



"Working Together to Make Trade Work"

July 14, 2023

Amy Harding
Foreign Agricultural Service
U.S. Department of Agriculture
1400 Independence Avenue SW
Room 5531
Washington, DC 20250

Reference: Notice of Request for a Revision of a Currently Approved Information Collection

Export Sales Reporting Program of U.S. Agricultural Commodities
Foreign Agricultural Service, U.S. Department of Agriculture

OMB Number: 0551-0007

Dear Ms. Harding:

The North American Export Grain Association (NAEGA) is pleased to respond to the above referenced Notice and Request for Comments related to the proposed revision to the currently approved information collection activities in support of the Foreign Agricultural Service's Export Sales Reporting program.

NAEGA is the trade association providing for trade facilitative services and representing U.S. exporters of the grains and oilseeds that are most directly affected by the changes envisioned by FAS's new Export Sales Reporting and Maintenance System (ESRMS).

The Notice and Request for Comments broadly seeks comment about whether the envisioned new system which will require exporters to provide information on a contract-by-contract basis will improve the quality, timeliness and value of the information collected, as well as whether burdens will be reduced with new technology. As discussed below, we are at this time unable to say any of these objectives would be met by the introduction of the new ESRMS.

FAS's Export Sales Reports provide the industry and the public with valuable market insights and are important to price discovery in our grains and oilseeds markets. As such, NAEGA members have an interest in reporting systems that improve data quality, reliability, and market confidence. However, in light of FAS's unsuccessful effort to take the new ESRMS live last August and ongoing concern that since then none of the system changes contemplated to address exporter concerns have been implemented, we are unable to say with confidence that the new ESRMS would in fact deliver the market a more robust, informative, or efficient reporting system. There

1400 Crystal Drive, Suite 260 Arlington, VA 22202
Tel. 202.682.4030 E-mail: info@naega.org Website: www.naega.org



“Working Together to Make Trade Work”

remain four areas of concern that need to be sufficiently addressed before the new ESRMS will achieve the stated objectives: the system must be technology neutral; the system must demonstrably reduce reporting burdens; the system is collecting only that information authorized by law; and the system cannot be deployed into the market during the peak of the U.S. harvest and export cycle.

- **Technology Neutral:** as highlighted by FAS in the Notice, the envisioned new ESRMS accepts data in CSV or JSON files only. We understand that your industry outreach has identified this is a significant limitation and that expanding the capacity of the ESRMS to accept additional technologies such as Excel will improve the interoperability of the system with the industry. We urge FAS to proceed with system enhancements that will make the ESRMS more technology neutral and avoid forcing uneconomic investments in technology on the part of industry participants.
- **Reporting Burden:** FAS claims that the reporting burden may increase in the short-term but be significantly reduced in the long-term. FAS further estimates the burden will be 30 minutes in time for reporting. Experiences in testing the new system have had mixed results. Some reporting firms are confident that the new system will ultimately deliver efficiency. Others are not. Importantly, those that have reported problems indicate a high degree of reporting errors and inaccuracies that must be closely monitored and corrected manually. Unless these issues are addressed, the system creates an undue burden on reporting firms and is prone to error. Examples of issues that will increase reporting burdens include: numerous false errors and rejections requiring manual data input; routine overfills/underfills require contract amendment; deliveries outside the original delivery period require extension of shipment period creating false contract records; destination changes to a contract require creation of a new contract; and the system may increase errors in reports by not providing summary balances of reports by commodity and country to users before submission.
- **Scope of Data Request:** We understand that all information provided pursuant to FAS’s legal authority is protected as “business confidential” and not subject to release or disclosure. We further understand that the new ESRMS requests “all” contract information. We are concerned that such a broad request maybe read to include contract terms that are beyond the scope of FAS’s authority such as price and urges FAS to clarify and specify that the information to be reported is limited to those terms clearly within the scope of its authority. Clarity in scope is essential to ensuring accuracy and uniform reporting as well as burden on the agency for protecting confidential business information.
- **Timing:** We reiterate the concern that introducing a new technology into the market should not occur during the peak of the U.S. export cycle which is typically September through January. Deploying the new ESRMS during this time would inject unnecessary

1400 Crystal Drive, Suite 260 Arlington, VA 22202

Tel. 202.682.4030 E-mail: info@naega.org Website: www.naega.org



"Working Together to Make Trade Work"

risk into the Export Sales Report program and may call into question the quality of reports and the reputation of these valuable market reports.

We appreciate the industry outreach undertaken by FAS and believe there has been a sincere attempt to improve this reporting system. FAS's engagement with the industry has assisted exporters and familiarized them with the new ESRMS. However, it is critical that the information and recommendations shared with FAS be addressed to ensure the objectives of the new ESRMS are achieved. We understand FAS is committed to deploying changes in the new ESRMS that address not only the issues identified in this letter, but those identified through your direct engagement with us and reporting exporters. We look forward to testing the system when changes, some of which we understand are already being developed, have been completed and deployed.

We are not able to comment favorably on whether the envisioned new system will improve the quality, timeliness and value of the information collected, as well as whether burdens will be reduced with new technology until needed changes are implemented and can be tested by reporting exporters.

Again, thank you for the opportunity to comment. We know FAS is committed to developing a system that delivers on its promise and look forward to partnering with FAS to ensure a successful launch of a new ESRMS.

Sincerely

Gary C. Martin
President & CEO