



NGFA Board of Directors Report
September 2024
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Agenda
September 9, 2024
8:30 A.M. to 5:00 P.M. (MST)
The Broadmoor, Colorado Springs, Colorado
Colorado Hall A&B
Chris Boerm, NGFA Chairman

Sunday, September 8

5:30 – 7:00 P.M. Welcome Reception for Board Members & Guests West Terrace

Monday, September 9

7:45 Breakfast for Board Members Colorado Hall C

8:30 Welcome and Call to Order
NGFA Antitrust Compliance Policy Reminder
Reading/Approval of Minutes – March Meeting
Chris Boerm
Charlie Delacruz
Charlie Delacruz
Financial Update
Max Fisher/Mike Seyfert
Management Update
Mike Seyfert
Arbitration Update & Proposed Rules Changes
Charlie Delacruz/Mary Hitchcock
FGIS Update & Grain Standards Reauthorization
Jess McCluer

10:15 Break
The Trade Landscape Moving Forward
Jess McCluer/Mike Seyfert
Chevron Decision
Jess McCluer
Foundation Update
Brian Schouvieller/Rebecca Grubbs

12:00 Lunch Colorado Hall C

1:00 Communications/Marketing Survey Results & Next Steps
Kelly Buchanan/Sarah Gonzalez
Membership Scoping Project
Rebecca Grubbs/Amelia Fitzgerald
45z Discussion
Cory Winstead/Dave Fairfield
FDA/AAFCO MOU
Dave Fairfield

3:00 Break
CFTC Reauthorization and BASEL III
Max Fisher
Rail
Max Fisher



Policy Updates

- A. Farm Bill
- B. NASS Reports
- C. FDA Reconditioning
- D. WRDA

Joe Kapraun/Stephanie See

Jess McCluer
Jessica Stephan/Stephanie See

Elections Update

Stephanie See/Mike Seyfert

Grain and Feed PAC Update

Stephanie See, Exec. Dir. Grain and
Feed PAC

Other Issues – Open Discussion

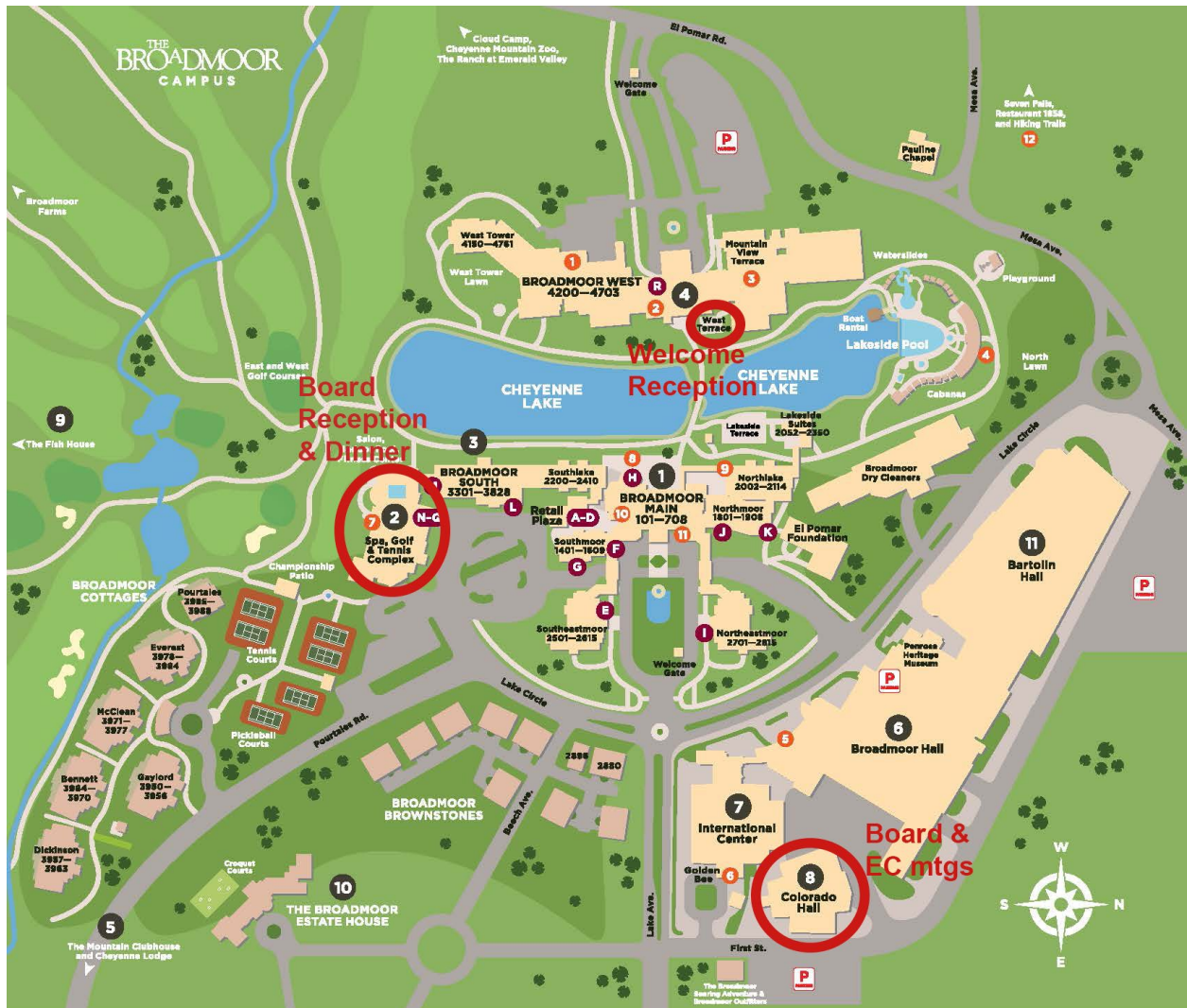
Chris Boerm

5:00 Adjournment

Chris Boerm

6:30 to 9:30 Reception & Dinner for Board Members and Guests

Donald Ross Room





National Grain and Feed Association

Minutes

NGFA BOARD OF DIRECTORS

*Omni Champions Gate
Orlando, Florida*

March 19, 2024

Presiding: Brian Schouvieller NGFA First Vice Chairman

First Vice Chairman Brian Schouvieller called the meeting to order at 12:45 p.m. Directors attending were Augusto Bassanini, Jeff Bechard, Greg Beck, Terry Bline, Wyatt Brummer, James Burgum, Kayla Burkhart, Patrick Coyle, Jim Dell, Bo DeLong, Scott Docherty, Allen Douglass, Chris Faust, John Fletcher, Gary Gantz, Robert Geers, Matt Gibson, Kevin Gray, Kim Hawks, Mark Heil, Beau Hepler, Jefferson Hillman, Roger Hugenberg, Eric Huschitt, Corey Jorgenson, Joe Kapraun, Paul Katovich, Jason Klootwyk, Alan Koenig, Bill Krueger, Chuck Kunisch, Nathan Laferrier, Stu Letcher, Dian McGuire, Kellie Melton, Michael Miller, Brad Morrison, Dan Mostad, Randal Olstad, Scot Ortman, Shay Rambur, Michael Reginelli, Ron Seeber, Mike Seyfert (NGFA), Kyle Shermock, Tim Simmons, Benjamin Smith, Curt Strubhar, Dan Suarez, Mike Tate, Andrew Utterback, Jeff Van Pevenage, Sheryl Wallace, Eric Wilkey, and Jeff Wilson.

Non-director committee and subcommittee chairs attending were MJ Anderson (Risk Management Committee), Darren Antrim (Motor Carrier Subcommittee), Justin Cauley (Transportation & Logistics Committee), Nick Friant (Grain Grades and Weights Committee), Edmund Hall (Feed Trade Rules Subcommittee), Brock Lautenschlager (Rail Shipper-Receiver Subcommittee), Jay Mathews (Arbitration Appeals Panel), Matt O'Mara (Trade & Crop Technology Committee), Jessica Stephan (Waterborne Subcommittee), Ryan Warner (Grain Trade Rules Subcommittee), Jeff Webb (Barge Freight Trading Rules Subcommittee), and Cory Winstead (Sustainability Committee).

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

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 Sept. 18, 2023.

Recognitions

Mr. Schouvieller recognized and thanked the outgoing members of the Board whose terms were expiring, and he welcomed the newly elected and appointed members.

Executive Committee Elections

Nominations Committee Chair Benjamin Smith acknowledged his fellow committee members (Gary Beachner, Jean Bratton, Kevin Gray, Jarvis Haugeberg, and Todd Lafferty) and submitted the following nominees for one-year terms on the Executive Committee: Jeff Bechard, Wyatt Brummer, Kayla Burkhardt, Bo DeLong, Chris Faust, Paul Katovich, Jason Klootwyk, Bill Krueger, Michelle Mapes, Shay Rambur, Sheryl Wallace, and Eric Wilkey. Mr. Smith noted that under the bylaws, Chairman Chris Boerm, First Vice Chairman Brian Schouvieller, Second Vice Chairman Augusto Bassanini, Immediate Past Chairman Greg Beck and President/CEO Michael Seyfert, serve as *ex officio* members of the Executive Committee.

The nominees were elected unanimously to the Executive Committee.

Financials

Mike Seyfert and Max Fisher reported on issues related to NGFA's finances, including the balance sheet, budget, and cash flow statements. As of January 31, 2024, NGFA had \$17,294,551 in total liabilities and equities. The discussion included plans to retain a firm for legislative affairs activity; income from arbitration and conferences; various options available related to office leasing; a potential dispute with the Omaha Hilton related to a fraudulently misdirected payment (the Hilton has not responded to NGFA's outreach, so NGFA's posture is that any further issues are for the Hilton to take); and related to corrective measures for the NGFA 401k-plan, estimates are for direct costs of approximately \$2,000 and under \$10,000 for legal expenses (a cost much lower than projected).

Then the Board was presented with a proposed budget for 2024-2025 (fiscal year April 1 – March 31) representing \$5,454,922 in total expenses and an operating profit of \$88,535.

A motion passed unanimously to approve the budget as submitted.

Investment Policies

Mr. Fisher presented the following recommended changes to the investment policies for the Association and Foundation [*additions underlined; omissions stricken-through*]:

NGFA Investment Policy

The ~~Board of Directors of the~~ NGFA Chairman is responsible for selecting the Investment Committee.

Responsibilities of the Investment Manager(s).....Report direct and indirect fees paid to the Investment Manager or related parties. Examples of fees include management fees, commissions, and 12b-1 fees.

Allowable Investments - In consultation with the President and Treasurer, the Investment Manager shall be authorized to invest the NGFA Operating Reserve Fund as follows:

The maturities on investments for the Operating Reserve Fund shall be limited to no more than 48 months. [In consultation with](#) the President and Treasurer, [the Investment Manager](#) shall be responsible for scheduling maturities.

[The Treasurer is authorized to annually transfer up to \\$250,000 from the Operating Reserve Fund to the NGFA checking account. Further withdrawals shall be subject to Investment Committee review and Executive Committee approval.](#)

NGFF Investment Policy

[The following procedures will be used to determine the dollar amounts placed in or taken out of the Foundation Fund.](#)

[i. The President and Treasurer will recommend dollar amounts.](#)

[ii. Following Investment Committee review, the Foundation Trustees will have final approval of the dollar amounts.](#)

The ~~Board of Directors of the~~ NGFA [Chairman](#) is responsible for selecting the Investment Committee.

Responsibilities of the Investment Manager(s).....[Report direct and indirect fees paid to the Investment Manager or related parties. Examples of fees include management fees, commissions, and 12b-1 fees.](#)

A motion passed unanimously to approve the changes as submitted.

Management Update

Mr. Seyfert provided an update on key NGFA management and administrative activities and accomplishments, including successfully fighting for reopening of rail crossings on the US/Mexico border; issuance of a clean audit for FY 2022/23; largest attendance for a Country Elevator Conference since 2017; completion of the work by the Committees Review Task Force; monthly meetings with state affiliates; participation in customer events with the Norfolk Southern and IGTC meetings in Geneva; new and updated IT functionality and a database for NGFA; moving of staff bonuses from December to March; transitioning of Tammy Elliot, Todd Kemp and Faith Silver from staff; and hiring of Trent Baker, Amelia Fitzgerald, and Lauren Thrall.

Long Range Plan

Mr. Seyfert provided an update on implementation of NGFA's Long-Range Plan (LRP). He referred to "The Four Pillars" that were identified when the LRP was enacted: 1) Preserve – referring to maintenance of competitiveness for the industry through activities such as those involving SBOC and maintenance of NGFA operations such as recruitment of arbitrators to satisfy the expanding the caseload and restoration of in-person meetings to pre-pandemic levels. 2) Advocate – referring to engagement such as advocacy on transportation and efforts to fill the open position on staff. 3) Develop – referring to overhaul of the CAP program; staff training; and review of committee and staffing structures. 4) Communicate – referring to review of the database/membership platforms, "Critical Mention" subscription, and the strategic communications plan.

Committees Implementation

Jess McCluer presented an update on implementation of the Committee Structure Task Force's final report, which was approved by the NGFA Board of Directors in September 2023, including establishment of the new committees and completion of changes impacting the most-affected committees in place for this convention, and renaming of the Country Elevator Committee.

Communications

Mike Seyfert and Sarah Gonzalez reported on implementation of the "pillar" related to communications under the NGFA's Long-Range Plan, including email-based marketing; transition of the website to its new platform; committee-focused communications with new web pages and informational campaigns; the communications survey and analysis conducted by Roots & Legacies earlier this year with the Executive Committee and Committee Apprentice Committee participants; and the new Communications, Marketing and Membership Committee.

Foundation

Brian Schouvieller, National Grain and Feed Foundation Chair, advised that Mark Avery and Rick Calhoun had retired as trustees for the Foundation, and Megan Sheeley was elected as a trustee by the Executive Committee last week. Mr. Schouvieller also discussed initiatives currently underway including funding of scholarships for university students in the field of agriculture through MANRRS (Minorities in Agriculture, Natural Resources and Related Sciences); promotion of ag messaging; health and safety; support for the Animal Ag Alliance; the Purdue University dust explosion study; and most recently, making it possible for donors to include endowments for the Foundation in their estate planning. The Board was also encouraged to recommend other potential projects for consideration by the Foundation and to make individual donations as well as consider donations by their companies.

Farm Bill

Ag Policy & Legislative Affairs Committee Chair Joe Kapraun and Stephanie See presented an update on NGFA's activities and overall progress related to the Farm Bill. A one-year extension was included in the Continuing Resolution passed before Thanksgiving. Areas in the Farm Bill in which NGFA is particularly engaged include crop insurance; decoupling of commodity programs; MAP/FMD funding; conservation titles; and policy related to solar panels on farmlands.

Transportation/Infrastructure

Transportation & Infrastructure Committee Chair Justin Cauley, Rail Shipper-Receiver Subcommittee Chair Brock Lautenschlager, and Waterborne Subcommittee Chair Jessica Stephan presented provided background on how the merger of the transportation committees into one was coming along and how the first joint meeting of the committee proceeded earlier this week. They also identified the accomplishments of the committees over the past year and laid out the goals for the coming year.

Union Walk Around Rule

Mr. McCluer advised that NGFA joined a coalition of agriculture and business groups in comments submitted to OSHA to urge the agency to withdraw a proposed rule that would expand access for third parties to participate as employee representatives in OSHA inspections. Despite numerous troublesome areas with the proposed rule, because it is highly desired by the presidential administration's union supporters, it is expected to be finalized quickly and issued sometime this spring.

NAEGA

North American Export Grain Association's new President and CEO, Alejandra Castillo, provided an update on activities in which the association is engaged.

Arbitration

Charlie Delacruz reported on the arbitration caseload. After a multi-year period of record high filings and activity, the pace of new filings had started to return to levels not seen since 2017-2020. The cases filed during that high period are now in the stages when the parties are completing arguments and cases are going to arbitration committees, including 18 pending cases involving oral hearings and four cases on appeal.

Future Meetings

Rebecca Grubbs referred to the materials provided to the Board in advance of this meeting, which provide details on numerous scheduled events, including meetings of the Executive Committee and Board, annual conventions and country elevator conferences with some scheduled as far out as 2028. In particular, Ms. Grubbs noted the next meeting of the Board, which is scheduled to occur at The Broadmoor in Colorado Springs, CO, on Sept. 9-10, 2024.

Other Business

Mr. Schouvieller opened the floor to questions and comments. None were forthcoming.

Adjournment

No other business was brought before the Board, and a motion passed unanimously to adjourn the meeting at 3:20PM.

Respectfully submitted:

Charlie Delacruz
NGFA Secretary

Approved:

Brian Schouvieller
NGFA First Vice Chairman

NGFA Financial Summary

This financial summary covers the first four months (April 1, 2024 through July 31, 2024) of NGFA's current fiscal year 2024/25.

Receipts

Membership dues of \$2,197,770 for the four months reported are in line with the full-year budget estimate of \$4,815,000.

A Trade Rules Seminar was held in May 2024 and netted \$4,625. This was below budgeted income. Budgeted income was met on registrations, but there was a substantial drop in sponsorships relative to receipts from the last conference in 2022.

Convey was held in late July 2024. While final financials are not yet logged, preliminary estimates show it netted about \$35,500. NGFA's largest conferences (Convention and Country Elevator Conference) occur later in the current fiscal year.

Arbitration income for the first four months of the fiscal year is \$160,008 and exceeds the annual budgeted income of \$100,000. Case filings have slowed relative to the past couple of years, but income is running ahead of the budget estimate due to a surge in filed appeals.

Expenses

NGFA anticipates spending almost \$326,000 on office space rent for the 2024/25 fiscal year and its lease runs through April 30, 2028. NGFA has initiated the process of evaluating options for its next lease.

Salaries and payroll expenses are running under budget and professional services are running over budget. The primary reason for the overage for professional services is because NGFA hired The Russell Group (TRG) to bolster its presence on Capitol Hill and assist with other government relations activities. The Executive Committee and Board were informed in March of the possibility of going with TRG and that a corresponding shift would be made from the salaries budget if this occurred. NGFA has also not filled two additional budgeted staff positions.

Also, NGFA changed accounting firms in July to ensure continuity and reduce costs. NGFA hired Clifton Larsen Allen (CLA) and startup costs associated with the accounting change will result in higher costs for the first year, but accounting costs are anticipated to be lower in subsequent years. The previous accounting service provider was running substantially above budget at a level that was not sustainable. NGFA also hired Progressive Safety Services at substantial savings compared to backfilling a full-time staff position.

Profit/Loss

For the first four months, NGFA's net operating income is \$767,178. NGFA has transferred \$750,000 from the operating account to the short-term reserve to earn a higher rate of interest on excess funds until they are needed.

Other Balance Sheet Items

For the first four months of the fiscal year, NGFA's investments have gained \$411,139 in value. As of July 31, 2024, NGFA has \$11,081,440 in the long-term reserve and \$3,309,655 in the short-term reserve. Following the March 2024 NGFA Board meeting, NGFA transferred \$880,784 from the short-term reserve to the long-term reserve.

Vacation liability has decreased from \$313,675 a year ago to \$197,886 largely due to a change in NGFA's vacation carryover policy.

National Grain and Feed Association

Statement of Financial Position

As of July 31, 2024 and July 31, 2023

	As of July 31, 2024	As of July 31, 2023
ASSETS		
Current Assets		
Checking/Savings		
Truist Operating	5,470	318,157
FVC Operating	249,003	237,778
FVC Sweep	884,831	926,269
Sandy Spring	-	227,674
Petty Cash	-	5
PayPal	-	20,295
Total Available Cash	1,139,304	1,730,179
Operating - Short Term Reserve (Schwab)	3,309,655	3,296,653
Arbitration Escrow	3,049,216	401,154
Accounts Receivable	32,350	96,875
Prepays	133,851	86,027
Intercompany - NGFDS	-	7,259
Intercompany - NGFF	22,334	(16,908)
Due From NAEGA	50,208	-
Due From/To Vendor	3,238	73,280
Total Current Assets	7,740,156	5,674,518
Fixed Assets, net of Accumulated Depreciation	376,106	281,044
Other Assets		
Long Term Reserve (Schwab)	11,081,440	8,568,137
Security Deposit (Rent)	22,642	22,642
Right-Of-Use Asset	880,215	1,084,614
Total Other Assets	11,984,297	9,675,393
TOTAL ASSETS	20,100,559	15,630,955
LIABILITIES		
Current Liabilities		
Accounts Payable	128,695	27,302
Credit Cards	1,804	7,439
Accrued Expenses	41,765	63,412
Payroll Liabilities	44,144	25,051
Vacation Liability	197,886	313,675
Deferred Revenue	12,575	10,000
Total Current Liabilities	426,868	446,879
Other Liabilities		
Arbitration Escrow	3,048,425	401,154
Arbitration Advances	152,924	86,511
Lease Liability	1,354,331	1,651,927
Total Other Liabilities	4,555,679	2,139,592
TOTAL LIABILITIES	4,982,548	2,586,471
NET ASSETS		
Net Assets (without donor restrictions)	13,971,493	11,446,135
Net Assets (with donor restrictions)	-	21,000
Change in Net Assets	1,146,519	1,577,349
TOTAL NET ASSETS	15,118,012	13,044,484
TOTAL LIABILITIES AND NET ASSETS	20,100,559	15,630,955

National Grain and Feed Association
Statement of Activities Year over Year and to 2024/25 Budget
For the Four Months Ended July 31, 2024

REVENUES	Actual for 4/1/24 - 7/31/24	Actual for 4/1/23 - 7/31/23	Budget for 4/1/24 - 3/31/25	Projection for 4/1/24 - 3/31/25
Membership Dues	2,197,770	2,137,438	4,815,000	4,815,000
Convention	0	0	280,147	280,147
Registration Income	0	0	675,750	675,750
Sponsorship Income	0	0	205,000	205,000
Expenses	0	0	(600,603)	(600,603)
Country Elevator Conference	0	0	200,564	200,564
Registration Income	0	0	420,375	420,375
Sponsorship Income	0	0	95,000	95,000
Expenses	0	0	(314,811)	(314,811)
Convey	1,000	27,675	33,812	35,500
Registration Income	0	77,030	72,512	89,500
Sponsorship Income	1,000	1,000	12,500	11,250
Expenses	0	(50,355)	(51,200)	(65,250)
Trade Rules Seminar	4,625	0	48,434	4,625
Registration Income	95,925	0	103,025	95,925
Sponsorship Income	13,600	0	50,000	13,600
Expenses	(104,900)	0	(104,591)	(104,900)
Arbitration Income	160,008	308,603	100,000	200,000
Digital Solutions Income	0	0	50,000	50,000
Interest from Checking Account	2,315	4,197	7,500	7,500
Other Income	9,663	3,238	8,000	10,000
Revenue from Operations	2,375,381	2,481,151	5,543,457	5,603,336

EXPENSES	Actual for 4/1/24 - 7/31/24	Actual for 4/1/23 - 7/31/23	Budget for 4/1/24 - 3/31/25	Projection for 4/1/24 - 3/31/25
Salaries and Payroll Expenses	1,107,961	1,085,697	4,110,500	3,750,000
Professional Services	192,622	11,318	201,000	550,000
Legal	13,387	3,255	185,000	150,000
Public Relations	10,000	100	12,000	12,000
Communications	-	-	9,200	9,200
Rent & Occupancy	107,451	103,087	325,987	325,987
IT	47,771	32,492	155,620	155,620
Special Projects	12,095	9,250	75,000	75,000
Dues & Subscriptions	14,965	21,425	68,000	68,000
Administrative Expenses	12,729	12,323	37,735	37,735
Bank Fees	8,910	8,842	34,000	34,000
Insurance	7,367	3,638	14,080	14,080
Travel	17,981	18,997	100,000	100,000
Meetings (Bd, Cmtes, Exec)	54,964	26,081	126,800	126,800
Operating Expenses	1,608,203	1,336,505	5,454,922	5,408,422
Net Operating Income	767,178	1,144,646	88,535	194,914
Investment Income	411,139	462,826	-	411,139
Depreciation	(31,797)	(30,124)	-	(122,000)
Change in Net Assets	1,146,519	1,577,349	88,535	484,053

National Grain and Feed Association Cash Flow Statement

For the Four Months Ended July 31, 2024

CASH FLOW FROM OPERATING ACTIVITIES	As of July 31, 2024
<i>Net Income</i>	1,146,519
Decrease in Accounts Receivable	48,525
Increase in Prepays	(13,210)
Decrease In Intercompany Accounts	158,434
Decrease in Accounts Payable & Accrual	(182,459)
Decrease in Credit Card	(5,231)
Decrease in Payroll Liabilities	(24,592)
Decrease in Vacation Liability	(44,562)
Decrease in Deferred Revenue	(64,269)
Increase in Arbitration Advances	26,413
Net Cash Provided by Operating Activities	1,045,568
CASH FLOW FROM INVESTING ACTIVITIES	
Increase in Capital Expenditures	31,797
Increase in Long Term Reserve Purchases	(1,238,269)
Net Cash Used by Investing Activities	(1,206,472)
NET INCREASE IN CASH DURING THE PERIOD	(160,904)
Operating cash on hand at the beginning of the year	1,269,247
Short-term operating reserve at the beginning of the year	3,387,471
Total available cash at beginning of the year, April 1, 2024	4,656,718
Operating cash on hand at the end of the period	1,139,304
Short-term operating reserve at the end of the period	3,309,655
Total available cash at end of the period, July 31, 2024	4,448,959

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

I. Major Accomplishments

- 401K issue addressed
 - Earnings for late payments deposited in accounts
 - Self-reporting filed w/Department of Labor
 - NGFA awaiting final excise tax bill
 - Total cost of payments and excise tax under \$5,000
 - Total cost of all with legal fees included under \$10,000
- Review of current insurance policies and coverage levels completed
- Successfully completed Trade Rules Seminar in May with expected attendance
- Fly-in successfully held in June with approx. 100 meetings held on the Hill and with government officials over a two-day period, in addition to EC and committee meetings and CAP activities.
- CONVEY held in July in Omaha with record attendance
- Committees Review Task Force Recommendations
 - Majority of recommendations successfully implemented
 - All committees have met at least once
 - Communications survey successfully completed
- New class of CAPs appointed
- NGFA sponsored agriculture related events at both Republican and Democratic National Conventions
 - Approx 10 attendees per sponsorship level at RNC
 - Approx 20 attendees per sponsorship level at DNC
- Fourteen on-site visits by CEO w/NGFA members during July and August.
- Successfully prevented language in Water Resources Development Act (WRDA) Authorization that would open the door to breaching of the Lower Snake River Dams
- House Ag. Committee Farm Bill
 - No expansion of CRP or land idling
 - Decoupled farm program
 - Expanded funding for trade promotion programs
- 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

II. IT Functionality, Database & Upgrades

- New database and operating platforms continue to be implemented
 - Information and ability to use improved over prior system
 - Working through kinks associated with dues portion of platform
 - Improved for July dues cycle
 - Additional improvements/modifications planned for January cycle
 - Continuing to make adjustments to better serve needs of staff team
- Installation of new server continues to be planned for 2024
 - Total equipment and labor costs approx. \$30,000
- Development of new accounting platform has begun
 - Expected to be completed and implemented by the end of 2024

III. Employee Development

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

IV. Staffing and Consultant Updates

- Trent Baker promoted to Associate Director, Systems and Office Operations and continuing to report to Mary Hitchcock
- CliftonLarsonAllen hired to assume accounting duties previously performed by Between the Fences, LLC.
 - Transition began in July and should be largely completed by time of Board meeting

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

NGFA Arbitration case activity

In 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:

- 11 new cases have been filed, representing continued tapering off of filings (compared to historic-peak recent years) and return to a pace not seen since 2017-2020.
- Total dollars claimed in these cases is \$8.9 million.
- Individual claims range from \$50,000 to \$4.5 million, and the average claim amount is \$810,119.
- Decisions were issued in 16 cases.
- Of the other cases filed during the peak and still pending – many are now at critical stages.
 - 23 pending cases involve oral hearings.
 - 5 cases involve appeals (including 3 with oral hearings).
 - 42 cases are with arbitration committees; 12 cases are to go to committees shortly.

Rules Amendments

This year, the NGFA membership ratified amendments to the NGFA Rail Arbitration Rules, which had been previously approved by the NGFA Board of Directors based upon the recommendation of the Rail Arbitration Rules Committee. These amendments increased the pre-occurrence damages cap for cases filed under the Rail Arbitration Rules from \$400,000 to \$600,000. (Note: There is no cap for cases filed under the non-rail specific Arbitration Rules).

The Arbitration Appeals Panel proposes three sets of amendments for a vote by the Board:

- **Parties and claims added to a case after it is filed:** The Panel’s recommendations address issues arising when new parties or claims are added to a case after it is filed. The situations include: 1) a plaintiff adding additional defendants; 2) a defendant adding *third-party claims* against new parties to hold them responsible for any damages awarded to the plaintiff; 3) a defendant asserting a *counterclaim* in opposition to or deduction from the claim of the plaintiff; and 4) a defendant asserting a *crossclaim* against another defendant. Because the current rules do not fully address these situations and recent issues and overall complexity experienced in the current caseload, the Panel determined to expand and make clarifications in the rules.

- **Awarding interest in arbitration decisions:** The Panel’s recommendations make clarifications in the rules to address some confusion by arbitrators about their discretion in awarding interest and at what point the interest is to begin to accrue.

- **Cancelling by NGFA of an oral hearing:** The Panel addressed recent experiences when a hearing is requested and NGFA attempts to schedule it, but a party becomes non-responsive and non-cooperative, even resisting efforts to proceed with the arbitration, which results in significant delays. The Panel’s recommendations clarify that NGFA has authority and discretion to cancel a hearing so it may proceed with a case in an appropriate fashion.

[The complete text of the proposed amendments is attached at the end of this report].

Educational Programming

A detailed account of arbitration and trade rules-related programming, including this year’s Trade Rules and Arbitration Seminar, is provided in the Trade Rules Report.

Other activities by NGFA’s committees related to arbitration

The Rail Arbitration Rules Committee is assembling a subgroup to review the list of commodities subject to Rail Arbitration under Rail Arbitration Rule 2(D). In particular, the committee is considering the inclusion of canola seed, canola oil, palm and other topicals.

The Arbitration Appeals Panel continues to consider issues arising in the administration of cases. As recent examples, the Panel confirmed NGFA’s approach:

- Rejecting an objection to arbitrators appointed to decide a case on the broad theory that the arbitrators are the party’s competitors. Merely being competitors does not disqualify an arbitrator under the NGFA rules or applicable law, and since so much of the membership can be perceived to be in competition, to apply the standard requested would significantly limit NGFA’s ability to constitute arbitration committees.

- Denying requests to exclude witnesses in advance of a hearing because of the lack of affidavits or witness statements. The rules do not provide for such requirements, and questions about the relevance and credibility of witnesses are best decided by the arbitrators at the hearing.

Proposed Amendments to NGFA Arbitration Rules
[additions underlined; deletions stricken-through]

Rule 2. Commencing an Arbitration Case

(A) To commence a case, a complaint must be submitted by the plaintiff to the NGFA Secretary. This complaint should state specifically the nature of the dispute; including the defendant's name and address, applicable contract numbers, date of incident giving rise to the dispute, and the amount of damages claimed.

The case shall incorporate the claims in the original complaint as well as any ~~cross-complaint~~, crossclaim, counterclaim, third-party claim, or offset ~~as set forth by the defendant~~, provided that any matters submitted by crossclaim, counterclaim, or third-party claim ~~the defendant~~ must be directly related to the claims in the original complaint. Any ~~such cross-complaint~~ crossclaim, or counterclaim, or third-party claim shall be heard as one case with the original complaint. Any crossclaim, or third-party claim ~~cross-complaint, or counterclaim, or third-party claim~~ must be filed by the defendant at the same time the defendant's answer is due.

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

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

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

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

Rule 6. Arbitration Committee Procedures ...

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

Rule 8. Oral Hearings ...

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



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

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

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

Ongoing and future activities

- In addition to providing to NGFA member companies the services of the BDT platform, NGFDS expects in December 2024 – for the fourth consecutive year – to pay to NGFA an annual administrative fee of \$50,000.
- NGFDS has a current balance of \$232,154. Transactional volumes are steady and financial projections are positive.
- Since the previous report to the NGFA Board, NGFDS conducted its second in-person meeting of directors and officers in conjunction with the 2024 NGFA Annual Convention in Orlando, Florida. NGFDS directors and officers also continue to meet remotely on a quarterly basis.
- General promotion, education, and outreach efforts continue in full swing, particularly including recruiting efforts. BDT has largely come to dominate its marketplace with the significant participating companies signed on, yet companies continue to join, and it's recognized that other sectors (e.g., DDGS) could also benefit from employment of the BDT system.
- NGFDS continues to explore areas for additional efficiencies, such as activities by FGIS involving certificates and inspection data and the potential for integrating this digitally with the BDT system.
- Extensive work is underway on platform improvements and enhancements, involving the specially assigned task force, ICE and the NGFDS directors and officers toward a consensus moving through the identified priority tasks. 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 late in 2023. NGFDS has identified a second round of improvements and enhancements, and it expects to complete testing and development on those toward the end of 2024.

▪ NGFDS is near to completion of extensive discussions with ICE regarding the terms of the contract that governs administration of the platform, which is due for renewal in October 2024.

▪ 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 70 companies signed up for the BDT platform (53 shippers, 17 barge Lines). Although approximately 90% of the trade is already digitized on the BDT platform – NGFDS continues to enlist new participants. Three new companies (2 shippers, 1 barge line) signed up this year *[in bold print below]*.

Shippers: Agrex, Inc | AGRIServices of Brunswick LLC | Alabama Farmers Cooperative, Inc. | Alto Nutrients | Archer Daniels Midland Company | Avere Commodities Corp. | Benson Hill Inc. | Bunge North America, Inc | Cargill, Inc. | Central Missouri AGRIService LLC | CHS Inc. | **Clarkson Grain Co.** | COFCO International Grains US LLC | COFCO Growmark LLC | Consolidated Grain and Barge Co. | 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

September 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:** The 2018 Farm Bill was extended last year until September 30, 2024. The industry was encouraged by committee action in the Spring—the House Ag Committee marked up and passed its version of the 2024 Farm Bill, and both the Senate Ag Committee Majority and Minority leadership released frameworks. Since then, progress has stalled, and it is becoming more difficult to pass a Farm Bill in 2024.

Major sticking points are funding mechanisms, nutrition programs, and climate-smart conservation. The House bill relies on changes to the Thrifty Food Plan (an economic model of food costs that is used to keep Supplemental Nutrition Assistance Program benefits up to date with eating patterns and dietary guidance), restrictions on the Secretary’s authority to use the Commodity Credit Corporation to provide assistance to producers, and bringing the climate-smart conservation funding provided in the Inflation Reduction Act into the Farm Bill.

While details were not released, the Senate Minority framework relies on the same funding mechanisms as the House Bill. Democrats have largely criticized the funding assumptions, although four Democrat committee members voted for the House bill, and in early August, the CBO released an updated score of the House bill, indicating a \$33 billion deficit over 10 years.

The Senate Majority framework also does not contain funding specifics, but Republicans doing “back of the napkin” math criticize its assumptions.

Senate Ag Committee Chairwoman Debbie Stabenow (D-Mich.) has 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. Democrats largely consider the House Committee’s bill’s changes to the Thrifty Food Plan and incorporation of the IRA money to cross these red lines.

- B. NASS County Estimate Reports:** On April 9, 2024, the National Agricultural Statistics Service (NASS) announced its intention to discontinue the county estimates for crops and livestock citing budget concerns. NGFA members indicated the industry’s reliance on these reports to predict future crop production based on historical information. NGFA met with NASS and learned County Estimate reports cost about \$7 million to produce each year.

After significant lobbying of the House and Senate Ag Appropriations subcommittees by NGFA and its members, both have passed bills to restore the reports for next year. However, the House and Senate both still need to pass these bills and send a final version to the president. It is likely Congress will pass a continuing resolution bill when the current fiscal year ends on Sept. 30 and then NASS would be operating under current law and not be required to reinstate the reports. Thus, while Congress is clearly in support of forcing USDA to reinstate the reports, we cannot say for sure when this will occur until Congress passes the final funding for FY 2025.

- C. 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. I-FEED has broad support in both the House and Senate, and while it would likely easily pass if attached to a must-pass legislative package, it is not considered major legislation that can move on its own. We continue to work multiple strategies, including requesting bill sponsors ask House and Senate leadership to add the bill to one of the large year-end packages, as well as working the bill through regular order.
- D. Elections Overview:** Electoral politics were shaken over the summer when President Biden announced he was dropping out of the race and endorsed Vice President Kamala Harris. Vice President Harris quickly locked down the nomination, raising record-breaking amounts of money, and re-energizing Democrats. Down ticket Democrats in tight re-election races are also benefiting from the change in nominee, but still face headwinds on issues like the economy and inflation, foreign policy, and the border crisis. Republicans are thought to have the inside track on retaking the Senate majority, but passed years have shown anything can happen. Control of the House is expected to be more of a toss-up with the change on the Democratic presidential ticket.
- E. Fly-In:** The 2024 NGFA Washington Fly-In was held June 3-5. Members of the NGFA Executive Committee, BMOC, Ag Policy and Legislative Affairs Committee, and Trade and Crop Technology Committee met with nearly 100 Members of Congress and Federal Officials to discuss the Farm Bill, NASS County Estimate Reports, WRDA, and the importance of trade to the industry. Details for the 2025 Fly-In will be available soon.

III. Issues for Discussion/Input:

- Regardless of who wins the presidential election, there will be a new administration in 2025. On the Congressional front, we will almost certainly have a change of power in the Senate, and many new members of Congress. What opportunities does this present for the grain handling industry, and the larger agriculture industry? What risks should we be anticipating?

Business, Merchandising and Operations Committee

Report to the NGFA Board of Directors

September 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 helped 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 held a committee meeting at NGFA’s Arlington, Virginia office and met 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. Other Actions:

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

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

I. Communications

Email: Since March 2024, emails sent by the NGFA show an open rate of 35 percent and a click rate of 4.5 percent. The open rate is slightly lower than average for comparative audiences, but the click rate is higher than average, according to MailChimp analytics.

Website: According to Google Analytics, NGFA website users increased 24.6 percent this year to 25K compared to the same period in 2023 (March 1-Aug. 18). The NGFA homepage, annual convention, and Trade Rules seminar pages were the most visited.

Social Media: NGFA has three social media platforms: Twitter, LinkedIn and Facebook. Available Hootsuite data show that between March 1-Aug. 18, 2024, compared to the same period the previous year, fans and followers, pages and profile reach and impressions all significantly increased. Posts with the highest engagement rates include content related to the annual convention in March 2024 and the CAP visit to the Japanese embassy in June 2024.

Press: Between March 1-Aug. 18, 2024, mentions of the NGFA in online and print publications peaked during Stand Up 4 Grain Safety Week in March 2024 and with the announcement of Sheryl Wallace's new role at Ardent Mills in May 2024. Radio mentions peaked in April due to a Mike Seyfert interview on NASS reports, the CARB proposal and other issues and peaked again in early August 2024 due to rail-related interviews with NGFA's Max Fisher. TV news peaked with an RFD-TV rail interview with Max Fisher in August 2024.

Communications Survey: In 2024, NGFA collaborated with Roots & Legacies on a Communications Discovery and Analysis project. The Communications, Marketing, and Membership Committee played a pivotal role as a focus group, evaluating the initial phase of the survey and contributing to the development of questions for the second phase, which targeted the entire NGFA membership. To encourage participation, NGFA launched a marketing campaign in May 2024, resulting in 377 responses. These were analyzed by Roots & Legacies, leading to actionable recommendations. The findings revealed that while NGFA members are generally satisfied with the current communication channels and the information provided, there is a clear demand for more personalized communications, greater insight into the activities of NGFA committees, and increased opportunities for interaction and networking with NGFA staff and fellow members. Additionally, members expressed an interest in receiving more detailed analyses of policy measures and their potential impact on grain and feed businesses.

In July, NGFA launched a new information system that allows members to select topics of interest and receive timely updates throughout the week outside of the weekly NGFA Newsletter. These topics align directly with NGFA committees, allowing committee-related work and issues to be shared with all members.

II. Marketing

Membership marketing: The membership, marketing and communications team has identified several updates to be made to the Membership pages of NGFA's website. These updates will more clearly demonstrate the value of membership to prospective members, clarify NGFA's unique dues structure and application process, and provide resources aimed at helping existing members maximize their membership. Updates will be made to the following pages before the Board meets in Colorado Springs: <https://www.ngfa.org/join-the-ngfa/>, <https://www.ngfa.org/benefits/>, and <https://www.ngfa.org/get-involved/>.

The guiding principle for these changes was to draw stronger connections between membership and member benefits, with a focus on highlighting the specific benefits most applicable to each member type: whereas prospective Active member companies might be most interested in arbitration, prospective Associate member companies will be most interested in business development opportunities. Along these lines, prospective Active members will need to be familiar with the dues worksheet, while prospective Associate members will not. This information will be useful not only for prospective members but also for current members re-evaluating their membership.

Member dues communications: A new and improved dues payment communications plan went into effect this summer. Members are now contacted at regular intervals in each dues cycle: 90, 60 and 30 days before dues are due, the beginning of the dues cycle, and 30, 60, and 90 days past due when applicable. These communications are sent via a combination of email, mail, and NGFA newsletter. Communications sent at 30- and 60-days past due focus on the benefits of NGFA membership and explain the member termination process; members are terminated at 90 days past due. Recent improvements to NGFA's database and email system allow these communications to be separated by dues cycle (January and July) and payment status, allowing staff to precisely target the communications with improved results.

128th Annual Convention: The 128th Annual Convention net income was approximately \$70,000 above budget. Despite a slight reduction in attendance and reduced 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. We anticipate all three trends continuing at the 129th Annual Convention, to be held at the Omni La Costa (Carlsbad, CA) March 9 – 11, 2025.

2024 Summer Legislative Fly In: The 2024 Summer Legislative Fly In was held June 3-5 in Washington, DC. Participants included the Executive Committee, the CAP class of '24 - '25, the BMOC, Ag Policy and Legislative Affairs, and Trade and Crop Technology committees, as well as several state executives. Please note that all Board members are

invited to attend the fly in each year. Dates for the 2025 Summer Legislative Fly In will be announced in early 2025.

CONVEY24: Convey 24 was held July 24 – 26 in Omaha, NE at the Hilton Omaha and was record-breaking in all attendance categories (attendee, exhibitor, booth worker). Preliminary financial data shows NGFA exceeding the budgeted net income goal. Final data will be available at the March '25 Board meeting.

NGFA has signed contracts for CONVEY25 and CONVEY26, both to be held at the Hilton Omaha in Omaha, NE. Information regarding CONVEY25 will be distributed in early Spring 2025.

Harvest Safety Week 2024: Harvest Safety Week 2024 was held August 19 – 23 and featured the theme “Participate, Prepare, Protect.” Two new safety videos, a webinar and a presentation were created specifically for the week and distributed to NGFA’s full 5,000+ marketing list. This year, thanks to the funding from the National Grain and Feed Foundation, the email communications were augmented with digital billboards and radio ads in targeted markets in the Midwest. Engagement metrics will be available at the March '25 Board meeting.

Upcoming Meetings & Events: Exhibitor registration for CEC 2024 opened August 1st; attendee registration will open September 10th. The event will be held Dec. 10 – 12 in Kansas City, MO.

The January Executive Committee meeting will be held Tuesday January 7th at the Fairmont Tremblant (Quebec, Canada). Travel information will be sent out in October.

The 129th Annual Convention will be held at the Omni La Costa (Carlsbad, CA) March 9 – 11, 2025. Confirmed speakers include political analyst David Wasserman and CSX CEO Joe Hinrichs. Registration will open in early December.

III. **Membership Recruiting and Retention**

The 2024 Board Meeting started the '24-'25 membership recruiting year. Since March '24, 12 new-member firms have joined the association. They are:

Active member:

1. Green Bison Soy Processing
2. Liberty Basin
3. White River Land Corp
4. Cain A.M. Bickley LLC
5. Keystone Cooperative, Inc
6. Lakeside Grain Trading, LLC
7. Agro.Club
8. Quality Roasting, LLC
9. Chief Ethanol Fuels

Active – Broker Member

1. Professional Ag Hedging

2. Orchard Point Commodities

Associate member:

1. Mid-Iowa Grain Inspection

Dues payment processes: Since March, Membership has been working on implementing the updated dues initiative as well as validating current member data to best get information to the correct contacts. We have been doing continuous outreach to train, educate, and assist our membership with the new cycle schedule and modes of payment. We continue to streamline our online payment portal and online communications to ensure they are user friendly and easy to navigate.

Membership goals: Goals for the remainder of the '24-'25 membership year are:

- Focus on recruiting new Active memberships.
 - Emphasize recruitment of soy oil processors, southeastern poultry producers, and members in the PNW region who are affected by the Snake River Dam issues.
- Engage NGFA industry leadership in discussions about potential untapped sectors that could provide new recruiting opportunities.
- Strengthen connections with existing members who are not actively engaged with the association beyond writing their membership check.
 - This goal will be accomplished through an association-wide membership marketing campaign and targeted communications with the companies in question, including in-person visits from Membership and NGFA CEO.

Feed Committee

Report to NGFA Board of Directors

September 2024

I. Key Issues

- A. U.S. Food and Drug Administration (FDA) Policy
- B. Association of American Feed Control Officials (AAFCO) Initiatives
- C. Feed Education and Training

II. Committee Activities

A. FDA Policy

- **Animal Food Ingredient Approvals with Certain Claims:** 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 FDA regulatory approval pathway for substances added to animal food or drinking water that affect the microbiome of the animal, influence the byproducts of digestion, or reduce pathogens in human food products derived from the animal.
- **Proposed Rule for Medicated Feed Labeling:** NGFA on Aug. 9 submitted [comments](#) in response to FDA's proposed rule that would significantly expand content requirements for medicated feed labeling. In its statement, NGFA made a variety of recommendations and ultimately urged FDA to further engage with medicated feed stakeholders before issuing any final regulations.
- **Role of Grain, Feed as Vectors for Foreign Animal Diseases, ASF Virus:** NGFA continues to participate in 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 other federal partners, including FDA, organized to develop voluntary standards to mitigate risks of introducing swine diseases into the United States.

The Feed Biosecurity Working Group currently is exploring the feasibility of 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 program would create a rating system for imported ingredients based on certain criteria, including traceability, biosecurity at the country of origin, biosecurity upon arrival, and ingredient quarantine.

- **Expiration of FDA-AAFCO MOU:** FDA on Aug. 2 officially announced the Memorandum of Understanding (MOU) between FDA and AAFCO that currently facilitates AAFCO feed ingredient definitions and outlines the two organizations' responsibilities within the process will not be renewed when it expires on Oct. 1, 2024. On Aug. 8, FDA released [draft guidance documents](#) regarding the transition phase after the expiration of the MOU that: 1) explain FDA's intent to not initiate

enforcement action in response to the interstate marketing of animal food ingredients that are listed in the ingredient definition chapter of the 2024 AAFCO Official Publication; and 2) describe an interim process through which firms may engage with FDA regarding ingredients that may have otherwise used the AAFCO ingredient definition process. NGFA will be submitting comments on the draft guidances by the Sept. 9 deadline.

- **Future Rulemakings and Guidance:** Future anticipated FDA policy actions for 2024-25 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 for 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.

B. AAFCO Initiatives

- **AAFCO Annual Meeting:** Members of the Committee and NGFA staff serve as industry advisers to AAFCO and participated within the Association’s 2024 Annual Meeting conducted Aug. 7-9 in San Antonio, Texas. 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:
 - **Ingredient Definition Process:** In response to the upcoming expiration of the FDA-AAFCO MOU, AAFCO voted to explore the concept of establishing an alternate expert panel for the scientific review of new feed ingredients, and continuing to approve new ingredient definitions that states may recognize within their feed laws.
 - **Feed Lot Numbers:** The Feed Labeling Committee voted to approve model 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 the AAFCO Model Bill and Regulations Committee.
- **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. NGFA does not anticipate congressional action being taken on the bill.

C. Feed Education and Training

- **Animal Food Preventive Controls Course:** NGFA partnered with Kansas State University on Aug. 27-29 to deliver the Food Safety Preventive Controls Alliance

(FSPCA) Preventive Controls for Animal Food Course to educate attendees about FDA feed safety requirements. Registration information for another course scheduled for Nov. 5-7, 2024 is available on [NGFA's website](#).

- **Feed Distance Learning Courses:** NGFA in March launched five feed distance learning courses that address feed safety and operations issues. Each course is delivered 100 percent on-line, self-paced, interactive, and accessible at any time. More information about the courses is available within the [Training](#) section of NGFA's website.

III. Issues for Discussion

- Are there other federal/state feed issues NGFA should address?
- Are there other feed training/education initiatives which NGFA should consider?

IV. Other Committee Activities during March 2024 through Sept. 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.

Grain, Grades and Weights Committee

Report to the Board of Directors

September 2024

I. Key Issues:

- FGIS User Fees Increase
- 2025 U.S. Grain Standards Act Reauthorization Priorities
- Washington State Department of Agriculture User Fee Increase
- Grain Grading Technology
- FDA Reconditioning

II. Committee Activities:

- A. FGIS User Fees Increase:** FGIS on June 6 published an [interim rule](#) to increase the hourly and unit fees for official inspection services that are performed under the U.S. Grain Standards Act (USGSA). The new fees went into effect on July 8, 2024.

Under the rule, the hourly contract rate will increase from \$41.20 to \$65, and the non-contract rate will increase from \$73 to \$93.30. The contract rate for weekends and overtime will increase from \$49.10 to \$81.30. The non-contract rate will increase from \$73 to 116.60.

Without adjusting hourly and unit-based fees, FGIS anticipates a deficit in its fiscal year 2024 operating reserves of nearly \$9 million. With such a shortfall, FGIS will not have sufficient revenue to meet obligations and will cease operations. According to FGIS, the following factors that have contributed to the current financial shortfall:

- eight years of low fees (i.e., 2024 fees (before April 1) at \$39.20/hour are lower than 2016 fees at \$40.20/hour);
- regulatory provisions that limit annual fee increases and do not fully account for the actual cost of services provided;
- inflation;
- cost-of-living adjustments for the federal workforce;
- increased service delivery costs driven by unprecedented weather events;
- declining global demand for grain; and
- an increased volume of U.S. grain being distributed to domestic processing plants (which excludes them from mandatory inspection and weighing under the USGSA).

FGIS also plans to publish a proposed rule for public comment later this summer that will establish a new fee formula for calculating hourly and unit fees.

The fee revision published in June does not include an additional tonnage fee adjustment for 2024 that was originally published on March 7 and went into effect on April 1. Effective April 1, FGIS increased inspection and weighing service fees by five percent since FGIS' operating reserve was below 4.5 months of operating expenses.

NGFA and NAEGA submitted comments to FGIS encouraging the agency to de-couple the hourly contract rates from the five-year rolling average for tonnage fees in order to make the fees more in line with the market rates and adjust based on COLA.

- B. 2025 U.S. Grain Standards Act (USGSA) Reauthorization:** NGFA and NAEGA began discussion on the proposed priorities for the 2025 USGSA Reauthorization Act, including improving grain grading technology and modifying the calculation of user fees. The goal is to finalize the recommendations for consideration at the Board meeting and begin reaching out to Congressional committees and members in September.
- C. Washington State Department of Agriculture (WSDA) User Fee Increase:** NGFA and NAEGA submitted comments to the WSDA in response to their proposal to increase user fees for the Grain Inspection Program which handles all domestic and export inspection and weighing services for the *Delegated* State of Washington. Based on the proposed tonnage fee increase, it appears that these fees are being used to offset the overhead costs that are not transparent in how they are calculated to stakeholders. Unfortunately, these increased costs - in a volatile market where it does not appear that there will be an increase in exports for some time – also do not appear to be decreasing in the near future.

NGFA and NAEGA encourage WSDA to be more transparent about what is covered by the overhead fees and how the amount is determined and are willing to work with the WSDA to identify possible solutions that align with the current market rates and needs.

- D. Grain Grading Technology Automation:** The NGFA, NAEGA and AAGIWA have agreed to focus on the short-term goals of streamline sampling, adoption of the auto-kicker and test weight.

In addition, AAGIWA is working to create a directory of the equipment manufacturers, both domestic and international. This will be helpful in reaching out to the right groups to invite to discussions and ask for information on specific issues since not all the organizations are members or our respective organizations. The directory can also be used to compare who the FGIS is also working with in analyzing the available technology.

NGFA and NAEGA are also working with AMS leadership to potentially use Commodity Credit Corporation funding to assist with implementing “pilot projects” at export facilities in order to utilize the new technology to increase the effectiveness of FGIS’ Official inspection and weighing services. AMS is in the process of developing an outline, which will be shared with NGFA and NAEGA in the coming weeks for review and comments, which describes how the pilot program will be implemented. The goal is to submit the final proposal to Secretary Vilsack for consideration and approval before Oct 1.

- E. FDA Reconditioning:** In June NGFA participated in a meeting with FDA’s Office of Regulatory Affairs, Center for Food Safety and Nutrition and Center for Veterinary Medicine 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 needs reconditioning due to aflatoxin or is a Distinct Low Quality due animal excreta, e.g., deer droppings. The goal of the meeting was to identify ways to streamline the approval process and for the FDA to implement pre-approved reconditioning plans.

According to the FDA, they are in the process of working with the FGIS to revise the Directive to implement the MOU and are also streamlining the Standard Operating Procedure document for staff to use when a reconditioning request is submitted by a grain handling facility to expedite the approval process. They did not give a timeline when the revisions would be completed. NGFA will continue to work with FGIS and FDA to resolve the delays in the approval process.

NGFA is continuing to work with Capitol Hill staff in order to develop *Questions for the Record* on the issue, in order to get an official response from the agency on their policy as well as potential report language for the FDA's appropriations bill. The Senate version of the Ag Appropriations bill contains language directing USDA and FDA to update their MOU on reconditioning grain in consultation with the industry.

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 March 2024 – September 2024:

- Delivered a presentation on NGFA's FGIS and OSHA priorities during the American Association of Grain Inspection and Weighing Agencies annual meeting in San Antonio on Apr. 15-16. Following the annual meeting the AAGIWA Board supported the recommendations of the NGFA-NAEGA Grain Grading Technology Workgroup regarding technology improvement.
- Conducted a Regional NGFA/NAEGA Industry Workshop on May 21 in New Orleans, La. These workshops bring together industry members and representatives of federal government agencies, including USDA's Animal and Plant Health Inspection Service and FGIS, the Food and Drug Administration and U.S. Coast Guard to discuss current industry issues and trends. These regional meetings have received high marks from federal and industry attendees. About 50 people attended the event.

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

I. Key Issues:

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

II. Committee Activities:

- A. CFTC Commissioners:** Chairman Russ Behnam’s second term expires on June 19, 2026. Kristin Johnson’s first term expires April 13, 2025, and she has been nominated to be the Assistant Secretary of the Treasury. Christy Goldsmith Romero’s first term ended April 13, 2024, and she is in her holdover year. Goldsmith Romero has been nominated to chair the Federal Deposit Insurance Corporation. If Johnson and Goldsmith Romero are approved for their nominated positions, then there would be two vacant CFTC commission positions. Caroline Pham’s first term ends April 13, 2027, and Summer Mersinger’s second term ends April 13, 2028. There currently are three Democrat commissioners and two Republican commissioners. Julie Siegel has been nominated to fill one of the Democrat commissioner slots that is anticipated to open when Johnson or Goldsmith Romero is confirmed.
- B. Kansas City Wheat Contract Review:** The CME Group is anticipated to update the Kansas City wheat contract rules soon. Anticipated changes include adjustments to conveyance and storage rates, expansion of the delivery territory, specific inclusion of shuttle load out rules, and monetary benefits for loading more quickly than the specified daily rate of loading.
- C. Corn Contract Review:** The CME Group is expected to finalize its corn contract review soon. Anticipated changes include a conveyance fee increase, an increase to the zone 6 differential and the addition of an August contract month.
- D. CME Group Implementation of Contract Changes:** The CME Group’s past policy on contract change implementation has been to exclude existing contracts containing “significant” open interest. This can result in a multi-year delay in the implementation of contract changes. For the anticipated changes to the Kansas City wheat and corn contracts, CME Group said they will make immaterial changes immediately. These are changes that have no financial impact on current contract holders. Material changes will be made immediately on contracts with open interest if there is a 100 percent approval vote from contract holders.

- E. Commitments of Traders Reports:** The Risk Management Committee continues to urge CFTC to more frequently publish commitments of traders' (COT) reports and to reduce the lag time between data collection and reporting.
- F. Basel III Endgame:** NGFA submitted comments to the Federal Reserve Board, FDIC, and Office of the Comptroller of the Currency. NGFA asked these banking regulators to remove the negative impact on derivatives of their proposals to increase capital requirements on the largest U.S. banks. The regulations increase capital requirements in many ways, including by making banks hold more capital when they engage as Futures Commission Merchants (FCM) in derivative markets. The proposal has the potential to increase trading costs and reduce FCM availability. Given the potential negative economic ramifications of the rule that were brought to light through advocacy efforts, the rulemaking progress has slowed and it is unknown when a final rule will be published.
- G. Legislation:** The Risk Management Committee is monitoring the House Agriculture Committee's work on its CFTC Reauthorization bill.

III. Other Actions:

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

- A.** Monthly check-in calls with CME Group.
- B.** Monitoring CFTC announcements of violations and fines and the reasons they happened.
- C.** The Risk Management Committee met with CFTC and CME Group in Chicago on August 8. The meetings provided an opportunity for committee members to network with these two key stakeholders and with other committee members. The meetings also helped committee members better understand CFTC's work and to receive an update from CME Group's ag team on the Kansas City wheat contract, corn contract, Chapter 7 rules, Span 2 margining, the K algorithm for matching orders, and the dynamic circuit breaker (2-minute pause during periods of large price movements).

Safety, Health, and Environment Committee

Report to the Board of Directors

September 2024

I. Key Issues:

- Union Walkaround Final Rule
- 2024 Hazard Communication Standard
- Heat Injury and Illness Proposed Rule
- CONVEY '24
- Harvest Safety Week

II. Committee Activities:

- A. Union Walkaround Final Rule:** On April 1, OSHA published its Final Worker Walkaround Representative Designation Process Rule (the "Worker Walkaround Rule"), which became effective on May 31. The Occupational Safety and Health Act of 1970 permits employers and employee representatives to accompany inspectors during physical worksite inspections—a practice known as the "walkaround rule." Previously, employee representatives were primarily limited to current employees, with few exceptions for third-party representatives. The updated rule now states that representatives "may be an employee of the employer or a third party," allowing employees to invite external representatives to join OSHA inspectors during a walkaround. This change potentially opens the door for union organizers, community activists, or other third parties not officially representing the employees or the government to accompany OSHA on a workplace inspection if the Certified Safety and Health Official (CSHO) deems such parties "reasonably necessary" for a thorough inspection.

According to OSHA, "third-party" includes individuals with "relevant knowledge, skills, or experience with hazards or conditions in the workplace or similar workplaces, or language or communication skills." The rule places the responsibility for determining the necessity of third-party representatives on the CSHO without providing specific criteria for guidance, potentially involving OSHA inspectors in labor and organizing matters that could detract from their primary mission of identifying workplace safety issues.

Experts from the Conn Maciel Carey LLP law firm, in a document prepared for NGFA members, argue that the rule is a covert effort to facilitate union access to non-union workplaces under the guise of safety inspections. They warn that the rule could allow various third parties, such as disgruntled former employees, media, competitors, and activist groups, to exploit the new regulation.

NGFA joined the *Employers Walkaround Representative Rulemaking Coalition* led by Conn Maciel Carey, which submitted comments in November urging OSHA to withdraw the proposal. The coalition argues that the proposal expands the scope of third-party

representatives, creating practical challenges for employers and violating several laws, including the OSH Act, the National Labor Relations Act, and the Fourth Amendment.

A coalition of business groups, including the U.S. Chamber of Commerce, filed a lawsuit challenging the walkaround rule in the U.S. District Court for the Western District of Texas. The complaint alleges that OSHA exceeded its statutory authority and violated the Administrative Procedure Act by failing to adequately explain the expansion of existing regulations and consider alternatives. This rule could be impacted by the Supreme Court's recent decision that overturned the *Chevron* deference and determined that lower courts can no longer defer to an agency's interpretation of the law just because it is ambiguous but instead "must exercise their independent judgment when deciding whether an agency has acted within its statutory authority."

- B. 2024 Hazard Communication Standard:** On May 20, OSHA published a [final rule](#) updating the Hazard Communication Standard (HCS, 29 CFR 1910.1200).

The updated HCS conforms to the United Nations' Globally Harmonized System of Classification and Labelling of Chemicals (GHS), primarily Revision 7, address issues that arose during the implementation of the 2012 HCS update. The new rule went into effect on July 19, 2024, though phased-in compliance dates don't begin until January 2026.

In 2021, NGFA worked with outside counsel in drafting comments that specifically focused on the proposed amendment to create a federal definition of "combustible dust" which would have a direct impact on all grain, feed, processing and milling facilities. There was also concern on how the proposed amendments to the standard puts more of the burden on the manufacturer i.e. grain handling facilities to anticipate and know downstream events. For example, grain elevators could be liable if the grain self-combusted or rotted and produced CO₂. Much of these changes are based on letters of interpretation that were issued by OSHA following the 2012 HCS.

Based on OSHA's response, the definition of combustible dust in the HCS will not be used to define dust in another standard if that standard has specific guidance. In other words, the Grain Handling Standard, 29CFR 1910.272 uses the term fugitive dust and has specific guidance to mitigate the hazards of the dust; therefore, the new definition of dust in the Hazard Communication standard cannot be used to determine dust hazard in 1910.272. Overall, OSHA disagreed with our argument on the increase in costs and the expansion of duties and responsibilities on manufacturers by the downstream user. By modifying the proposed language, OSHA believes that they have narrowed the scope of responsibilities for manufacturers in determining the risks for downstream users.

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

work activities. OSHA submitted the proposal to the White House Office of Information and Regulatory Affairs (OIRA) on June 11, which completed its review in just three weeks.

Among other provisions, the proposed standard – as summarized in this OSHA fact sheet – would require employers to:

- Develop and implement a work site heat injury and illness prevention plan (HIIPP) with site-specific information to evaluate and control heat hazards in their workplace.
- Identify heat hazards in both outdoor and indoor work sites.
- Implement control measures at or above the Initial Heat Trigger (i.e., a heat index of 80°F) that include providing employees with cool drinking water; break areas with cooling measures; indoor work area controls; acclimatization protocols for new and returning unacclimatized employees; paid rest breaks if needed to prevent overheating; and regular and effective two-way communication.
- Implement additional control measures at or above the High Heat Trigger (i.e., heat index of 90°F) that include providing employees mandatory rest breaks of 15 minutes at least every two hours; observation for signs and symptoms of heat-related illness; a hazard alert to remind employees of key parts of the HIIPP; and warning signs at indoor work areas with ambient temperatures that regularly exceed 120°F.
- Take steps if an employee is experiencing signs and symptoms of a heat-related illness or a heat emergency and develop a heat emergency response plan.
- Provide initial and annual refresher training for supervisors, heat safety coordinators, and employees, as well as supplemental training after changes in exposure to heat hazards, policies and procedures, or the occurrence of a heat injury or illness.
- Have and maintain, for a minimum of six months, written or electronic records of indoor monitoring data.
- Ensure that all requirements are at no cost to employees.

NGFA submitted comments on the Advance Notice of Proposed Rulemaking (ANPRM) docket and to the Small Business Regulatory Enforcement Fairness Act (SBREFA) Panel regarding the heat standard. NGFA will continue to engage with other stakeholders to submit comments on the proposed standard.

- D. CONVEY '24:** Conducted a successful **CONVEY '24 Conference** in Omaha, Neb., on July 23-24 in partnership with *Grain Journal Magazine* and the **Grain Elevator and Processing Society**. Final attendance was 213 attendees and 71 exhibitors. This is the highest number of attendees since 2014 and the highest number of exhibitors since 2017. The conference focused on grain handling compliance and best practices and featured expert speakers covering employee management, safety management, regulatory issues, operations best practices and emerging technology.
- E. Harvest Safety Week:** NGFA concluded its fifth annual Harvest Safety Week. This year's theme was "Participate. Prepare. Protect." Members were encouraged to participate in sharing Harvest Safety Week resources, prepare for hazards during the harvest season and protect the employees that "transform America's harvest" into food, fuel and fiber. New safety training videos on "Shuttle Loading and Rail Safety" and "Bin

Site Entanglement Hazards” that are designed to be easily watched in a couple of minutes and are based on NGFA Safety Tips Sheets were made available on ngfa.org/safety. A live webinar with People Spark Consulting on employee onboarding and a recorded video presentation with M&M Specialty Services on grain quality management were also offered. All videos were made possible with support from the National Grain and Feed Foundation.

III. Other Actions:

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

- The NGFA partnered with the following organizations to conduct a one-day Regulatory Compliance Seminar:
 - Pacific Northwest Grain and Feed Association on April 26 in Lewiston, Idaho.
 - Kansas Grain and Feed Association
 - May 14 in York, Neb.
 - May 16 in Salina, Kan.
- The NGFA provided an update on OSHA priorities in the Biden Administration at the TGFA DFW Regional Dinner on Jun. 27 in Ft. Worth, Tex.
- Safety, Health, and Environment Committee held an in-person meeting on July 23 in Omaha, Neb.

Sustainability Committee

Report to NGFA Board of Directors

September 2024

I. Key Issues

- A. Committee Transition
- B. Addressing Climate Policy and Sustainability Initiatives
- C. Sustainability Communications

II. Committee Activities

A. Committee Transition: Pursuant to the approval by the Board of Directors of recommendations made by the Committee Structure Task Force, the Climate Change and Sustainability Task Force transitioned to become the Sustainability Committee. The inaugural meeting of the committee was held in March at the NGFA Annual Convention in Orlando. To better engage committee members and address relevant topics, the following committee work groups have been established: 1) Policy; 2) Protocols and Standards; and 3) Communications. The work groups and full committee have conducted multiple virtual meetings since March. The full committee will conduct its second in-person meeting on Oct. 24.

B. Climate Policy and Sustainability Initiatives

- **40B Sustainable Aviation Fuel Tax Credit:** The U.S. Department of the Treasury and Internal Revenue Service on April 30 released [guidance on the Sustainable Aviation Fuel \(SAF\) Credit](#) established by the Inflation Reduction Act (IRA).

The IRA Section 40B tax credit incentivizes production of SAF that achieves a lifecycle greenhouse gas (GHG) reduction of at least 50 percent when compared to petroleum-based jet fuels. The tax credit starts at \$1.25 per gallon for SAF that achieves a 50 percent GHG reduction, with an additional \$0.01 per gallon available for each percentage point the reduction exceeds 50 percent, amounting to a maximum possible credit of \$1.75 per gallon. Section 40B provides that the tax credit applies to qualifying SAF sold or used after December 31, 2022 and prior to January 1, 2025.

The Treasury guidance, on a pilot basis, incorporates a U.S. Department of Agriculture (USDA) pilot program to encourage the use of certain climate-smart agriculture (CSA) practices for SAF feedstocks. For the corn ethanol-to-jet pathway, the pilot provides a GHG reduction credit if corn is produced using a “bundle” of certain CSA practices – no-till, cover crop, and enhanced efficiency nitrogen fertilizer. Similarly, a GHG reduction credit for the soybean-to-jet pathway is provided if soybeans are produced using both no-till and cover crops.

- **45Z Clean Fuel Production Tax Credits:** [Section 45Z](#) of the IRA replaces the 40B credit, as well as other credits for different types of fuels, by providing a tax credit for domestic production of both SAF and non-SAF transportation fuels with zero or low GHG emissions. The section establishes a transferable tax credit starting in 2025 and

extending through 2027 (based on current law) for producers of clean transportation fuels, including ethanol facilities. “Clean” transportation fuel is defined to mean fuel that has a carbon intensity (CI), kilograms of carbon dioxide equivalent per one million British thermal units of energy, of no more than 50. For fuel producers that satisfy the section’s [prevailing wage and apprenticeship requirements](#), the maximum credit amount is \$1.00 per gallon for non-SAF fuel and \$1.75 per gallon for SAF. The IRA directs regulations and guidance to implement the tax credit be issued by Jan. 1, 2025.

For ethanol facilities, qualification for the tax credit is determined by reductions in the CI of ethanol below the baseline of 50, with each reduction of one CI point being worth a maximum of 2 cents per gallon. Ways to reduce the CI of ethanol include increasing the capture and storage of carbon dioxide, use of renewable natural gas, combined heat and power (cogeneration) systems, and use of low CI corn feedstocks. If the CI of ethanol is reduced to below 50 due to use of low CI corn, the maximum tax credit value to an ethanol plant for the low CI corn is estimated to be about 5.4 cents per bushel per point of CI reduction. Based on modeling, about 50 percent of the CI of corn-based ethanol is attributed to corn, which has a CI of about 29.

- **NGFA Comments to USDA on Climate-Smart Agriculture Practices used During Production of Biofuels Feedstocks:** On July 25, NGFA submitted a [statement](#) in response to USDA’s request for information concerning procedures for the quantification, reporting, and verification of the effect of climate-smart farming practices on the GHG emissions associated with the production of domestic agricultural commodities used as biofuel feedstocks. When announcing the request, USDA said feedback received would be considered as the Department works to establish voluntary standards for biofuel feedstocks grown with practices that mitigate GHG emissions and/or sequester soil carbon. Although USDA’s request did not specifically mention the Section 45Z tax credit currently under development by the Treasury, feedback provided to USDA will likely help shape how the 45Z credit is designed. Among other things, NGFA in the statement recommended that USDA within its standards: 1) avoid the arbitrary bundling of climate-smart practices when quantifying GHG emission outcomes; 2) allow farmers to market climate smart commodities to all entities within the value chain; and 3) provide for mass balance accounting of commodities.
- **USDA Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program:** USDA on May 28 requested information on protocols to consider for use within its new Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program. The program is authorized under the NGFA-supported Growing Climate Solutions Act, signed into law with the Consolidated Appropriations Act of 2023. 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. On Aug. 13, USDA published a notice requesting nominations for individuals to serve on an Advisory Council to assist with implementation of the program. USDA previously has stated that it intends to

formalize the program by the end of 2024.

- **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, agribusinesses, state governments, and environmental advocates. FACA conducts monthly calls for information sharing and has been engaged in reviewing and providing recommendations related to climate 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.

C. Sustainability Communications: In addition to timely communications on policy-related issues, the committee has recommended that relevant sustainability information be communicated to NGFA members on a routine basis. To kick-off these communications, the Aug. 9 edition of the NGFA Newsletter included a [committee spotlight article](#) about the Sustainability Committee. Among the other recommended topics to be communicated are sustainability drivers, common terminology, widely accepted protocols and standards, and value chain implications.

III. Issues for Discussion

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

Transportation and Logistics Committee

Report to the NGFA Board of Directors

September 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:** On May 11, 2024, Robert Primus was designated by President Biden as Chairman of the Board. Chairman Primus's first term on the Board expires December 31, 2027. On May 14, 2024, Patrick Fuchs was confirmed by the U.S. Senate for a second term, which will expire on January 14, 2029. Karen Hedlund's first term expires December 31, 2025, and Michelle Schultz's first term expires January 11, 2026. The fifth Board seat is vacant and expected to remain unfilled until after this year's federal elections. There currently are two Democrat Board members and two Republican Board members.
- C. Rail Safety:** The Senate Commerce Committee passed a rail safety bill on May 10, 2023 in response to 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. A full Senate vote on the bill has not occurred. On July 23, 2024, Troy Nehls (R-TX), Chairman of the Subcommittee on Railroads, Pipelines, and Hazardous Materials, and Congressman Seth Moulton (D-MA), introduced a rail safety bill that is very similar to the bill in the Senate except one of the mandated processes for rail car inspection is removed. The House bill is not expected to receive a vote in this Congress.

On July 15, 2024, the National Transportation Safety Board (NTSB) released its final report on the East Palestine derailment. NTSB found a visual rail car inspection failed to catch the failing wheel bearing and thus one of NTSB's main recommendations is for research to create regulations on bearing defect detection systems. NTSB also recommends a phaseout of DOT-111 cars to happen more quickly since DOT-111 cars

are more likely to become compromised during derailments. NTSB also has many recommendations to improve the emergency response effort. Of note, NTSB did not identify train length as a contributing factor to the derailment, nor are there recommendations for visual railcar inspections.

- 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 adopted a final rule on April 30, 2024 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.
- 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. On April 18, 2024, NGFA filed in the second round of comments and asked for the approval to be conditioned on open gateways, a five-year oversight period, preservation of status quo for customer and local service. The Board has not yet ruled on the merger.
- 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. On April 5, 2024, NGFA led a coalition of ag associations requesting the U.S. Environmental Protection Agency (EPA) to reject the proposal. EPA has not issued a decision on the request.

III. Other Actions:

The Rail Shipper/Receiver Subcommittee and NGFA staff also were engaged in the following activities during the March 2024 – September 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. In 2024, service conditions have been substandard for grain railcars that go through the Eagle Pass and El Paso crossings. On July 31, 2024, NGFA sent an agricultural coalition letter to the U.S. government asking them to work with their Mexican government colleagues to improve rail service in Mexico. NGFA has had many subsequent meetings with U.S. government officials on the topic of Mexico rail service.
- C. BNSF Programs:** In June 2024, the Subcommittee provided BNSF an opportunity to explain their strategy for revising grain shuttle and destination efficiency train (DET) programs. BNSF reduced shuttle offering from 155 to 140 sets, increased direct DETs from 8 to 15, and held regular DETs unchanged. BNSF believes it can increase turns to 2.7 trips per month in the last quarter of 2024 to offset the reduction in the number of grain shuttles.
- D. Canada Rail Labor:** In 2024, CPKC and CN have been negotiating with Teamsters Canada Rail Conference on a new labor contract. NGFA has sent three letters to the Canadian government asking for their assistance to ensure agricultural freight continues to move regardless of the duration or outcome of the negotiations.
- E. STB Hearing:** On September 16 and 17, STB is holding a hearing on Growth in the Freight Rail Industry and NGFA's President and CEO, Mike Seyfert, will testify and provide ideas.

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. There are almost fifty companies approved to hire apprentices thus far. 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. A full House vote is not anticipated in this Congress.

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

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

H.R. 3013 – Licensing Individual Commercial Exam-takers Now Safely and Efficiently

H.R. 2367 – Truck Parking Safety Improvement Act

C. Independent Contractor Rule: A Department of Labor rule was released in January 2024 that forces employers to consider contractors as employees when they are economically dependent on a company. The fate of this rule is anticipated to be decided in federal court or potentially replaced if former president Trump is elected President.

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. Other Actions:

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

In June, the Biden Administration announced the creation of an interagency task force to coordinate federal efforts to restore native fish populations and advance renewable energy in the Columbia River Basin. EPA, USDA and the Army Corps of Engineers will be represented on the Columbia River Task Force, which will be led by the Interior and Energy departments and the National Oceanic and Atmospheric Administration.

The announcement came on the heels of a new report from Interior detailing how hydroelectric dams have “deprived Tribal members of the ability to exercise traditional ways of life.” NGFA has requested meetings with task force members prior to its first meeting to get more information on industry and stakeholder involvement and to urge USDA to forcefully engage with the task force on the importance of this important transportation system to NGFA members and agriculture. We have been told the earliest the task force will meet is in the fall, although that date could be shifted by the elections.

- B. Appropriations:** On August 1, the Senate Appropriations Committee marked up and passed unanimously by a vote of 28-0 the Fiscal Year (FY) 2025 Energy and Water Development (E&WD) and Related Agencies Appropriations Act. The bill includes \$10.34 billion for the U.S. Army Corps of Engineers' Civil Works mission, which represents record funding and is even higher than the nearly \$10 billion the House Appropriations Committee approved on July 9. Congress is in recess until Monday September 9. There are three legislative weeks in September before Congress recesses again until after the November elections. Government funding (and other legislation

important to the industry) expires September 30. We anticipate Congress will pass a Continuing Resolution, extending FY24 funding to December, allowing lawmakers to negotiate final appropriations bills after the elections.

- C. WRDA 2024:** 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. The Senate passed its version of WRDA by unanimous consent on Thursday, August 1. The Senate bill has the IJA project language, as well as a provision to permanently set the cost share for inland waterways projects to 75% (federal)/25% Inland Waterways Trust Fund. The House bill, which passed July 22, does not contain these provisions. NGFA is encouraging the conference committee to adopt the Senate provisions in the final product.

Issues for Discussion/Input:

- Regardless of who wins the presidential election, there will be a new administration in 2025. Additionally, many reliable friends of waterways will retire at the end of this year.
 - What opportunities exist to advance policies that benefit the industry in 2025?
 - What potential risks exist in 2025?

Trade and Crop Technology Committee

Report to NGFA Board of Directors

September 2024

I. Key Issues:

- Summer Fly-In
- Mexico Non-GMO
- EU Deforestation

II. Committee Activities:

- A. Summer Fly-in:** The 2024 NGFA Washington Fly-In was held June 3-5. Members of the NGFA Executive Committee, Business, Merchandising and Operations Committee, Ag Policy and Legislative Affairs Committee, and Trade and Crop Technology Committee met with nearly 100 Members of Congress and Federal Officials to discuss the Farm Bill, NASS County Estimate Reports, WRDA, and the importance of trade to the industry. Details for the 2025 Fly-In will be available soon.
- B. Meeting with U.S. Trade Representative (USTR) Ambassador:** NGFA attended an in-person meeting with USTR Assistant U.S. Trade Representative for Small Business, Market Access, and Industrial Competitiveness Sushan Demirjian and senior USTR staff along with several representatives from the agricultural, chemical, and manufacturing industries to discuss international trade issues. Assistant U.S. Trade Representative Demirjian spoke to the group for over an hour and provided a detailed update on industry specific trade issues related to either the EU or the WTO. 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.
- C. EU Deforestation:** The Trade Sub-committee met to discuss NGFA's position on the implementation of EU's deforestation regulation on Jan. 1. Specifically, the regulation imposes strict rules in terms of due diligence to all companies wishing to export soybeans to the European market to prove that the products do not originate from recently deforested land or have contributed to forest degradation. The committee recommended that NGFA work with NAEGA and NOPA to develop a document providing a summary of the industry's position on the issue as well as background information and FAQs. The group also agreed to wait on developing the material until getting further information from the U.S. Soybean Export Council.

III. Other Activities:

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

- The committee is continuing to monitor the status of Mexico's decree calling for a phase out of the use of GMO Corn (and glyphosate) for human consumption by participating in meetings with other producer and agribusiness groups to discuss strategy and next steps.
 - In June a USMCA dispute panel met in Mexico City and heard arguments from the U.S. and Mexico over Mexico's ban on GM corn imports for human food. The

U.S. worked to show how Mexico's biotech rules are not based in science and therefore violate USMCA. A final decision is expected in November. President-elect Claudia Sheinbaum announced agronomist Julio Berdegué will serve as her Secretary of Agriculture and Rural Development. In an interview following the announcement, Berdegué noted his intent to maintain the cultivation ban on genetically modified crops and stated he does not agree with the import of GM corn for human consumption.

- In August, the Commission on Constitutional Issues of Mexico's House of Deputies approved a bill that seeks to constitutionally ban GMO corn, advancing a constitutional reform initiative by President Andrés Manuel López Obrador. While it is similar to the decree calling for a phase out of GMO corn, there are some distinctions, including the introduction of new vague terminology, i.e. broken corn and grain fragments and non-science based criteria for risk assessment. In addition, the scope could also impact gene editing.
- NGFA staff attended a breakfast on April 10 hosted by the European Union Delegation to the United States in cooperation with the U.S. Food and Agriculture Dialogue for Trade for a discussion with the Acting Director International of the Agriculture and Rural Development Directorate in the European Commission on the EU's trade policy and EU-U.S. trade relations in agriculture. Specific issues discussed included EU Deforestation, recent farmer protests in the EU and free trade with Ukraine.
- NGFA staff provided an update on NGFA's biotechnology policy and focus on continued outreach and communication on April 15 to the Ag Biotech Alliance that is composed of producer groups and tech provider companies.
- NGFA staff attended the April 17-18 BIO Ag Summit that included presentations by government and industry reps regarding the role of biotech in addressing climate change and sustainable farming, among other topics.
- On May 20 NGFA participated in a webinar hosted by USSEC regarding the status of the EU Deforestation issue.
- On June 18 NGFA and NAEGA staff met with the Global Stewardship Group to discuss the introduction of their Plant Breeding Innovation Program and Transgenic Technology.
- NGFA staff met with the Center for Food Integrity on June 24 to discuss CFI's origin of source verification program.
- On July 30 Alpine Bio provided an update on a cheese product made from their plant-produced casein. The Crop Technology sub-committee also held a virtual meeting to discuss in-person meeting dates and priority issues.

Trade Rules Committee Report to the Board of Directors September 2024

Amendments to the Trade Rules

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

Trade Rules and Arbitration Seminar

NGFA's renowned biennial Trade Rules and Arbitration Seminar was conducted on May 8-9 in St. Louis. The program featured traditional sessions on the various subsets of the Trade Rules, arbitration, case studies and legal topics. The program also incorporated recommendations of the Trade Rules Committee, which included keeping the change from a 1-day to 1½-day event; continuing to target an audience capacity of up to 250 attendees; declining on alternative locations (beyond Kansas City and St. Louis) or timeframes (outside of early May); and moving to a downtown (rather than airport) venue. In addition to the 20 industry faculty members upon which the program relies heavily, 240 registrants attended (for many of which this was their first NGFA event). The addition of a panel of in-house member company attorneys and extra efforts to make the program as a whole even more interactive – were also very well received.

Other trade rules-related activities since the last report to the Board

■ Fertilizer trading rules

The Trade Rules Committee completed its consideration of an inquiry from an NGFA member about the potential for trading rules for fertilizer. The committee discussed whether this presented a sufficient nexus and good fit for NGFA's rules. The committee decided the next step was for NGFA's leadership to consider broader implications of expanding NGFA's reach to fertilizer. The NGFA Board was consequently informed of the issue, and the NGFA Executive Committee discussed it at length. The consensus of the Executive Committee was that the concept involved going too far outside of NGFA's "footprint," particularly given the time and resources that would be involved. When the Trade Rules Committee met subsequently, it concluded that given its own predisposition and the input received from NGFA leadership, no further consideration of the matter was warranted at this time.

■ Feed Trade Rule 19 / Grain Trade Rule 28

The committee completed its consideration of harmonizing Grain Trade Rule 28 [Failure to Perform] and Feed Trade Rule 19 [Default on the Shipping Schedule and/or the Contracting Shipping Period]. The Feed Trade Rules Subcommittee conducted an initial review of the matter

and held discussions with over 10 industry representatives participating. The subcommittee noted the material differences between the two sets of rules but further noted: 1) no issues, problems or confusion had arisen from the terms in these provisions; 2) the feed trade is different from the grain trade (e.g., commodities not on exchanges; potentially more leeway intended); and 3) the feed trade has been using and is accustomed to the language in the rules as-is. Thus, the subcommittee recommended – and the full Trade Rules Committee ultimately agreed – that no changes to the Feed Trade Rules were warranted.

■ Opening of the Mid-Mississippi

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 12, after the *MV Philip M. Pfeffer* reached Dubuque at 2:27 a.m. on March 12, 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).

■ Specially-assigned task force review

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 the group which helped develop the platform and crafted “Best Practices” for BDT. The group is currently focused upon prioritizing new development and enhancements for the platform.

Secondary Rail Freight Trading Rules: A task force was assembled to monitor contracting and trading issues for this subset of rules following their adoption in 2007. Earlier this year, the group met with 21-member company representatives in attendance. Noting the changes implemented last year to this subset of the rules, the task force concluded – and the full Trade Rules Committee ultimately agreed – that no further changes were warranted at this time.

Containers Trading Rules: The task force that reviews the rules for issues related to container trading also met earlier this year with 9-member company representatives participating. No issues or concerns were reported, and it was noted that no major disputes or disruptions in that marketplace had surfaced since the rules were implemented. The full Trade Rules Committee agreed that no changes to the rules were needed at this time.

Future activities and rules under review

The Trade Rules Committee has already identified and begun to address new areas for review in 2024-2025, including the provisions on “failure to perform” in various subsets of the rules; “time of shipment and delivery” under the Grain Trade Rules and Secondary Rail Freight Trading Rules;” and electronic contracting as it is incorporated and provided for throughout the Trade Rules.

	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 Arlington 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	Arlington, VA (TBA Jan. '25)	Hilton Omaha Omaha, NE (M-W) Jul. 14-16 \$176++	Ritz-Carlton Pentagon City Arlington, VA (M-W) Sept. 8 - 10 \$339++	JW Indianapolis Indianapolis, IN (Su-T) Dec. 7-9 \$185
2026	TBD <i>Contract in '24</i>	Grand Hyatt Nashville Nasville, TN (Su-T) March 22-24 \$339++	TBD <i>Contract in '25</i>	Arlington, VA (TBA Jan. '26)	Hilton Omaha Omaha, NE (M-W) Aug. 3-5 \$183++	TBD Park City, UT <i>Contract in '24</i>	Union Station Hotel St. St. Louis, MO (T-Th) Dec. 8-10 \$165
2027	TBD <i>Contract in '25</i>	Grand Hyatt San Antonio San Antonio, TX (Su-T) March 7-9 \$299++	N/A	Arlington, VA (TBA Jan. '27)	TBD <i>Contract in '25</i>	TBD Williamsburg, VA <i>Contract in '24</i>	TBD Louisville <i>Contract in '24</i>
2028	TBD	La Quinta Resort La Quinta, CA (T-Th) March 28-30 \$359++	TBD	Arlington, VA (TBA Jan. '28)	TBD	TBD <i>Contract in '25</i>	TBD KC <i>Contract in '25</i>