



AFGE Congressional Testimony

STATEMENT BY

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BEFORE

**SUBCOMMITTEE ON GENERAL FARM COMMODITIES AND
RISK MANAGEMENT**

HOUSE COMMITTEE ON AGRICULTURE

ON

THE REAUTHORIZATION OF THE U.S. GRAIN STANDARDS ACT

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Chairman Crawford, Ranking Member Walz, and Members of the Subcommittee: I am J. David Cox, Sr., and I am the National President of the American Federation of Government Employees (AFGE), AFL-CIO, which represents more than 650,000 federal and District of Columbia workers who serve the American people across the nation and around the world, including in the Department of Agriculture. I thank you for the opportunity to testify this morning on the reauthorization of the U.S. Grain Standards Act.

I do not claim to be an expert on this important law, but I am proud to represent the dedicated federal employees in the Federal Grain Inspection Service (FGIS), in Louisiana, Texas, Washington, and Oregon, as well as in other locations. And I appreciate the sincere efforts of this Subcommittee to take into account their views as lawmakers draft the reauthorization measure.

FGIS, with its successful record over four decades of inspecting and weighing nearly 90% of the grain shipped to customers around the world, guarantees impartial and open trading, which greatly facilitates U.S. grain exports. Continued viability and profitability for American agricultural producers, over the long-term, is essential to the economic health of our nation. However, the pursuit of profits must be carefully balanced with the protection of America's standing as an honest and trusted trading partner.

The grain inspectors represented by AFGE are focused on their important work, rather than the details of the U.S. legislative process. However, it is understood that a small minority of voices demand that the reauthorization bill be used to privatize the weighing and inspection of grain. Of course, many of these same voices called for the privatization of grain inspection and weighing back in 2005, the last time the U.S. Grain Standards Act was reauthorized. That ill-advised effort ultimately failed, thanks to a broad coalition of farmers, consumers, and workers.

I realize that grain inspection is performed in different ways, both in this country and abroad. In the United States, federal employees, state employees, and even contractor employees all play significant roles. However, today, my remarks are focused on the responsibilities of FGIS employees with respect to the mandatory official weighing and inspection of exported grain. There is no question that this important work must continue to be performed by reliable and experienced FGIS

employees, and I strongly urge the Subcommittee to oppose efforts to use the reauthorization of the U.S. Grain Standards Act—or any other measure, for that matter—to promote the privatization of this work.

Privatization of FGIS would undermine America’s guarantee of impartial and honest, government-backed trading which is relied upon by world buyers. The substitution of rubber-stamped inspections actually completed by industry-paid inspectors would undermine international confidence in the integrity of U.S. agricultural exports.

Whether one supported or opposed its effort to outsource many of the functions performed by federal employees, it must be stipulated that no administration in the history of the republic was more aggressively pro-privatization than the Bush Administration. And consistent with its ideology, the Department of Agriculture during the Bush Administration aggressively explored the privatization of grain inspection through a pilot project.

However, the Department ultimately abandoned that effort, concluding “that the use of contractors did not provide additional savings or efficiencies that would enhance the competitiveness of U.S. grain exports in the global market.”^[i]

And while there were no benefits from privatization, there were significant risks.

Pilot project contractors failed “to hire and maintain an adequately-skilled workforce...(because) (c)ertification and weighing of grain at export facilities require skills not normally found in the labor force. The agency invests a minimum of two years of training before employees are allowed to grade and weigh grain...”^[ii]

Moreover, shifting to contractors would remove the agency’s “service provision safety net...(leaving) the agency challenged to fulfill its legal mandate to provide services if a contractor could not...thereby allowing for potential service disruptions.”^[iii]

It has been reliably estimated that the cost of inspection and weighing by federal employees is a penny per bushel. Even putting aside the finding by the pilot project that nothing would be saved by privatization—indeed, that much could be

lost—the cost of federal performance is de minimis. In fact, it would be more correct to say that the pennies spent on federal inspectors are an investment which yields significant dividends for our nation’s farmers because of the confidence foreign buyers can therefore have in the integrity of American agricultural exports.

The mandatory inspection of U.S. grain exports benefits the entire grain marketing chain, from farm gate to export. It is imperative that lawmakers not allow empty ideology, short-sighted financial interests, or anti-labor animus to trump the nation’s interest in ensuring impartial and honest inspection and weighing of its grain exports.

AFGE strongly urges the Subcommittee to ensure that the grain America exports continues to meet the highest of standards expected by our trading customers, so that U.S. farmers, who raise the best products in the world, receive the prices they deserve.

Thanks to the bipartisan Congressional effort that established the Federal Grain Inspection Service, we have come a long way since the 1970s when a wholly privatized inspection process yielded a series of scandals that undermined confidence in the quality and quantity of U.S. grain exports—scandals which many believe contributed to a crash in grain prices in the middle of the decade, farm foreclosures, and the loss of significant numbers of family farms. AFGE and, I believe, America’s farmers look to this Subcommittee to continue the record of bipartisan support for grain inspection and weighing performed by reliable and experienced federal employees.

Thank you for your consideration. I look forward to your questions.

^[i] “Evaluation of the Use of Contractors to Enhance the Delivery of Official Inspection and Weighing Services at Export Port Locations”, Federal Grain Inspection Service, March 2009.

^[ii] Ibid.

^[iii] Ibid.