

Mr. Whitley,

USDA's export sales data is a valuable tool that the U.S. Grains Council regularly uses to track trade flows, while also providing valuable information to our U.S.-based membership. While the current format is of great use, the new proposed datapoints have pros and cons. We would like to take this time to first address the additional proposed data points followed by addressing the USDA's specific requests for comments/feedback.

(1) Contract terms (FAS, FOB C&F, etc.) including volumes, destinations, buyers, and dates

- a. Contract terms could be helpful in providing more market transparency, as understanding different destinations' buying strategies could inform the market of any potential moves up the supply chain by foreign buyers. There has recently been interest in many companies to buy CIF barges, much in the same way we have seen COFCO interact with the market. We recommend to add the contract terms to the dataset.
- b. Volumes and destinations are currently collected and provide no change. We recommend to continue the current procedures.
- c. Buyers would be a very helpful statistic for market transparency; however, there are some concerns that it doesn't accomplish any specific purpose other than divulge private parties' transactions. Understanding that the ERS exists to minimize market manipulation (e.g. 1972 USSR purchase), this datapoint does not improve or detract from that purpose. There is a worry that this is a bit of an overreach and does not improve the service. We do not recommend that the buyers are included in this data.
- d. The shipment dates would be a very helpful statistic that would, indeed, decrease potential market manipulation when reporting contracted sales, thus improving the ERS in its mission. Currently, the marketing years are provided, but shipment months would be an improvement in this data. We strongly recommend that the shipment months are added to the reporting data at time of contract.

(2) Mode of transportation (e.g., ship, rail, truck, & container)

- a. While this data does not necessarily help with the ERS's purpose, it does get reported at shipment time in the Weekly Export Inspections report that is released on Monday. We do not believe it would hurt to add this information to the ERS. We recommend that this information be added to the reported data.

(3) Mode of transportation identifier (e.g., vessel name, rail name, trucking company name)

- a. This could also be seen as a bit of an overreach. Particularly when looking at rail and trucking company names, it could inadvertently divulge special contract rates some companies have with the BN/UP/KCS going into Mexico. We do not recommend that the vessel/rail/trucking company names be included in this data.

(4) Bill of Lading date

- a. Currently, the data is specific to a week, so users know that the BOL date is within that week. That said, this could be used to shore up data and minimize corrections. We recommend that this information be added to the reported data, as it will improve accuracy going forward.

Next to address your specific requests for feedback:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility.

- a. This was addressed in the past section in detail.
- (2) *The accuracy of the agency's estimate of the burden of the collection of information including validity of the methodology and assumption used.*
 - a. We believe that the burden is quite small to include the information you have recommended, thus we believe you have overstated the burden on companies to report this information. We view this as a positive indicator to ask for this extra information.
- (3) *Ways to enhance the quality, utility, and clarity of the information to be collected.*
 - a. One thing we have seen in recent years is COFCO's purchasing strategy of buying corn barges CIF NOLA and then doing an intercompany transaction with their Beijing office. The ERS, in its current format, does not allow for the barge purchases to be tracked, and it has allowed for some market manipulation. Perhaps there is a threshold for CIF barge purchases that trigger and ERS notification, as well. This becomes complicated, as many people will buy CIF paper as a hedge; however, this strategy executed by COFCO has subverted the ERS's purpose and has made it to where the quality and utility of the ERS information is not always what it needs to be. It may be worthwhile to discuss a threshold on barge purchases that doesn't put an unnecessary burden on market participants, but also does not allow for market manipulation.
- (4) *Ways to minimize the burden of the collection of information on those who are to report, including through the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.*
 - a. Ensuring the submission forms are standardized will be essential.
 - b. When it comes to the shipment data, is there a way the companies do not have to be involved in the reporting aspect? Can FGIS field samples be used to provide all of the information needed? Samples taken at shipment should be dated, with sellers and destinations associated with each sample and weights. Perhaps the shipment data can come from other USDA agencies that already have this data.

Cary B. Sifferath
Vice President
U.S. Grains Council
20 F Street NW, Suite 900
Washington DC 20001