conveyor operations. It is generally just large ground grain piles. It seems out of place among the covered NAICS codes. It is also worth noting that the Grain Handling Standard Regional Emphasis Programs and Local Emphasis Programs also already include NAICS 493130.

At the end of the discussion, we asked OSHA to reconsider the inclusion of the Farm Product Warehousing and Storage NAICS in the NEP, either now or when the agency assesses the effectiveness of the NEP after a year, as called for by the NEP's Directive. OSHA's response was that the points we raised about grain handling facilities were valid and that they would take them into consideration when they begin reviewing the results of the inspection data from the NEP to determine if the NEP needs to be modified, as part of the NEP's annual review. Since the inspection part of the NEP only began a few weeks ago, it could be several months before OSHA begins the review process.

III. Issues for Discussion:

- A.** What suggestions do you have for additional regulatory or enforcement topics that NGFA should address with OSHA and/or EPA?
- B.** Has participation in the Alliance with OSHA been beneficial to NGFA and industry, and what other safety initiatives should be considered under the Alliance umbrella?
- C.** What additional specific areas of safety training and education should NGFA pursue to further enhance workplace safety within the grain, feed, processing, and export industry? What are your most pressing safety education and training needs? Have you used with your employees – and do you find value in – the new workplace safety videos and Safety Tip Sheets being produced by NGFA?

IV. Other Actions:

The committee and NGFA staff also were engaged in the following activities during the September 2023– March 2024 period:

- The NGFA partnered with the following organizations to conduct a one-day Regulatory Compliance Seminar:
 - California Grain and Feed Association on October 26 in Fresno, Calif.
 - Montana Grain Elevator Association on January 23 in Great Falls, Mont.
 - North Dakota Grain Dealers Association on March 12 in Fargo, ND.

- Safety, Health, and Environmental Quality Committee held an in-person meeting on February 15-16 at the CGB office in St. Louis, Mo.

- Attended in-person NFPA 660 *Standard for Combustible Dusts* committee meeting on Feb. 20-22 in Tempe, Ariz.

- Attended in-person *NFPA 660 Agricultural Dust Section/Standard for Combustible Dusts* meeting on March 7-8 in Tampa, Fla.

- The NGFA provided in person and virtual updates on OSHA priorities in the Biden Administration for the following:
 - MABA/MGEA Annual Meeting on Jan. 24 in Great Falls.
 - GEAPS Exchange, Feb. 27 in Kansas City, Mo.

Climate Change and Sustainability Task Force Report to NGFA Board of Directors March 2024

I. Key Issues

- A. Addressing Climate Policy Initiatives
- B. Engaging in Relevant Sustainability Forums
- C. Transitioning from a Task Force to Committee Status

II. Task Force Activities

A. Climate Policy

- **SEC Proposed Climate-Related Disclosure Rule:** The U.S. Security and Exchange Commission (SEC) in 2022 issued a [proposed rule](#) that would require SEC-registered companies to provide certain climate-related information in their registration statements and annual reports. In response, NGFA submitted comments to SEC raising significant concerns about how proposed Scope 3 greenhouse gas (GHG) emissions reporting requirements within the proposed rule could affect value chain participants of SEC-registered companies. According to the current Unified Agenda of Regulatory and Deregulatory Actions, SEC is slated to take final action on the proposal by April 2024, however federal agencies often do not meet proposed timelines. The proposed rule has faced significant pushback from industry, Republicans and some Democrats since introduced. It is widely anticipated that if the final rule requires Scope 3 emissions reporting, the regulations will be legally challenged. In addition, Congress could attempt to use the appropriations process to limit application of the regulations if made final.
- **National Strategy to Advance an Integrated U.S. Greenhouse Gas Measurement, Monitoring, and Information System:** The Office of Management and Budget, the White House Office of Science and Technology Policy, and White House Office of Domestic Climate Policy on Nov. 29 released the [National Strategy to Advance an Integrated U.S. Greenhouse Gas Measurement, Monitoring, and Information System](#), intended to enhance coordination and integration of greenhouse gas measurement, monitoring, and information efforts across the Federal government. The Strategy represents collective input received through stakeholder interactions and requests for information, including the solicitation for comment on the U.S. Department of Agriculture's (USDA) draft federal strategy released on July 12 to advance GHG measurement and monitoring for the agriculture and forest sectors. For agriculture sectors, the Strategy focuses on nitrous oxide emissions from the management of agricultural soils and methane emissions from enteric fermentation and manure management, and includes supporting tasks associated with livestock management practices and establishing an agricultural soil carbon monitoring network.
- **USDA Assessment on Agriculture and Forestry in Carbon Markets:** USDA on Oct. 23 released a [comprehensive assessment](#) related to current carbon market activity, barriers to participation, and opportunities to improve access to carbon markets for farmers and forest landowners. The report was the first of USDA's deliverables under the NGFA-supported Growing Climate Solutions Act (GCSA), which was signed into law on Dec. 29, 2022. GCSA required the report to inform USDA's future determination as to whether to establish the Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program, which would facilitate technical assistance to producers interested in participating in carbon markets,

as well as a process to register market verifiers.

- **USDA Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program:** USDA on Feb. 27 issued a [report](#) to justify establishing the Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program. Through the Program, USDA will: 1) recognize protocols related to voluntary carbon markets; 2) provide information on qualified Technical Assistance Providers; and 3) list qualified Third-Party Verifiers, who can assess whether carbon projects correctly follow recognized carbon-related protocols. USDA will work towards formal establishment of the program in 2024.
- **USDA Partnerships for Climate-Smart Commodities:** In 2022, USDA announced it would invest up to \$3.1 billion in 141 selected pilot projects to expand markets for U.S. climate-smart commodities, leverage the GHG benefits of climate-smart commodity production, and provide direct, meaningful benefits to production agriculture. As of March 1, USDA had [approved 133 projects](#) involving 102 commodities in 55 states and territories. Projects are scheduled to last between one to five years.
- **Food and Agriculture Climate Alliance:** NGFA is a general member of the [Food and Agriculture Climate Alliance](#) (FACA). FACA consists of more than 80 organizations representing farmers, ranchers, forest owners, agribusinesses, manufacturers, the food and innovation sector, state governments, and environmental advocates. FACA conducts monthly calls for information sharing and has been engaged in reviewing and providing recommendations related to climate-related policies associated with the Farm Bill, food loss and waste reduction, and the Commodity Futures Trading Commission’s draft guidance regarding the listing for trading of voluntary carbon credit derivative contracts.

B. Sustainability Forums

- **Field to Market:** NGFA in April 2023 joined [Field to Market: The Alliance for Sustainable Agriculture](#), an agricultural multi-sector initiative working to support resilient ecosystems and enhance farmer livelihoods. Field to Market activities include: 1) convening stakeholders across the food and agriculture value chain to establish and evaluate sustainability metrics; 2) entering into strategic partnerships with other entities, such as SAI Platform, The Sustainability Consortium, and Ecosystem Services Market Consortium; and 3) hosting, in conjunction with the Innovation Center for U.S. Dairy, an annual Sustainable Agriculture Summit. NGFA participated in Field to Market’s Plenary and General Assembly Meeting and Sustainable Agriculture Summit held on Dec. 5-7 in Charlotte, NC.

C. Transition of Task Force to Committee Status

Pursuant to the approval by the Board of Directors of recommendations made by the NGFA Committee Structure Task Force, the Climate Change and Sustainability Task Force has transitioned to become the NGFA Sustainability Committee. Immediate priorities of the new committee will be to formalize its purpose statement, identify the scope of issues to be addressed, and develop a recommended sustainability communication strategy.

III. Issues for Discussion

- Are there other climate-related policy issues in which NGFA should engage?
- What types of sustainability-related information should NGFA consider communicating to its members?

Transportation and Logistics Committee
Report to the NGFA Board of Directors
March 2024

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 regularly engage with Class I carriers, STB and Congress on the need for sustained, reliable rail service.
- B. STB:** In November 2023, Marty Oberman announced his intention to step down from the STB Chairmanship in 2024, although he left the precise timing open ended. Upon Chairman Oberman providing a date for his retirement, NGFA plans to endorse Robert Primus to succeed to chairman. NGFA is supporting Patrick Fuchs' effort to be confirmed for a second term on the Board.
- C. Rail Safety:** The Senate Commerce Committee passed a rail safety bill following a train derailment near East Palestine, Ohio in February 2023 that drew national attention. The derailed equipment included 11 tank cars carrying hazardous materials that subsequently ignited. The bill 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 bill. Thus far, a full Senate vote on the bill has not occurred, and the House Transportation and Infrastructure Committee has not yet considered rail safety legislation. The National Transportation Safety Board is holding a meeting on June 25, 2024, during which it is expected to vote on the final findings, probable cause and recommendations.
- 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.
- E. Emergency Service Orders:** STB released a final rule supported by NGFA in January 2024 which removes the requirement that a shipper's petition for alternative rail service contains a commitment from another available railroad, shortens the petition process for

emergency service orders, and continues the policy of not prohibiting relief to contract traffic.

- F. 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. STB rejected petitions from CN, UP, CSX and NS to stay its rules until district court challenges are completed. To help STB defend the rules, NGFA has filed with the district courts to preserve its right to submit an intervenor’s brief if the court asks for it, and to participate in oral arguments if NGFA requests and the court allows it. No substantial actions have been taken in the district courts yet.
- G. Reciprocal Switching Proceeding:** After 12 years of gathering input on ways to increase rail-on-rail competition via reciprocal switching, the Board released a revised proposal in September 2023 that abandons the concept of creating competition and instead focuses on rail service to determine if switches will be allowed, i.e., if a carrier falls below a STB determined service threshold, then shippers/receivers within a terminal area can petition STB to grant a switching opportunity for 2-4 years. NGFA submitted comments on the revised proposal and provided ideas on how to make it more workable and recommended the Board incorporate competition-enhancing concepts.
- H. Acquisition:** In late 2023, the Canadian National Railway contracted to acquire the Iowa Northern (CN) Railway and is seeking STB approval. On February 27, 2024, NGFA submitted its first round of comments and asked the Board to consider the acquisition as a significant transaction, which carries with it the highest level of regulatory scrutiny that can be applied to a merger involving a short line. NGFA also asked STB to use the highest level of regulatory scrutiny when Canadian Pacific Railway and CN submitted their KCS merger applications in 2021. STB decided on February 29, 2024, to evaluate the CN acquisition of Iowa Northern as a minor transaction. In its decision, STB said it can place conditions on the merger even though it’s classified as a minor transaction. NGFA has until April 1 to submit comments on what kind of conditions NGFA members would like placed on the acquisition.
- I. Private Railcar Proceeding:** NGFA and other petitioners submitted comments requesting STB to create incentives for rail carriers to efficiently use private railcars. NGFA argued that STB regulation has not kept pace with the changeover in railcar ownership.
- J. 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.

III. Issue for Discussion/Input:

1. What are your primary problems with rail freight and how can NGFA help?

IV. Other Actions:

The Rail Shipper/Receiver Subcommittee and NGFA staff also were engaged in the following activities during the September 2023 – March 2024 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.

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. 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.

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:** The Motor Carrier Subcommittee is evaluating a Department of Labor rule released in January 2024 that forces employers to consider contractors as employees when they are economically dependent on a company.
- D. **Lawsuits:** The Motor Carrier Subcommittee 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:** The Motor Carrier Subcommittee is monitoring a bill in the House called the Fair Compensation for Truck Crash Victims Act that would increase the minimum liability insurance requirements for interstate motor carriers from \$750,000 to \$5 million.

III. Issues for Discussion/Input:

1. Are you able to hire/retain enough drivers?
2. What other trucking issues are you experiencing?

IV. Other Actions:

The Motor Carrier Subcommittee and NGFA staff also were engaged in the following activities during the September 2023 – March 2024 period:

- A.** The National Transportation Safety Board has called for the Federal Motor Carrier Safety Administration (FMCSA) to study the prevalence of fatigue for drivers operating under the agricultural exemption to the hours-of-service rules. NGFA is engaging with FMCSA on the importance of the hours-of-service exemption for ag haulers.

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.
- Advocate for the Water Resources and Development Act of 2024 (WRDA) to continue to provide federal funding of inland waterways projects identified in the Infrastructure Investment and Jobs Act (IIJA) to keep U.S. agriculture competitive in the global market.

II. Subcommittee Activities

- A. Snake River Dams:** On December 15, 2023, the White House Council on Environmental Quality announced a plan to restore salmon populations in the Columbia River basin, which includes studies into the possibility of removing the Snake River basin's four dams. The plan represents a settlement in the latest legal action trying to remove the dams to purportedly increase salmon returns in the river.

The studies outlined in the agreement still need to be authorized and funded by Congress, as would eventual removal of the dams. NGFA and its allies are educating lawmakers about the impact removing the dams would have on the agriculture industry in the United States and urging them to not include studies concerning the dams in upcoming policy or funding bills such as WRDA or the Energy & Water Development Appropriations bills. Our collective efforts have resulted in several congressional oversight hearings on the issue in recent months.

- B. Appropriations:** At the time of this report, Congress has not passed any 2024 appropriations bills, but “mini-bus” bills (bills that package several appropriations bills together) are scheduled to be on the floor the weeks of March 4 and 18. At the same time, appropriations committees are gearing up to begin drafting the 2025 bills. President Biden’s State of the Union Address is scheduled for March 7 and the FY25 budget request is expected to be released on March 11 (though these dates could slip if there is a government shutdown). The release of the President’s FY25 budget request will start the appropriations process. We will closely watch the development of appropriations bills for both funding and policy riders that address the Lower Snake River Dams.

- C. WRDA:** NGFA's Water Resources Development Act (WRDA) 2024 request is to adhere to congressional intent by providing 100% federal funding for the construction and major rehabilitation projects considered funded to completion in the IJA. We understand the Senate Environment and Public Works Committee will mark up WRDA 2024 in April, the House will mark up its version in May, and a final bill will be considered in September.

III. Issues for Discussion/Input

- Apart from preserving the Snake River Dams, what other priorities should NGFA pursue in the FY2025 Appropriations bills?

Trade and Crop Technology Committee

Report to NGFA Board of Directors

March 2024

I. Key Issues:

- Based on a recommendation from the Committee Task Force, that was approved by the Board in September 2023, the Crop Technology committee and the International Trade/Ag Policy committee were disbanded and replaced by a new **Trade and Crop Technology Committee**, which has a **Trade Subcommittee** and a **Crop Technology Subcommittee**.
- **Matt O'Mara**, Senior Director, International Government Relations at ADM is serving as the Trade and Crop Technology chairman. **Augusto Bassanini**, President and CEO at United Grain Corp. is serving as the Trade Sub-committee chairman and **Andrew Utterback**, Global Lead for Sustainable and Regenerative Agriculture at Ingredion is serving as the Crop Technology Sub-committee chairman. Jess McCluer will serve as the principal NGFA staff liaison to the full committee and each sub-committee.

II. Committee Activities:

- A. Meeting with U.S. Trade Representative (USTR) Ambassador:** NGFA attended an in-person meeting with USTR Ambassador Katherine Tai and senior USTR staff along with several representatives from the agricultural, chemical, and manufacturing industries to discuss international trade issues. Ambassador Tai spoke to the group for over an hour and provided a detailed update on President Biden's November meeting with Chinese President Xi Jinping as well as several other industry specific trade issues related to either the EU or the WTO. Ambassador Tai noted that the supply chain and market access has been volatile and unpredictable over the last several years due to COVID, regional conflicts and digital transformation, e.g., A.I.

Ambassador Tai noted that China is our most important trading partner and there are many challenges that have yet to be addressed due to a lack of communication because of COVID and leadership changes in the Chinese government. She also said that the controversial weather balloons that were sighted over U.S. military bases in 2023 caused delays in addressing important issues. Ambassador Tai said that U.S. agriculture is productive and strong and that diversified supply chains will build further confidence in the U.S. economy. Representatives from the ag industry highlighted the importance of better access to international markets due to a more competitive global marketplace and the projected decrease in exports of U.S. grains and oilseeds in the coming year.

- B. Trade and Crop Technology Meeting:** NGFA hosted a meeting with representatives from fourteen trade associations in the corn, soybean, and wheat value chains to discuss NGFA's new committee on Trade and Crop Technology. The discussion was used to help craft the agenda for the committee's kick-off meeting at the NGFA annual conference in March. Topics included: China's most favored nation trade status and WTO enforcement of agreements; EU deforestation, sustainability, and gene editing regulations; EPA-FDA-USDA *Coordinated Framework for Biotechnology Regulatory Approval*; Mexico non-

GMO corn and trade disruption at Eagle Pass; domestic and international stewardship programs; pesticides and MRLs; and the status of Bioceres HB4® GMO wheat trait.

- C. APHIS Grain Sector Meeting:** NGFA attended the annual APHIS Grain Sector meeting where senior leadership from the agency provided an update on the status of important sanitary/phytosanitary topics for grain and oilseed stakeholders. Representatives from NAEGA, U.S. Soybean Export Council, American Soybean Association, National Association of Wheat Growers and U.S. Wheat Associates also attended. Domestic and international issues discussed included: status of potential changes to *Coordinated Framework for the Regulation of Biotechnology* and various U.S. grain exports to South and Southeast Asia: Vietnam: Dried distillers grains (DDGs), soybeans, and wheat (weed seed concerns); Thailand: DDGs, corn, and sorghum (new market access); and India: Sorghum (new market access). Other topics included: ephyto certificates, Japan's new requirements on fumigation documentation and the phytosanitary certificate requirements and the ongoing discussions with China on various issues.

III. Other Activities:

The committee and NGFA staff also were engaged in the following activities from September 2023 – March 2024:

- The committee is continuing to monitor the status of Mexico's decree calling for a phase out of the use of GM Corn (and glyphosate) for human consumption by participating in meetings with other producer and agribusiness groups to discuss strategy and next steps.
 - In early February, a tentative schedule was published for the USMCA dispute in which the United States is challenging Mexico's ban on genetically engineered corn. Hearings should take place in June with a final report issued in November.
- NGFA presented to the American Seed Trade Association's (ASTA) Plant Breeding Innovation Committee at their annual meeting, Dec. 11 in Orlando, Fla. The presentation focused on NGFA's new Trade and Crop Technology committee, NGFA's biotechnology policy and the concerns and priorities of the commodity value chain.
- NGFA participated in a panel discussion with representatives from ASTA and CropLife America during a meeting of the ASA's working group on innovation and marketing, Jan. 24 in Arlington, Va. The discussion focused on seed innovation and the needs of the grain industry in the global market.
- In January, NGFA along with several other agribusiness and producer groups met with staff from the House Ways and Means Committee's Trade subcommittee to discuss several policy recommendations that were part of a [report](#) released by the House Select Committee on Communist China back in December. The group specifically highlighted the serious repercussions on the ag economy and exports if China's permanent normal trade status is revoked.

Trade Rules Committee

Report to the Board of Directors

March 2024

Amendments to the Trade Rules

On February 29, the NGFA membership ratified extensive amendments to the Trade Rules in two areas. These amendments were approved previously by the NGFA Board of Directors based upon the recommendations of the Trade Rules Committee.

■ **Degenderizing of the Rules**

The Trade Rules Committee completed a review of the rules to remove gender-specific terms and references (i.e., he/him/his) and developed an extensive set of amendments that applied to numerous provisions throughout each subset of the Trade Rules.

■ **Open Outcry; Business Day – Secondary Rail Freight Trading Rules**

Based upon the findings of the task force that monitors this subset of rules, the committee concluded that references to “open outcry” sessions at the CBOT and “normal” business days and “full” sessions versus “partial” business days and sessions were outdated. The committee also determined that Secondary Rail Freight Trading Rules 6 and 12 should mirror the terms in Grain Trade Rule 30(A) and Feed Trade Rule 28(A).

Other Trade Rules-Related Activities

■ **Fertilizer Trading Rules**

Last year, the committee conducted a review at the request of an NGFA member about the potential for NGFA to develop trading rules for fertilizer. A primary question was whether this area involved a sufficient nexus and a good fit for NGFA and the NGFA Trade Rules. There were reservations about expanding NGFA’s trading rules into this area and a particular concern about obtaining buy-in from all sectors in this trade. The consensus of the committee determined the idea was worth considering, but that first NGFA’s leadership consider the broader implications of NGFA expanding its reach to fertilizer. The NGFA Board was subsequently informed and consulted on the topic, and the NGFA Executive Committee discussed it at length. Their consensus was that the concept involved going too far outside of NGFA’s “footprint,” particularly given the time and resources that would be involved.

■ **Trade Rules and Arbitration Seminar**

NGFA’s biennial Trade Rules and Arbitration Seminar is scheduled for May 8-9, 2024, in St. Louis. The program is designed to build upon the structure and approach relied upon in previous years while always looking for possible improvements and enhancements.

■ **Barge Digital Transformation (BDT) Platform**

NGFA maintains a task force to address issues related to BDT within the structure of the Trade Rules Committee. This is largely the working group which helped develop the platform for day-to-day usage and drafted the set of “BDT: Best Practices.” This group is currently focused upon prioritizing new development and enhancements for the platform.

■ **Opening of the Mid-Mississippi**

Last year, pursuant to NGFA Barge Freight Trading Rule 18(J), the special three-person committee officially declared the opening of the Mid-Mississippi River for navigation as of 7 a.m. on March 7, after the *MV Dennis T Delaney* reached Dubuque at 12:45 p.m. on March 6, with at least one empty dry cargo covered barge suitable for loading. Serving on the committee are Jeff Webb, Chair (Cargill); Jamie Clendenin (Viserion) and Matt Tomayko (Ingram Barge). Expectations are the opening this year will occur prior to NGFA’s March 2024 annual convention, but as of the writing of this report, no further details are known.

■ **Feed Trade Rule 19 / Grain Trade Rule 28**

The committee has decided to consider harmonizing the wording and formatting of Grain Trade Rule 28 [Failure to Perform] and Feed Trade Rule 19 [Default on the Shipping Schedule and/or the Contracting Shipping Period], and the committee has requested that the Feed Trade Rules Subcommittee conduct an initial review of the matter. That subcommittee met earlier this year and its findings will be discussed with the full committee when it meets during the NGFA convention.

■ **Secondary Rail Freight Trading Rules**

Earlier this year, the task force monitoring this subset of rules met with 21-member company representatives in attendance. This task force was assembled following NGFA’s creation of this subset of the rules in 2007. During the meeting, the group noted no major issues or concerns specifically arising out of the secondary rail freight trading sector or this subset of the rules. The task force’s findings will be discussed with the full committee when it meets in conjunction with the NGFA annual convention.

■ **Containers Trading Rules**

The task force that reviews the rules for issues related to container trading also met earlier this year. The group’s meeting included 10-member company representatives participating. No issues or concerns were reported, and it was noted that the new rules were helpful and valuable to the trade. These findings will be discussed with the full committee when it meets in conjunction with the NGFA annual convention.

■ **Web-Based Rules Programming**

In 2022, the online program featuring the Feed Trade Rules was launched and the program featuring the Grain Trade Rules, which was originally launched in 2017, was updated. The Feed Trade Rules program is currently experiencing technical issues, but registrations continue at a steady pace for the Grain Trade Rules program.



	JAN. EXECUTIVE COMMITTEE	MARCH ANNUAL CONVENTION	MAY TRADE RULES SEMINAR	JUNE FLY IN CAP/CE/EC/ITAP	JULY CONVEY	SEPTEMBER BOARD MEETING	DEC. COUNTRY ELEVATOR CONFERENCE
2024	Royal Palms Phoenix, AZ (T) Jan. 9 \$449++	Omni Orlando Championsgate Orlando, FL (Su-T) March 17-19 \$289++	Hilton St. Louis Ballpark St. Louis, MO (W-Th) May 8-9 \$189++	Hilton Arlinton National Landing Arlington, VA (T-Th) June 4 & 5 \$229++	Hilton Omaha Omaha, NE (W-Th) Jul. 24-25 \$165++	The Broadmoor Colorado Springs, CO (M-Tu) Sept. 9 & 10 \$345++	Sheraton KC Crown Center Kansas City, MO (T-Th) Dec. 10-12 \$144
2025	Fairmont Tremblant Quebec, Canada (T) Jan. 7 \$379++ CAD	Omni La Costa Carlsbad, CA (Su-T) March 9-11 \$349++	N/A	TBD EC to Denver	TBD	Ritz-Carlton Pentagon City Arlington, VA (M-W) Sept. 8 - 10 \$339++	JW Indianapolis Indianapolis, IN (Su-T) Dec. 7-9 \$185
2026	TBD	Grand Hyatt Nashville Nasville, TN (Su-T) March 22-24 \$339++	Kansas City, MO	Arlington, VA (TBA Jan. '26)	TBD	TBD	Union Station Hotel St. St. Louis, MO (T-Th) Dec. 8-10 \$165
2027	TBD	Grand Hyatt San Antonio San Antonio, TX (Su-T) March 7-9 \$299++	N/A	Arlington, VA (TBA Jan. '27)	TBD	TBD	TBD Louisville
2028	TBD	La Quinta Resort La Quinta, CA (T-Th) March 28-30 \$359++	St. Louis, MO	Arlington, VA (TBA Jan. '28)	TBD	TBD	TBD KC