

National Grain and Feed Association



Long Range Plan
Approved by Board of Directors
April 2012

Preface

In late 2011, NGFA Chairman Hal Reed appointed a task force to develop a new five-year Long Range Plan for the organization.

The task force was chaired by NGFA Second Vice Chairman Bailey Ragan, Bunge North America Inc., St. Louis, Mo.

Other members of the task force were:

- **Jim Black**, Maplehurst Farms, Rochelle, Ill.
- **Dave Gordon**, Northwest Grain Growers Inc., Walla Walla, Wash.
- **Dave Hoogmoed** (NGFA First Vice Chairman), Land O'Lakes Purina Feed LLC, St. Paul, Minn.
- **Kevin Kaufman**, BNSF Railway, Ft. Worth, Texas
- **Ashmead Pringle**, Grain Service Corp., Atlanta, Ga.
- **Eric Wilkey**, Arizona Grain Inc., Casa Grande, Ariz.
- **John Zick**, Agribusiness Consultants, Hinsdale, Ill.

Former NGFA Chairman Don McElmury served as facilitator of the Long Range Planning effort, and NGFA Director of Marketing/Treasurer Todd Kemp was staff liaison to the task force.

During early 2012, the task force conducted business via e-mail and conference call. The group met in St. Louis on March 1 to refine concepts and to develop the underpinnings of a draft Long Range Plan document for consideration by the NGFA Board of Directors at its March 20 meeting during the NGFA's 116th Annual Convention in Charleston, S.C.

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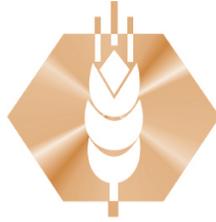
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NGFA Purpose Statement

The NGFA is a broad-based organization representing and providing services to the North American grain, feed, grain-processing and export industries, and a wide range of related commercial interests. Association activities are focused on providing services and advocating policies that enhance the climate for growth and economic performance of agriculture participating in a global marketplace.

NGFA Mission Statement

The NGFA actively promotes a global free-market environment that produces an abundant, safe and high-quality supply of grain, feed, feed ingredients and other grain-based and oilseed-based products for consumers. The NGFA focuses on member interests through advocacy, representation, training, education and communication to members, the public and government.

Spotlighted Accomplishments from the NGFA's 2007 Long Range Plan

While a comprehensive listing of completed action items from the NGFA's last Long Range Plan in 2007 would be too lengthy here, this page contains a sampling of accomplishments judged to be of particular relevance to the NGFA and its member firms. A complete review of the 2007 Long Range Plan – including recommended actions that were completed and some that are ongoing – can be found on the NGFA's home page at www.ngfa.org.

Recommended/Completed Actions:

1. Establish a Biofuels Committee that would include participation by operators of biofuels facilities, DDG marketers, grain marketers and related service providers, including risk management.

ACTION: A Biofuels Committee was created in 2007. To date, more than 50 biofuels producers and related firms have joined the NGFA.

2. Explore webcasts and web-based distance-learning opportunities to enhance regulatory compliance and education/training of industry personnel.

ACTION: A number of webinars have been conducted on issues like contracting practices; safety and health issues; food and feed safety; MF Global; and more. The NGFA's Feed Quality Assurance Program now is delivered via distance learning online.

3. Explore the establishment of an NGFA committee with industry expertise on facility security to interact with government to ensure that policy responses are based upon real, versus perceived risks.

ACTION: The NGFA established its Agroterrorism/Facility Security Committee to represent the industry on these issues. The committee has been very active, with NGFA staff taking a leadership role on federal government panels responsible for facility security.

4. Communicate NGFA priorities and strategies to committees and executive staff.

ACTION: A new NGFA Priorities document (now combined with NAEGA priorities) was created, not only to inform committees and staff but also to communicate those priorities to policy-makers in Washington.

5. Develop and implement strategies to increase the number and effectiveness of NGFA members actively engaged in grassroots legislative and regulatory activities.

ACTION: A new staff position was created in 2010 with responsibilities for managing grassroots participation. In addition, new software was purchased to facilitate communication of major issues to NGFA members and to enable their communication with elected representatives

NGFA Constituents

Member firms of the NGFA have two common elements – generally, they are grain, feed and processing-related concerns and they are commercial enterprises.

Companies that are “Active” members of the NGFA are defined in the NGFA bylaws as being involved in buying, selling, warehousing, handling or transportation of grain, feed and related products. These firms include businesses as diverse as grain elevators, feed mills, flour mills, oilseed processors, integrated poultry or livestock firms, biofuels producers, and more.

The NGFA’s “Associate” members are companies allied with the grain, feed and processing industry who generally provide goods or services to the industry. Types of firms include equipment manufacturers and suppliers, software providers, commodity exchanges, lenders, consulting firms and many more.

Railroads, barge lines, trucking companies and any other transportation providers are “Associate Trading” members.

A second category of “Associate Trading” members includes firms in the grain, feed and processing industry that are based in Canada or Mexico. This category also includes U.S.-based firms that normally would be Associate members but have opted for “Associate Trading” member status in order to access the NGFA Arbitration System if needed.

The network of state and regional grain and feed associations and agribusiness associations that work closely with the NGFA qualify to be “Affiliate” members. These “Affiliate” member organizations have their own distinct memberships separate and apart from the NGFA, although there is significant membership crossover.

The NGFA participates in two strategic alliances to leverage its services and better serve its members. One is with the Pet Food Institute, with whom the NGFA collaborates on an annual Feed/Pet Food Conference. The other is with the North American Export Grain Association (NAEGA), with whom the NGFA is co-located. The NGFA provides certain compensated services to NAEGA under the agreement.

Goals of the NGFA

- ▶ Maintain NGFA Trade Rules and the NGFA Arbitration System as key member services that provide a critical foundation for the industry. Defend the Arbitration System against challenges to the legitimacy of pre-dispute arbitration for grain-based enterprises. Actively explore the possibility of expanding jurisdiction of the NGFA Arbitration System into Canada.
- ▶ Proactively represent member interests in legislative and regulatory forums. This can be accomplished, in part, through enhanced grassroots involvement of the NGFA membership, growing the NGFA's political action committee, utilization of the National Grain and Feed Foundation to develop facts through research, and utilization of industry experts.
- ▶ Deliver timely and useful communication to members, policy-makers and the public.
- ▶ Build on and improve existing relationships with NGFA's Affiliate membership and alliances with other associations and groups. Expand horizons to include North American and global groups.
- ▶ Enhance the effectiveness of the NGFA's committee structure through regular evaluation of leadership, participation and expertise. Promote a more open and transparent organization by having each committee communicate its functions and activities to the NGFA leadership and broader membership.
- ▶ Build on the NGFA's already-strong financial position through continued emphasis on cost control and responsible use of NGFA-members' dues. Use the dues reduction as a positive marketing tool to continue accessing new resources and personnel to help ensure the Association's future health and success.
- ▶ Enhance membership participation – more reporting of committee activities, more transparency in leadership, strengthen committee system/participation.
- ▶ Take affirmative steps to develop the expertise of the NGFA's staff and industry experts. Provide opportunities for training, professional education and enhanced development of expertise to best serve NGFA-member interests that cover the wide range of complex topics.
- ▶ Capitalize on the NGFA's position as a leader on U.S. transportation policy to leverage national influence on transportation policy issues.
- ▶ Strengthen the Foundation's fundraising efforts with the goal of utilizing Foundation research and educational activities to advance the interests of the grain, feed and processing industry.

“Key Actionable Issues”

1. Business Services to Member Firms

The NGFA’s well-recognized and highly respected Arbitration System probably is the most important single reason that companies join the NGFA and elect to remain involved. Serving a complementary function, the NGFA Trade Rules play a critically important role in helping to assure that parties to transactions in grain, feed, barge grain/products, barge freight and rail freight know their rights and obligations and as a key factor in avoiding trade disputes.

Priority Actions:

- Maintain the effectiveness of the NGFA Trade Rules and the NGFA Arbitration System as the premiere dispute resolution venue for the grain, feed and processing industry.
- Defend the NGFA Arbitration System against state and/or federal legislative challenges to pre-dispute arbitration clauses.
- Continue to implement strategies that will expand the pool of qualified industry members to serve as arbitrators.
- Promote the NGFA Rail Arbitration System as the single most effective venue for resolving many types of disputes between railroads and their customers.
- Evaluate opportunities for educational outreach to the grain, feed and processing sector. For example, should the NGFA conduct smaller, regional seminars on trade rules and arbitration similar to the larger bi-annual conference currently conducted?
- Evaluate the application and relevance of NGFA Trade Rules and Arbitration System in Canada. With the loss of monopoly status of the Canadian Wheat Board, there may be opportunities for outreach to additional Canadian firms beyond the current NGFA membership. Get an expert evaluation of whether NGFA Arbitration decisions are enforceable in Canadian courts.

2. Legislative and Regulatory Representation

The NGFA is acknowledged as an organization that is highly effective representing its member firms' interests on Capitol Hill and before federal regulatory agencies. The organization emphasizes good relations with members of Congress from both parties; solid working partnerships with staff of regulatory agencies; and integrity in presenting fact-based arguments for solutions that work in real-world situations.

Priority Actions:

- Formalize a plan to maximize the NGFA's political effectiveness on Capitol Hill. The plan should evaluate staff resources and expertise, grassroots industry participation and how most effectively to leverage alliances/coalitions with other organizations.
- Place high priority on strengthening the NGFA's political action committee – Grain and Feed PAC. Develop a larger funding base among NGFA members for the PAC. Strengthen the recordkeeping and donor acknowledgment functions of the PAC.
- Emphasize broader and more frequent participation in legislative and regulatory advocacy by NGFA's grassroots membership. Examples of such activities are fly-ins by the NGFA Board of Directors, committees and state/regional Affiliate members; and use of the NGFA's grassroots communications software, CapWiz, to serve as a catalyst for member education and involvement.
- Actively work to leverage the involvement of like-minded organizations on policy issues. Strengthen NGFA coalition-building and coalition involvement as appropriate to specific legislative and regulatory issues.
- Work with NGFA-member firms and other organizations to identify and develop industry experts on key regulatory issues. Utilize the Foundation to conduct research and develop data that will help educate regulators and support industry needs.

3. Communications

Delivery to its members of timely and accurate information has been a hallmark of the NGFA for many years, especially as it relates to policy-making activities in Washington. With the advent of new technology and increasing use of social media, the NGFA will need to examine how information is communicated to its members to remain timely and relevant. Information and communication services will continue to be a core service provided to the NGFA membership.

Priority Actions:

- Evaluate effectiveness of current communications modes and revamp, to the extent needed, with the goal of delivering information in a brief and user-friendly format. This is especially important as most NGFA communications now are delivered via e-mail.
- Implement new technologies and communications techniques. In particular, adoption of Twitter, Facebook, LinkedIn and other social media should be analyzed as to their usefulness in conveying NGFA messages and the NGFA brand.
- Continue utilizing webinars and distance-learning tools to convey information and deliver education/training opportunities.
- Redesign the NGFA web site with the goal of making the site more user-friendly and promoting it as the portal of choice to industry information and events, including online meeting registration.
- Implement a new membership database that will facilitate seamless member communication, enable simple information updates by members and assist in member recruiting and retention.

4. Relationships and Alliances with Other Organizations

For many years, the NGFA has maintained highly productive relationships with state and regional associations that are Affiliate members of the NGFA. In addition, the NGFA has entered into formal strategic partnerships with the North American Export Grain Association, with whom the NGFA is co-located, and the Pet Food Institute. Other less formal alliances are formed from time to time on policy and regulatory matters when those other groups hold similar views and where value is added to the NGFA's efforts. It will be important for the NGFA to maintain and enhance relationships with these groups and other potential coalition partners.

Priority Actions:

- Seek more feedback from state/regional Affiliate members on ways in which relationships can benefit both NGFA and those organizations. In particular, the NGFA and its Affiliate members can coordinate messages and activity more closely on major legislative and regulatory issues and more effectively mobilize grassroots action.
- Through mechanisms like their ability to appoint Directors to the NGFA Board, their two elected Director positions on the NGFA Board, and complimentary registrations to the NGFA's two major meetings annually, a broader group of Affiliate groups should be encouraged to become regularly and actively involved in the NGFA.
- The NGFA's strategic partnerships with NAEGA and PFI should be reviewed to determine whether there are additional opportunities for mutual benefit. In particular, the relationship with NAEGA should be reviewed with a view to whether opportunities exist for enhanced collaboration between the two organizations' committee structures to further improve consistent policy positions and messaging.
- Consistent with current practice, the NGFA should continue to look for opportunities to attend state/regional Affiliate conferences when it is judged beneficial to both groups, with the dual goal of supporting the relationships and also gaining added exposure to potential new members of the NGFA.
- The NGFA should seek out potential coalition partners among other agricultural, agribusiness and other organizations when mutually beneficial. Opportunities may exist to leverage multiple organizations' resources on issues such as farm policy, biotechnology, rail and waterborne transportation, food/feed safety, trade, safety and health and other issues.

5. Importance of Effective Committee Structure

The NGFA's member-driven committee structure is one of its strengths. Most policies of the organization bubble up from the committee structure, which is populated by more than 200 industry volunteers. The NGFA's committees continue to evolve in response to industry conditions and the needs of its member firms. In the last Long Range Plan in 2007, the creation of two committees was recommended: a Biofuels Committee to address the needs of an increasing number of biofuels producers and related firms that were joining the association; and an Agroterrorism/Facility Security Committee. Both committees were chartered since that time, in addition to a Finance and Administration Committee designed to address financial, management, tax and administrative issues of concern to NGFA-member firms. One committee, the Feed and Animal Agriculture Strategic Issues Committee, currently is being eliminated because the functions of that group have been largely subsumed into two other NGFA feed-related committees. The NGFA's leadership and staff regularly evaluate committee structure and composition to ensure that appropriate expertise and representation on committees is achieved.

Priority Actions:

- To the extent they don't exist currently, each committee should develop a brief statement outlining the function of the committee and its areas of responsibility. The statement should be reviewed yearly with results of such annual reviews communicated to the Board.
- Led by each committee chair, committees should engage regularly in setting goals and priorities for the group. Committee goals and priorities, together with the statements of committees' responsibilities, will be communicated to the full membership via the NGFA's web site preview of each committee.
- NGFA leadership should review regularly the relevance and effectiveness of each committee to achieving the NGFA's goals, including committee leadership, participation, expertise and any knowledge gaps.
- Committees should place greater priority on delivering concise, streamlined communications to the NGFA Board of Directors and to the broader membership. This will enhance committee relevance and perceived sense of NGFA membership value to a wide range of member firms who might not otherwise be aware of the scope of NGFA committees' work.

6. Stewardship of Association Financial Resources

The NGFA is on an extremely strong financial footing today. Both short-term assets and long-term association reserves exceed recommendations of the NGFA's Investment Committee. Due to significant new-member growth in recent years and vigilant cost controls, the NGFA has rebated 10% of membership dues back to its member firms in two of the past three years. Even more significantly, the NGFA Board of Directors in Sept. 2011 approved a revision in the Active member dues structure that is projected to reduce average dues to that member segment by 14%. That reduction became effective on Feb. 1, 2012, and should prove to be an effective membership retention and recruiting tool. Non-dues revenue, especially sponsorships at NGFA conferences, continues to grow and provide an important supplementary revenue stream to the association.

Priority Actions:

- Evaluate dues structure with a view to maintaining fairness and perceived equity among various membership categories and across member firms of various size. In particular, should the maximum dues level, capped at \$48,000 for a decade, be increased to improve dues equity among members?
- Continue to develop new non-dues revenue sources such as sponsorship and advertising revenues. Other non-dues income like membership affinity programs may be explored as appropriate.
- New-member recruiting is an important source of revenues and talent for the association. An active and aggressive recruiting program needs to be maintained as an important contributor to the association's financial and policy strength.
- Evaluate the possibility of requesting that members shift their dues reductions to other worthy pursuits of the NGFA (for example, the Foundation or Grain and Feed PAC, where allowed).

7. Membership Participation

The NGFA is a member-driven and member-directed organization. To that end, enhancing membership participation is important to the future success of the association. Committee service, volunteering as an arbitrator, attending NGFA conferences and seminars, recruiting new members, participation in Grain and Feed PAC – all these activities illustrate the value of NGFA membership to the participant and need to be encouraged. Steps should be taken to develop broader, more diverse membership participation in the NGFA.

Priority Actions:

- Acquire a more useful membership database that will facilitate more member involvement: online registration, self-service database changes, seamless interfacing with the NGFA web site, searchable membership directories, better ability to track membership participation and target communications – all these will contribute to a more positive membership experience.
- Encourage the participation of a more diverse membership segment. This can be done both by staff and by member initiative: inviting newer members to attend an NGFA meeting; assigning a contact to new or first-time registrants at meetings.
- Explore the feasibility of conducting NGFA introductory sessions for new and less-experienced NGFA-member employees in targeted membership markets. Such meetings potentially could be held in conjunction with Affiliate meetings regionally.
- Explore the concept of inviting selected NGFA-member employees to serve an “apprenticeship” on an NGFA committee to learn more about the committee’s role and the association’s work.
- Ramp up membership contact and recruitment of new members in Canada. Especially in the western provinces, the dissolution of the Canadian Wheat Board may present opportunities for involving new member firms and personnel.
- The dues reduction approved by the Board offers opportunities to approach non-members about participating in the NGFA.

8. Staff and Industry Expert Development

Industry leadership and staff of the NGFA play a vital role in the success of the association and are among its greatest strengths. Appropriate planning and development are important to maintaining staff and leadership continuity and expertise. This is illustrated by the retirement of the long-time chief staff executive of the NGFA, which has led to a transition period that offers both challenges and opportunities. In addition, the NGFA needs to be viewed as a desirable workplace for high-quality staff by ensuring a competitive level of compensation, benefits and human resources practices.

Priority Actions:

- Develop and implement a succession plan for key executive staff managers and chairs of key NGFA committees. As part of the succession plan, evaluate where gaps in knowledge or particular skills may exist, and plan for how to address such needs. The plan will be reviewed annually by the Executive Committee to ensure alignment of the organization and the current state of the NGFA's management and staff.
- Pursue and implement education and training programs for employees of NGFA-member firms to protect the safety and health of industry personnel.
- Ensure current job descriptions, annual evaluations and appropriate training are available for each staff position.
- On a regular basis, evaluate the size, expertise and compensation of staff to determine whether sufficient and appropriate resources are being brought to bear to accomplish the NGFA's goals.
- Strive to develop diversity on NGFA staff and among NGFA leadership.
- Perform 360 Feedback Surveys every two years for NGFA management and appropriate staff.

9. Transportation

The NGFA is recognized as the lead organization representing interests of agricultural shippers and receivers at the federal level. In legislative efforts and regulatory proceedings, the NGFA has developed a knowledge base and expertise, both on staff and in the form of outside counsel, that has served its members well. The NGFA also has worked to develop a coalition of national producer groups and agribusiness associations that meets regularly to discuss transportation matters and that works together occasionally on policy issues. The association should continue to take a leadership role on transportation issues to ensure that policy-makers, regulators and other organizations understand the critical importance of an efficient and cost-competitive transportation system to the success of U.S. agriculture.

Priority Actions:

- With the retirement of the association's chief staff executive, who took the staff lead on rail transportation issues, and with the transition to a new outside rail counsel, the NGFA will need to provide strong support and resources to staff and relevant committee leadership to maintain its leadership role on national rail policy issues.
- The NGFA's Rail Arbitration System should be publicized as a uniquely successful method of resolving many types of rail disputes between railroads and their customers.
- The NGFA Waterborne Commerce Committee should continue to be strengthened in order to take a more visible advocacy role on national policy issues.
- The NGFA should examine carefully benefits of cooperating with other agricultural and agribusiness organizations to achieve its transportation policy goals, both rail-related and waterways-related.

10. Strengthen the Foundation

The National Grain and Feed Foundation can serve as an important research and education resource for the grain, feed and processing industry. Additional staff time and resources should be devoted to developing more aggressively the Foundation's fundraising activities and its research and education role.

Priority Actions:

- The Foundation trustees should meet at least twice annually to review Foundation activities, funding levels and potential new projects. The trustees, with appropriate staff support, should develop a plan for the Foundation that includes current activities and the Foundation's future direction in supporting the industry.
- Communications need to be targeted at the NGFA membership and broader industry participants to build awareness of the Foundation and its important role.
- Currently, the annual Foundation golf tournament at the NGFA convention is the only regular fundraiser. Most funds in the Foundation were transferred from balances of the Fire and Explosion Research Council when that structure was disbanded. Revenue sources need to be expanded and fundraising pursued more aggressively from both private and public sources.
- Potential new activities undertaken by the Foundation could include research on materials handling, safety issues and facility security.

