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**Written Testimony of Brian Linin
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Before Senate Agriculture, Nutrition, and Forestry Committee
Grain Standards Act Reauthorization
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Chairman Roberts, Ranking Member Stabenow, and Committee members, I am Brian Linin, a wheat farmer from Goodland, Kansas. I am a member of the National Association of Wheat Growers, serve on the Kansas Wheat Commission, and am a board member of the U.S. Wheat Associates where I served as past chairman of the U.S. Wheat Associates and National Association of Wheat Growers Joint International Trade Policy Committee. Off the farm, I also serve as the Chief Financial Officer for Frontier Ag, Inc. Thank you for the opportunity to testify today as a farmer and on behalf of NAWG on the importance of reauthorizing the Grain Standards Act.

The United States' grain inspection system, authorized through the Grain Standards Act, provides certainty to our foreign customers that all U.S. grains and oilseeds have been inspected and certified by an independent agency and provides great value to U.S. commodities, thereby enhancing our competitiveness in the world market. I know many other farmers and agriculture organizations share this view. I look forward to sharing why the reauthorization is important and needed this calendar year and how I've seen some of the improvements made in the 2015 authorization be implemented.

As a grower of winter wheat, among other crops, I stepped off my combine yesterday to be with you here to serve as a voice for fellow wheat farmers across the country about the importance of maintaining a smooth export system. It's been a very difficult few years for farmers, as we've dealt with extreme weather events, disease and pest pressures impacting our grain, high cost of production, low prices caused in part by tariffs (among other factors), and significant decreases in net farm income. Congress and the Administration have done important work to help us mitigate these factors in the form of Farm Bill commodity programs, crop insurance, and federal investments in research. Having a functioning and respected grain inspection system has enabled the U.S. to be a reliable exporter and facilitate continued demand for our commodities. When we've seen disruptions to our grain inspection system in the past it has resulted in billions of dollars of lost value throughout the production chain.

The Grain Standards Act serves a critical role in exporting grains and oilseeds, including U.S. wheat, of which about 50% is exported each year. With such a large volume of wheat being exported, our export markets are critical to wheat farmers' bottom lines. Despite challenging market factors, U.S. wheat exports for marketing year (MY) 2018/19, which ended May 31, 2019, totaled 25.8 million metric tons (MMT) (948 million bushels), in line with USDA's adjusted export volume estimate. That is 9% ahead of MY 2017/18 and 1% ahead of the 5-year average of 25.5 MMT (937 million bushels). Commercial sales of all classes of wheat in MY 2018/19 exceeded 2017/18 levels due to abundant exportable supplies, excellent harvest qualities, and competitive export prices.

U.S. wheat exports increased despite bearish factors such as a strong U.S. dollar, uncertainty about U.S. trade policies, and difficult inland transportation logistics. International buyers acknowledge that sustained service from U.S. Wheat Associates (USW), supported by the member state wheat commissions, and with the USDA

Foreign Agriculture Service programs counterbalance many bearish factors that work as headwinds to expanded exports. Our product is known for its premium quality, and our customers are willing to pay for that. However, when barriers to trade arise, this hampers farmers' ability to sell their grain overseas and lowers farmgate prices. These barriers may take the form of inspection delays, new tariffs, or other non-tariff barriers found in the international market. With tough economic conditions being faced by our farmers including several years of low commodity prices and the headwinds to exporting wheat, it is critically important that we at least maintain a smooth grain inspection system.

The grain inspection system is one that is valued by our overseas customers and adds value to our commodities. Foreign customers can be assured that an independent agency has certified shipments to meet the grade requirements specified in a contract. This certainty and reliability has helped wheat and other U.S. commodities to grow our export markets and serves as a significant advantage of purchasing U.S. wheat versus wheat from other origins. As an example, in June the Kansas Wheat Commission and U.S. Wheat Associates hosted a trade team from Brazil consisting of wheat buyers for flour mills using funds from the Market Access Program (MAP). The team visited the Federal Grain Inspection Service (FGIS) facility in Kansas City and were very interested in the role that FGIS plays as an independent, third-party entity conducting inspections. They learned about the process through which the agency settles disputes on quality standards. They walked away with more confidence in buying U.S. grain because of this unbiased, third party arbitration system. A strong grain inspection process can also help to prevent the shipping of wheat with excessive foreign material, keeping quality of U.S. wheat at a premium and preventing international customers from looking to other countries to purchase their wheat.

As another example of the added value our grain inspection system provides, the FGIS international affairs office provides educational training programs that help foreign buyers to better understand inspection protocol and testing methods. Just earlier this month, they held a training program in Peru, an import market of about 73.5 million bushels. 53 people from the five largest wheat importing companies in Peru left with increased trust and confidence in the FGIS certification process. More so, these foreign buyers will implement changes in their mills following these training sessions which will result in fewer discrepancies between the FGIS grade and the results of local inspections, leading to increased satisfaction with U.S. wheat overall. Ensuring that there are no disruptions in inspection services and that FGIS is required to step in and provide a smooth grain inspection and export system is of top priority to the wheat industry.

With the grain inspection system being so important, the wheat industry and other commodities were pleased to see needed improvements as a result of the 2015 reauthorization. We hope that a reauthorization will continue to require that delegated agencies that decide to discontinue service must provide 72 hours' notice and that FGIS is required to immediately take necessary actions to maintain inspections. Reliability and certainty to our export markets by avoiding disruptions in inspection services is a top priority. Additionally, we have seen benefit in allowing a recertification process for delegated state agencies to provide an open opportunity for public comment and feedback about the operations of those agencies. More so, we were pleased that the 2015 reauthorization bill included additional reporting requirements, including immediate reports to Congress about future disruptions in official inspection services.

The wheat industry saw great value in FGIS reporting to Congress (as required in by the 2015 reauthorization) the policy barriers U.S. grain producers face in countries that don't provide U.S. grain with official grades (or only the lowest quality grade). We believe this reporting helped facilitate efforts of the Administration to include provisions in the U.S.-Mexico-Canada agreement (USMCA) to require reciprocal grain grading, an improvement that is one of the key reasons NAWG is supportive of the USMCA agreement. We also see great value in ensuring we continue a FGIS advisory committee that has been composed of farmers, grain handlers, trade groups, and

academics to continue providing a forum for improvements to the grain inspection system. Additionally, we strongly feel it is important for FGIS to conduct regular reviews of specifications for wheat classes and for there to be a public comment opportunity for those reviews.

A properly functioning grain inspection system is critical, and we urge Congress to reauthorize the Grain Standards Act this year. Despite the significant impacts of tariffs on exports, U.S. wheat has maintained some competitiveness in the international market in part thanks to the advantage and premium international buyers place on the U.S. grain inspection system. Given the current uncertainty in trade agreements and many of the bearish factors working against U.S. wheat exports, it is critical we maintain one of our key advantages. Foreign and domestic customers value an independent agency certifying shipments to meet the grade requirements of contracts.

Although issues specific to other crops are not addressed by this statement, the following groups – American Farm Bureau Federation, American Soybean Association, National Barley Growers Association, National Corn Growers Association, National Farmers Union, National Sunflower Association, U.S. Canola Association, U.S. Pea and Lentil Trade Association, and USA Dry Pea and Lentil Council – also agree that a properly functioning grain inspection system is critical, and on behalf of all of our organizations, we urge Congress to reauthorize the Grain Standards Act this year for at least five years. The 2015 reauthorization of the Grain Standards Act included many improvements and we hope to continue and build upon those improvements through this reauthorization.

Again, thank you for the opportunity to testify today about the importance of our grain inspection system and the advantages it provides to U.S. wheat along with other grains and oilseeds. I look forward to working with you towards a timely reauthorization of the Grain Standards Act.