

NOPA's Role in Representing the U.S. Oilseed Processing Industry on Policy Issues

China – Cargill Food Safety Leadership Program

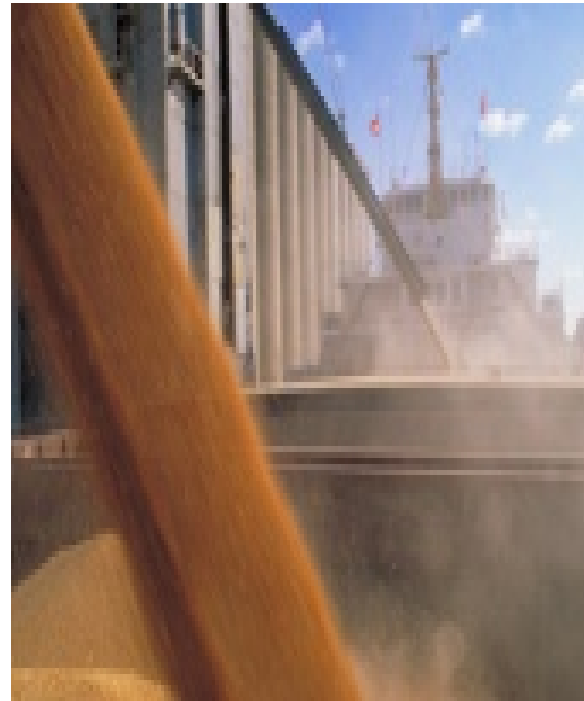
Thomas Hammer, President
National Oilseed Processors Association
Meridian International Center
Washington, DC
November 13, 2015



Unlocking the Power of the Seed

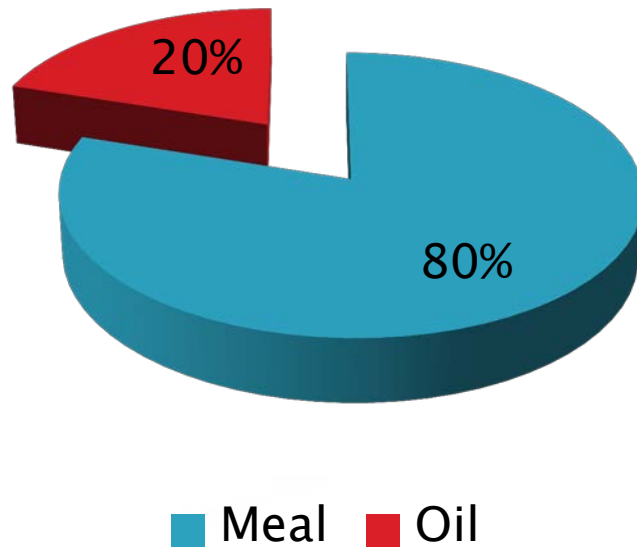
NOPA Members

- ▶ 12 NOPA member companies
- ▶ Account for 95% of U.S. oilseed crush
- ▶ Operate 63 processing plants in 19 states, including 57 that process soybeans
- ▶ Crush 1.8 billion bushels, comprising over 46% of U.S. soybean farmers' production in 2014/15



NOPA's Members Produce: Food, Feed & Fuel

Soybean Components



Soybean Meal:

97% used to feed poultry & livestock

3% used in food products like protein alternatives & soy milk

Soybean Oil:

68% used for frying and baking food, as a vegetable oil & as an ingredient in foods like salad dressings & margarines

25% used for biodiesel and bioheat

7% is converted into industrial uses like paints, plastics and cleaners

Source: United Soybean Board

NOPA Regular Membership

- ▶ Ag Processing Inc.
- ▶ Archer Daniels
Midland Company
- ▶ Bunge North America
- ▶ Cargill, Inc.
- ▶ CHS, Inc.
- ▶ Consolidated Grain
and Barge Company
- ▶ Incobrasa Industries, Ltd.
- ▶ Louis Dreyfus
Commodities, LLC
- ▶ Owensboro Grain
Company, LLC
- ▶ Perdue Grain & Oilseed,
LLC
- ▶ Riceland Foods, Inc.
- ▶ Zeeland Farm Soya

NOPA's Membership

▶ **Regular Members:**

- Any person, firm, or corporation regularly engaged within the Continental limits of the United States in the actual processing of oilseeds for meal and oil using a solvent extraction process [12 members]

▶ **Associate Members:**

- Any firm or corporation which is a regular consumer of oil or meal produced from oilseeds [7 members]

▶ **NOPA is a Member-Funded Trade Association**

- **Membership Dues fund≈85-90% of NOPA's Annual Budget**

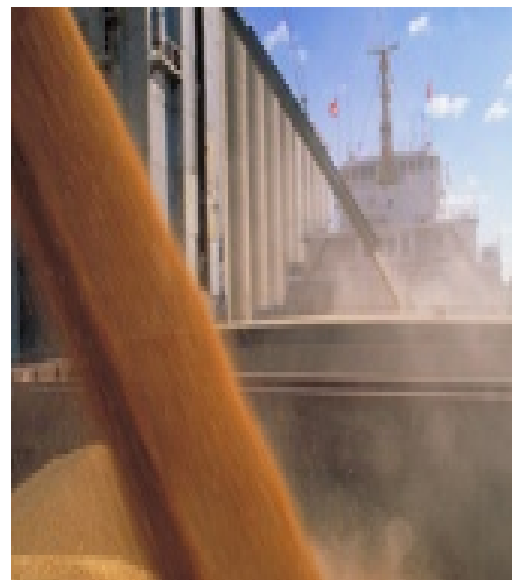
NOPA Vision

NOPA favors a market-based trading environment that encourages the efficient production of an abundant, sustainable, safe and high-quality supply of oilseeds and oilseed products for domestic and world consumers of food, feed-ingredients and renewable fuels.



NOPA's Mission

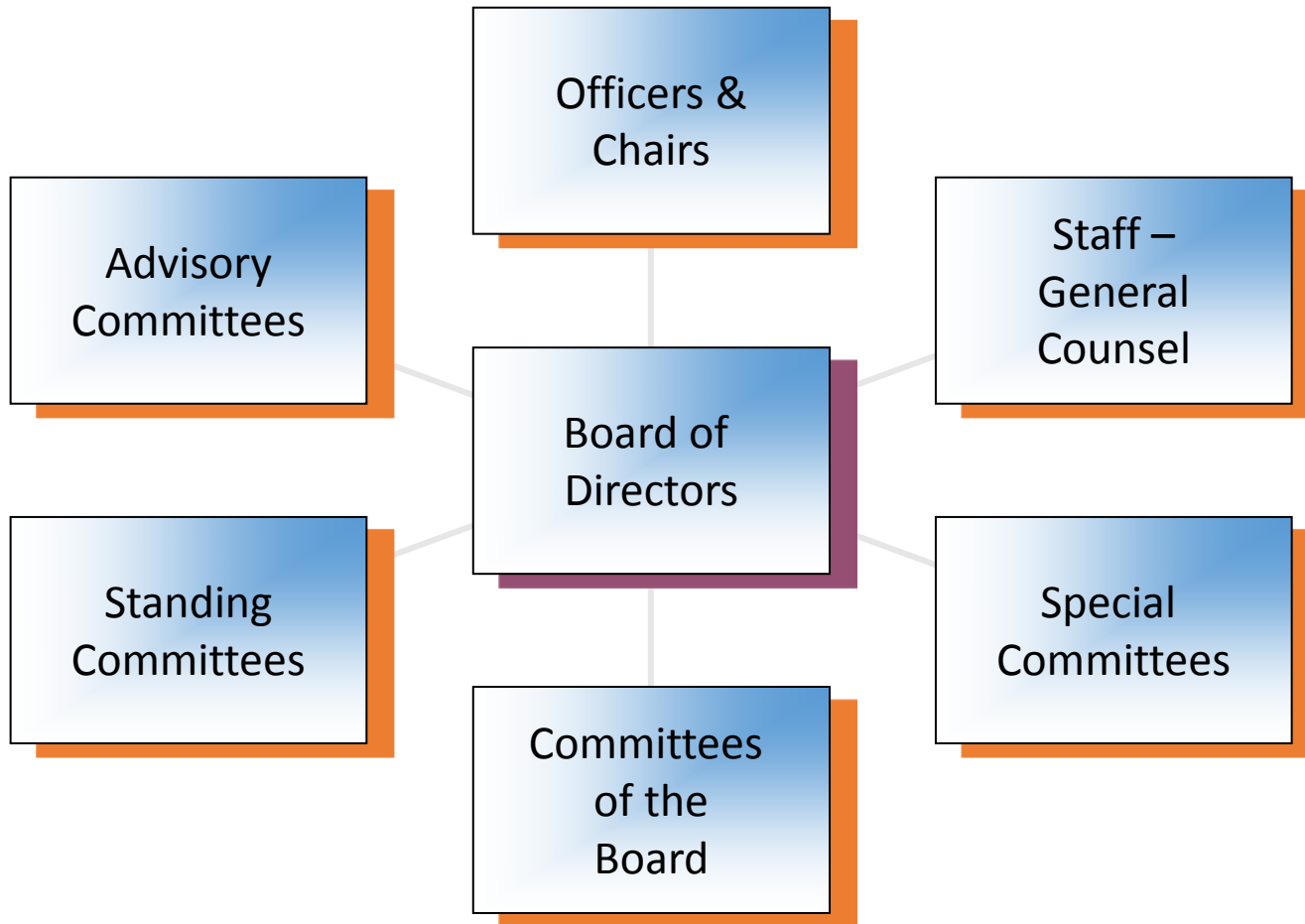
Assist the U.S. soybean, canola, flaxseed, sunflower seed and safflower seed processing industries to be the most competitive and efficient in the world by utilizing the combined expertise, knowledge and resources of its members to foster market- and science-based policies.



NOPA's Definition

- ▶ NOPA's mission will be accomplished through representation of its members' interests in the areas of trading rules; international trade matters; and federal legislative, regulatory and biotechnology policies.
- ▶ NOPA will advocate for an efficient global supply chain system, by providing leadership through education, information and market-based solutions to policymakers and trade negotiators; growers; customers; suppliers; and global oilseed organizations.

NOPA's Organizational Structure



NOPA: Member-Driven Organization

- ▶ Board approves:
 - Goals & Policies
 - Budgets
 - Resource Allocations
- ▶ Committees establish:
 - Issue/Priority Levels
 - Overall Objectives
- ▶ Ad Hoc Advisory Groups provide:
 - Issue-Specific Expertise
 - Advice to the Board
- ▶ Staff implements:
 - Policies
 - Tactics
 - Strategic Outreach
- ▶ Board, Committees & Staff conduct:
 - Periodic Assessments of Policies & Goals
 - Adjust Objectives, Tactics & Resources as Necessary

NOPA's Policy Matrix

- ▶ Each major committee has a Policy Matrix – often responsibilities overlap between committees.
- ▶ Committees & staff discuss & rank policy issues in terms of their importance to NOPA member companies – Urgent, High, Moderate or Low.
- ▶ Board of Directors approves each committee recommendation.
- ▶ Policy Matrix is updated at least twice annually.
- ▶ Urgent & High Issues receive constant attention.
- ▶ Moderate & Low are generally the responsibility of another association or coalition.

NOPA Priority Issues

- ▶ Food/Feed Safety Regulations
- ▶ Environmental & Safety/Health Regulations
- ▶ Transportation Issues – Rail, Vessels, Trucks
- ▶ Market-Oriented Domestic Farm Policies
- ▶ Threats to Animal Agriculture Production
- ▶ Global Trade Issues:
 - Unfair Trade Practices and Crop Subsidy Programs
 - Sanitary/Phyto-Sanitary Issues (SPS) – Meat Products
 - Multilateral Trade Agreements – WTO/Doha Round Regional Free Trade Agreements – TPP, TTIP
 - Enforcement of International Trade Rules
- ▶ Agricultural Biotech Releases & Acceptance

Internal Process: Issue Development

- ▶ Staff or member company identifies critical issue (such as an approaching FDA food/feed safety regulation)
- ▶ Issue assigned to appropriate committee for review/analysis - in this case, the Technical, Research, Environmental, and Safety & Loss Prevention (TESH) Committee
- ▶ Committee and/or Subcommittee...
 - Assesses probable economic impact on U.S. oilseed processing industry
 - Assigns Priority Matrix level: Urgent, High, Moderate or Low
 - Determines “Action Plan” – comment on Agency Rulemaking
 - Determines resources required to optimize industry effort:
 - Brings in legal and/or technical experts to assist with comments
 - Solicits “like-minded” organizations to form an industry Coalition
- ▶ Committee seeks Board Approval for proposed “Action Plan”

External Process: Issue Implementation

- ▶ Provide specific industry information/data to the Federal Agency (FDA) requesting comments on a proposed food/feed safety regulation(s).
- ▶ Transmit industry information (commercial, legal or technical) via informal meetings, documents/analysis and/or formal comments for the public record.
- ▶ Participate in Agency's public "listening sessions" conducted in Washington, DC and/or at regional sites.
- ▶ Utilize any additional opportunities for industry input.
- ▶ **All external actions by NOPA & "like-minded" entities are intended to educate/assist the Agency in its development of food/feed safety regulations that are "rigorous, fair, economically-viable and achievable" for the impacted participants in the "Food/Feed Value Chain."**

External Process: Issue Implementation

- ▶ Possible external actions outside the Agency proposing the food/feed safety regulation(s):
 - White House and other Federal Agencies
 - Legislative – Congressional oversight hearings and/or legislation
 - Regional/State Activities - State legislators and Governors
 - Public Outreach – letter-writing campaigns, press-related activities
 - Legal Challenges - Federal Court system -- as last resort

U.S. Oilseeds are Very Competitive

- ▶ Best farm-to-market system in world
- ▶ Best farm crop management
- ▶ Best delivery system
- ▶ Best risk management programs
- ▶ Diverse growing areas
- ▶ Overall quality of the soybean is world-class



Adding Value for our
Global Customers

NOPA's Goal: ***“Protect our Brand”***

U.S. oilseed & products are the **safest & most sustainable** in the world.

U.S. laws & regulations governing farmers, grain handlers, processors & exporters are the **most rigorous** in the world.

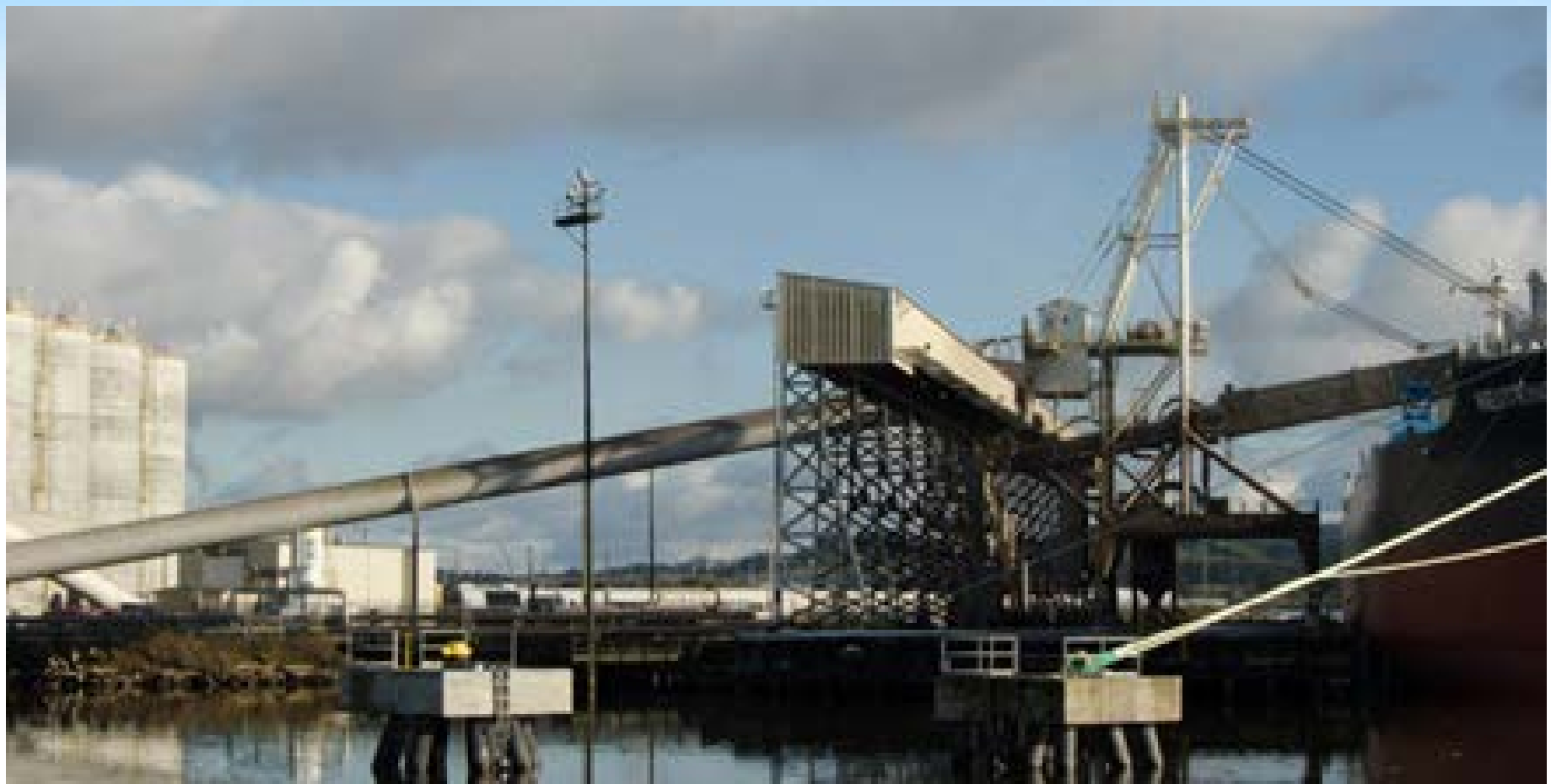
U.S. oilseeds and products are the **best overall value** in the world.



U.S. Oilseed Processors Value Our Partnership with China

- ▶ I am honored to address the China - Cargill Food Safety Leadership Program.
- ▶ On behalf of NOPA's oilseed processing members, I thank you for our past relationships with China's AQISQ.
- ▶ We look forward to a even closer working relationship in the future.





Questions

Thomas A Hammer, President
National Oilseed Processors Association

Contact Information:

Thomas A. Hammer, President
National Oilseed Processors Ass'n
1300 L Street, NW, Suite 1020
Washington, DC 20005
USA

Phone: 202.842.0463 ext.1

Cell: 202.841.8100

Email: thammer@nopa.org

Fax: 202.842.9126

