

U.S. Industry's Role in U.S. Agricultural Policy Development



U.S. GRAINS
COUNCIL

Workshop on Benefits of
the Multi-lateral Trading
System
Ankara, Turkey
September 24-25, 2012

Developing markets. >> Enabling trade. >> Improving lives.

Overview of Presentation

- **U.S. Grains Council – Role and Functions**
- **Importance/Benefits of Open, Liberalized Trade**
- **Role of U.S. industry in Policy Development**
- **Examples of Industry-government collaboration**
- **Concluding remarks**



The U.S. Grains Council...



is a private, non-profit organization which aims to develop export markets for U.S. barley, corn, grain sorghum and related products. The Council believes exports are vital to global economic development and to U.S. agriculture's profitability.

Council Members: A Unique Partnership

✓ 26 State Checkoff Boards

Corn
Barley
Sorghum

✓ 1 National Checkoff Board

United Sorghum Checkoff Program

✓ 22 Grower Associations

County, State & National



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Check off Programs—Role and Functions

- **Established under Federal/State Laws**
- **Approved by producer referendums**
- **Collects fees at first point of sale of commodity**
- **Administered by elected boards of producers**
- **Overall objective—enhance profitability**
- **Market Development—domestic and exports**
- **Research**
- **Education**



Council Members: Diverse & Dedicated

✓ 105 Agribusinesses

Life Science (e.g. Monsanto, Syngenta)

Seed Providers

Equipment, Storage and Handling

Marketing, Commodity Traders (e.g. Cargill, ADM)

Transportation

Ethanol Plants

✓ 3 State Non-Checkoff Entities

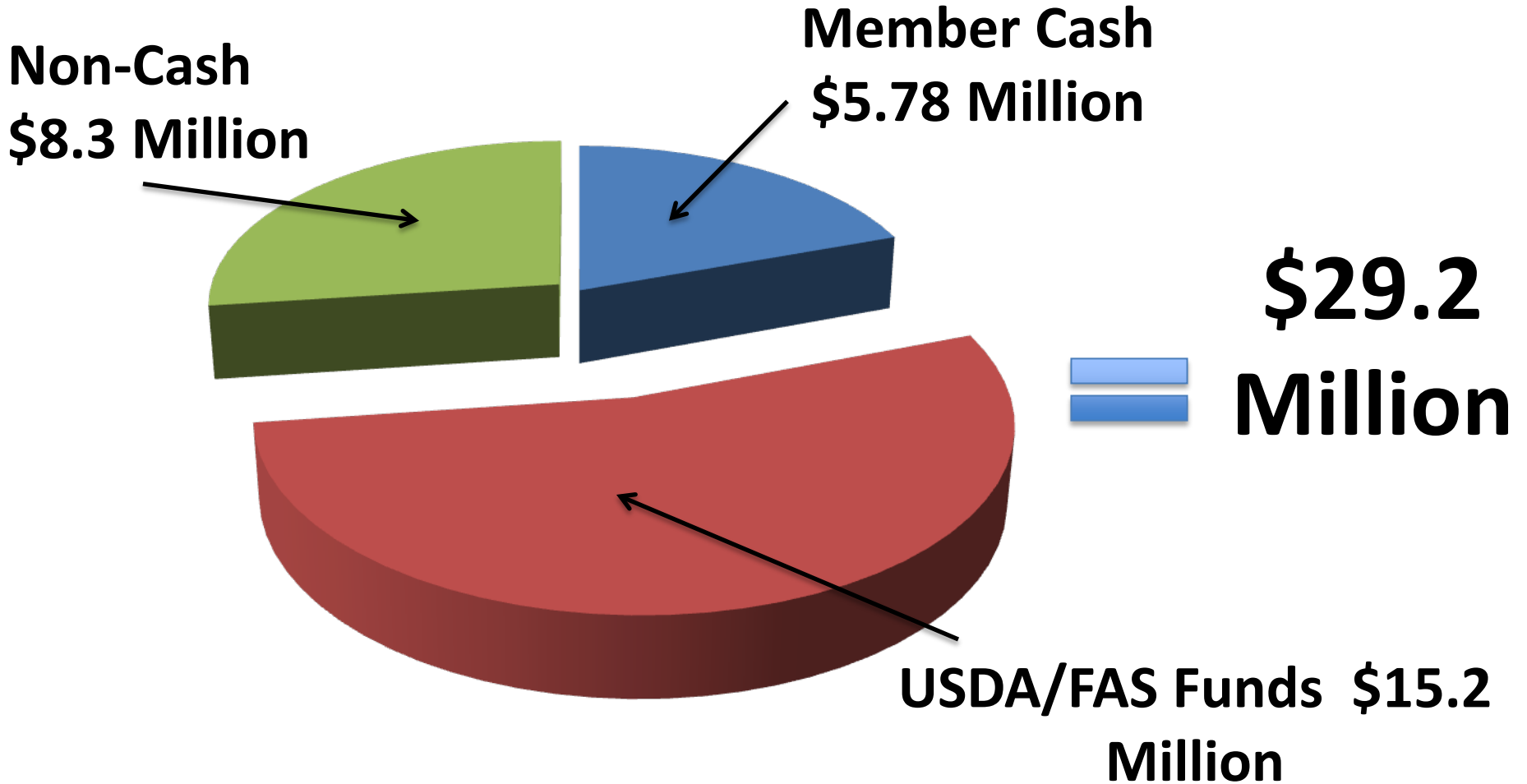
State Departments of Agriculture



USGC Global Marketing Arm



Leveraging Council Funding



A Public/Private Partnership



U.S. Grains Council
U.S. Department of Agriculture



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Importance/Benefits of Open, Liberalized Trade

- **Trade provides mutual economic benefits**
- **Increasing interdependence of the world's trading nations**
- **Food security through trade**
- **Worldwide “Rules-Based Systems”**
- **Stability, Trust and Long-Term Relationships**



- **U.S. Agriculture Private Sector Groups provide representation of agricultural and trade policy issues across value chain.**
 - **Farmers**
 - **Commodities/Products**
 - **Agri-business (input suppliers, machinery etc)**
 - **“Downstream” industry users of ag products**
- **Develop/advocate policies that will enhance viability of the U.S. agricultural sector**



Role in Policy Development

- Respond to proposed policies/regulations
- Provides the ability to petition federal government in a public process.
- Public comment to U.S. Congress and the Executive Branch (White House and Federal Departments)
- Agricultural Advisory Committees for Trade.



- **Domestic Legislation/Regulation:**
 - U.S. Farm Bill legislation
 - Environmental and Food Safety Regulations
 - Taxation; land use; energy; animal welfare
- **International Trade Policy:**
 - Bilateral; Regional and Multilateral Free Trade Agreements
 - Specific tariff and non-tariff Trade barriers



Benefits to Federal Government

- **Guide development of legislative/regulatory policy proposals**
- **Guide development of negotiating objectives and priorities**
- **Respond to specific issues of concern**
- **Helps weigh cost/benefits of particular policy**
- **Provide equitable solution that is in best interests of affected parties.**



U.S.-Colombia Free Trade Agreement

- **Council testimony-Economic Impacts of U.S.-Colombia Free Trade Agreement**
- **Coordinated implementation efforts with U.S. Embassy/USDA**
- **Encouraged Colombia ag sector to offer support for FTA to U.S. Congress**
- **Coordination with USTR and USDA on implementation of FTA.**
- **Further Build Customer Relationships.**



- **Outdated Tariff Levy put sorghum imports at price disadvantage**
- **Sorghum had become uncompetitive in EU markets.**
- **Established new reference price proposal**
- **USDA Brussels coordinated effort**
- **Provided options for European Feed Millers and livestock customers**



- **High VAT/Custom Taxes impede feed grain imports**
- **Partnered with Algeria feed industry and USDA**
- **Conducted feedings trials, technical training and buying and price courses on corn use.**
- **Demonstrated similar benefits from experience in Morocco.**
- **Algerian government removed VAT/Custom taxes on feed grains.**



- **Initiated by China ethanol industry—China DDGS**
- **Council members provided factual information to respond to Ministry of Commerce**
- **Coordinated efforts with U.S. embassy in China**
- **Participated in Hearing process**
- **Ministry terminated the investigation**
- **No anti-Dumping tariffs were imposed**



Concluding Remarks

- **Rules Based Systems for Trade provide stability in both supply and price for customers**
- **Trade: Another Path to Food Security**
- **Private Sector input is resource for advancing trade policy**
- **Long-term trade relationships are based on mutual advantage, partnership and trust**
- **“When Trade Works the World Wins”**

