NGFA Chairman’s Address

By John Heck

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at the

122nd Annual Convention
National Grain and Feed Association

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Good morning and thank you again for your attendance at the NGFA’s 122nd annual convention.

Please allow me a moment to share a couple of reflections about the video we just viewed. I believe this is our third year to share that kind of legacy story.

From the video, we hear the young Misters Zick and Lafferty – names that are well-known to many of you and great examples of the passion and commitment that generations have brought to our industry. Think about it. Yesterday, Mr. Schroder’s marking of Bunge’s 200th anniversary, Lafferty’s Wheeler Brothers celebration of a 100-year anniversary this past summer, Scoular’s celebration of our 125th anniversary this year, and of course the National Grain and Feed Association’s vital presence since 1896. Many of you are involved in businesses with similar success stories that span many years.

Last year in New Orleans, we talked about the NGFA building on its legacy and that “building” is indeed, ongoing.
I believe that a key component in the legacy building is achieving strength and success through leadership and collaboration. If collaboration doesn’t resonate with you, pick another word or words. Here are just a few: affiliation, alliance, association, partnership, relationship, unity of purpose, etc. You get the picture. NGFA actively participates with others in each of those ways in advancing the cause of our industry.

Your presence here validates the just-mentioned theme that I would like you to think about and reflect upon: “NGFA Strength and Success through Collaboration.” There is no problem that doesn't have some underlying need for more optimism, stamina, resilience and collaboration. Virtually every collaboration challenges one’s thoughts and helps one grow.

Let’s talk about some recent powerful examples:

**On the Section 199A Tax Issue:** The NGFA has developed a stakeholder-led solution to resolve the Section 199A tax issue. NGFA worked extensively with the National Council of Farmer Cooperatives to discuss this issue and arrive at the general
framework of a solution. But even more importantly, NGFA benefitted from the considerable talents of eight tireless and dedicated tax experts – four from cooperatives and four from private/independent companies – derived from member companies serving on its own Executive Committee. They provided knowledgeable, fact-based analysis in a totally professional and transparent process. These tax experts – who spent countless hours – including over Super Bowl weekend – to work with NGFA staff to analyze in excruciating detail the real-world market impact of various concepts and proposals. That hard work was instrumental in arriving at a solution. They – and NGFA staff – became the “go-to” resource for the tax-writing committees of Congress because of their integrity and balance, and the role that NGFA played as an “honest broker” in representing the business interests of both our cooperative and private/independent company members in tackling what at times appeared to be an insurmountable challenge. It is a telling comment regarding the leadership role of the NGFA on this that when an American Farm Bureau wrote to our staff: “Well played.”
Now it is incumbent upon all of us to advocate with members of Congress to get this across the finish line by the end of this week.

**On CRP Reform:** NGFA is collaborating with several “unconventional” groups with which we have not worked in the past to achieve our common objectives. One good example involves our continuing effort to bring about reforms to the Conservation Reserve Program – and specifically, to adopt legislation as part of the farm bill that would keep landowners and producers from enrolling productive farmland that can be cropped in an environmentally sensitive way. To achieve introduction of a bipartisan CRP reform bill in the Senate, NGFA partnered with the National Sustainable Agriculture Coalition in working with steadfast allies, Senators Joni Ernst and Chuck Grassley of Iowa, but also two new partners – Democratic Senators Sherrod Brown of Ohio and Bob Casey of Pennsylvania, both of whom have significant interest in focusing the CRP on environmental benefits, like preserving water quality.
And in the House – and hold onto your tweets on this one! – we’re actually working with the CRP’s foremost champion – House Agriculture Committee Ranking Member Collin Peterson of Minnesota – to enact market-driven incentives to keep productive, non-environmentally sensitive farmland from being enrolled.

These ideas include a cap on CRP rental rates that would provide a strong economic disincentive for enrolling productive acreage. CRP reforms remain essential if U.S. agriculture is to remain competitive and if the next generation of American farmers and ranchers to find a welcome mat – not an insurmountable barrier – when trying to access land to get into the production agriculture business.

**On Trade:** Perhaps there is no better example of leadership and collaboration than what the NGFA and the North American Export Grain Association have been doing to urge the Trump administration to stay at the negotiating table to complete a modernization of the North American Free Trade Agreement and to initiate new trade talks with countries in the Trans-Pacific
Partnership. NAEGA and NGFA, along with the North American Meat Institute, have led a consortium of more than 300 national food and agricultural trade associations and companies – called the U.S. Food and Agriculture Dialogue for Trade – to interact continually with the White House, Congress and foreign embassies to tout the benefits of agricultural trade and to keep it front-and-center in the national dialogue. It was this group that developed the widely used saying: “First, do no harm to agriculture!” that continues to resonate. NAEGA, NGFA and like-minded food and agriculture organizations are well-positioned to be proactive in urging adoption of policies that facilitate trade, and of reacting quickly and effectively to meet trade challenges that no doubt will continue to arise.

**Regarding Biotechnology and Plant Breeding Innovation Techniques:** Collaboration isn’t always as easy as depicted in the preceding examples. We continue to struggle with our partners in the seed and technology business on achieving what is our mutual objective of achieving a more science- and risk-based regulatory environment for plant biotechnology –
including the new forms of gene-editing that are on the near-term horizon. Our challenge is to work together to bring about international alignment on appropriate policies for ensuring the safety and wholesomeness of commodities produced through these new plant breeding innovation techniques.

But at the same time, our industry needs to achieve an appropriate level of transparency regarding the use of these new technologies in food crops and appropriate commercialization practices by technology providers to avoid disrupting domestic or international markets, or an undermining of consumer confidence.

But although the discussions are difficult, that doesn’t mean we’re going to quit trying. NGFA and NAEGA are collaborating – there’s that word again – through the International Grain Trade Coalition with our partners around the globe to engage the International Seed Federation to address these twin challenges.
**NGFA-OSHA Alliance:** Finally, even a couple of years ago, who would have dreamed that NGFA would collaborate with OSHA! Well, we did just that last September in consummating a two-year Alliance with that agency.

The initial fruits of that collaboration also have been extremely positive, with the development of additional safety education and training materials and the building of a better understanding within OSHA of our industry’s commitment to protect the health and safety of those who work in our facilities. The latest example is planning now underway by NGFA and OSHA for a “Stand-Up Engulfment Prevention Week” scheduled for April 9-13, during which we will partner to raise the awareness of our industry and our farmer-customers about avoiding hazards associated with entering grain bins. In this case, raising awareness is just the start. We have a unity of purpose with all stakeholders in helping to eliminate this hazard. Our goal should be no less than that.
Returning one more time to the leadership and collaboration theme, the way things get done in your companies, our industry, and our Association are well reflected in this quote from a favorite filmmaker, Steven Spielberg:

“When I was a kid, there was no collaboration; it’s you with a camera bossing your friends around. But as an adult, filmmaking is all about appreciating the talents of the people you surround yourself with and knowing you could never have made any of these films by yourself.”

Thanks to all of you here today, NGFA Board and Executive Committee members, Officers, NGFA staff, my colleagues at Scoular, and all NGFA members for the opportunity and real honor to serve as you Industry Chairman.

Now a bit of a new format: I invite Randy Gordon, and Eric Wilkey, our incoming Chairman to join me on the dais so I can ask them a few brief questions and then wrap this up.
Randy, like me you are a man of experience, and have seen a few “watershed” events that have required the leadership and collaborative powers of the NGFA at the highest level. Can you talk about any of those events and a possible parallel with the current 199A solution in progress?

Eric, as incoming Chairman and a key contributor to our updated Long-Range Plan, what might be an early priority/opportunity that would involve new partnering efforts to be successful?

Thanks to all!