

OUTREACH August 15, 2016

Thank you for your membership in and work with NAEGA

NAEGA is pleased to welcome Providence Grain Solutions of Fort Saskatchewan, Canada as its newest member! Established in 2002, Providence Grain is a producer owned grain and agrobusiness that offers input services, grain dying, storage, off farm pickups, specialized marketing services, hedging, futures, and options to the Canadian grain market.

For more information on Providence Grain visit their website here.

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Member Opportunities

Electronic documents – please complete this online poll

The International Grain Trade Coalition has requested that NAEGA members complete a short confidential **online poll** to help assess adoption of electronic means to manage documents like Bills of Lading. We hope all NAEGA member companies respond in the next few days. Responses are due by **August 19**.

SAVE THE DATE: Upcoming NAEGA Events in Portland, OR

Please "Save the Date" for a series of exciting upcoming events in October in Portland, Oregon. All member personnel may attend:

Tuesday, October 18

NAEGA-NGFA Alternative Security Program Users Meeting
Grades and Inspections Committee Meeting Joint with NGFA Grades Weights Committee
Regional Industry and Government Workshop – Sponsored by NAEGA, NGFA and PNWGF
Location: 1200 NW Naito Pkwy Ste 230, in the conference in the Wheat Marketing Center

Wednesday, October 19
NAEGA Board of Directors Meeting
NAEGA Contracts Committee Meeting (pending)
Location: 1300 SW Fifth Avenue
C/O Columbia Grain

Thursday, October 20

NAEGA Contracts and Best Practices Seminar Location: 200 SW Market St., conference facility on the lobby level

NAEGA/APPAMEX Forum – October 5-8

Please save the date for the 23rd Annual NAEGA/APPAMEX Forum to be held on October 5-8 in Cancun, Mexico. This year's forum will take place at the Iberostar Hotel in Cancun. All NAEGA member representatives and their colleagues are invited to attend. More information, including a link to registration and a preliminary agenda, will follow. A copy of last year's agenda can be found here.

For more information, please contact Gary or Ryan.

NAEGA Seminars

The Next NAEGA Contract Seminar is scheduled for September 14 and 15 in Regina, Canada. Sam Bonilla and Gary Martin are working with staff at Viterra for the company specific / private seminar.

Please click here for more information on NAEGAs in-depth, interactive education on contract practices.

Internship Open at NAEGA

NAEGA has an open internship position! Information on working for NAEGA as an intern in our new Arlington, Virginia office can be found here.

Full Details on Upcoming Events can be found in the Meetings & Events Section of the NAEGA Member's Only Page.

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Action Reports

Recent Actions:

Biotech Approvals - Philippines Caution

As we understand the current status of biotech trait approvals needed for import in the Philippines, several GMO traits that may be found in U.S. supplies lack needed regulatory acceptance, they include:

New approval pending:

Soybean - MON 87708 X MON 89788 - RR2Xtend stack

Corn – Syngenta 5307 – Duracade which is in several stacks

Renewed Approval needed:

Soybean - A5547-127 – Bayer Liberty Link

Corn - MON 89034 x NK603 (PowerCore / Smart Stax))

Corn - Mon 88017 - (YieldGuard VT Rootworm)

Corn - Mon 88017 x Mon810 (YieldGuard VT Triple)

Corn - Bt11 x corn DAS59122 x corn MIR604 x corn TC1507 x Corn GA21 (Agrisure Viptera)

In light of this apparent lack of approvals NAEGA is closely coordinating with U.S. government and several industry partners to pursue prompt action to insure acceptability of imported grain, oilseed and products like soybean meal. Approval of GE events in the Philippines had been put on hold after the Philippines Supreme Court ruled in December 2015 that current regulations did not sufficiently cover minimum requirements of the National Biosafety Framework. As a result, the court ordered the Department of Agriculture and other bodies to rewrite current regulations. The Philippine Department of Agriculture was acting to implement new regulations, known as Joint

Department Circular No. 1 (JDC) to replace existing regulations nullified by the Supreme Court ruling. Publication of a Joint Department Circular (JDC) was completed in March, but its implementation seems to have been stalled as the Philippines Supreme Court recently announced a reversal in part of its December 2015 ruling. We expect more information to be available soon and are working to provide for conditions that will prevent the frustration of shipments that may result from the uncertainty

Background documents can be found on the NAEGA website at www.Naega.org.

NAEGA will continue to keep members informed as this complicated events continues to unfold. Please contact Gary or Ryan if you have any questions.

Revised Directory

NAEGA has made several changes to its Membership Directory over the last few months. A copy of the new directory can be found here.

Our goal is to keep this directory as up to date and accurate as possible. Please take a look and let us know of any changes you might have.

London Trip Report

The trip report for June 11-18 meetings and events in London is now available. NAEGA personnel Gary Martin, President and CEO; Paul Green, NAEGA Industry Volunteer; Sam Bonilla, NAEGA Senior Adviser; Marcel Bruins, NAEGA/IGTC Science Adviser; and Katy Lee, Acting Secretariat, IGTC traveled to London, United Kingdom on June 11-18. During this mission NAEGA and IGTC personnel accomplished multiple goals, including:

- IGTC discussions with the International Seed Federation (ISF) to consider policy and information sharing plans for new plant breeding technologies and plant breeding innovations.
- IGTC Strategy Session featuring participation by IGTC member associations and corporate stakeholders.
- IGTC participation in the 43rd Session of the International Grains Council, including presentations by Gary and Marcel.
- Attendance and presentation at the IGC Grains Conference.
- Hosting of the IGTC Management Council Meeting.
- Participation in the Grain and Feed Trade Association's (GAFTA) International Contracts Policy Committee (ICPC) meeting by Sam Bonilla.

A copy of the trip report can be found here. For more information, please contact Gary or Ryan.

Washington State GE Wheat Plant Finding

We continue to monitor developments related to the detection of a few genetically engineered wheat plants in a field in Washington State. Most recent information includes:

The USDA APHIS Biotechnology Regulatory Service (BRS) continues to advise there has been NO detection of the presence of MON 71700, the event detected, or its sister event MON 71800

in the U.S. wheat supply. Here is the link to reports from the Agency: APHIS BRS Washington Wheat Plants.

Currently, Monsanto is distributing tests to several governments including Japan, Korea and Taiwan. At this time Monsanto is not making testing available to end users or expanding the availability of the test beyond these governments despite interest in testing from additional countries.

Japan, which removed Western White Winter Wheat from its August 4 tender, is expected to soon enable testing for MON 71700 and 71800 in the U.S. prior to shipment as well as in Japan upon shipment arrival.

In Taiwan, the government has requested the test method but there is no indication that the government will test shipments. Korean authorities have begun testing but results have not been released.

NAEGA will continue to follow these developments and release information to members as it becomes available. Your comments and advice are also appreciated. Please contact Gary or Ryan with any questions or comments.

NGFA/NAEGA Agroterrorism/Facility Security Committee

On August 2 the NAEGA/NGFA Joint Committee on Agroterrorism and Facility Security met in Omaha, Nebraska to discuss ongoing business and policy items including the Food Safety Modernization Act (FSMA) and Chemical Facility Anti-Terrorism Standards (CFATS). The Committee began its meeting with a discussion of the intentional adulteration provisions of FDA's FSMA rule on both grain handling and processing facilities. Some Committee members are working on a Food Defense Template that could be potentially used by others in industry after its review and beta testing by the University of Montana.

The Committee was also updated by the Department of Homeland Security on the revised CFATS "Top Screen" process. Those covered by CFATS will now have to resubmit their SVA. Based on the new guidelines some facilities may either become un-tiered or move to a higher level because the dispersion model for the chemicals has been changed. Thus, a Tier 4 facility that handles chlorine i.e. dry mill may move higher up the list based on concentrations.

Lastly, the committee moved forward with support of the draft cybersecurity best practices document. A final version, incorporating member input will be prepared for approval.

A copy of the meeting's agenda can be found here. For more information, please contact Gary or Ryan.

Future Actions:

NAEGA Office Moving

NAEGA is moving to a <u>new office space!</u> As of August 30, 2016 the NAEGA office with be at 1400 Crystal Drive, Suite 260, Arlington, VA 22202

Continuing to be co-located with National Grain and Feed Association, our new office conveniently located near the Ronald Reagan Washington National Airport and the Crystal City Metrorail station.

Please note that NAEGA email addresses and telephone numbers will not change.

Soy Global Trade Exchange – August 30-September 1

NAEGA President and CEO Gary Martin in Indianapolis, Indiana hopes to see you at the U.S. Soy Global Trade Exchange on August 30 to September 1. Gary will provide remarks on the topic: *A Global View of Key Dynamics in Policy and Commerce for Grains, Oilseeds and other Agri-bulks*. A copy of the Exchange's schedule can be found here. For more information, or if you are interested in attending, please click here.

DBTG Executive Committee Meeting – September 1

The Dry Bulk Terminals Group will hold its Executive Committee meeting in London, United Kingdom on September 1. NAEGA Senior Adviser Jerry Cotter, who is a member of the Executive Committee and leads NAEGA engagement with the DBTG, will attend. Ongoing issues related to the international regulations at the UN GHS Subcommittee, the IMO Subcommittee on the Carriage of Cargoes and Containers as well as issues related to international transportation and logistics will be under discussion.

For more information on the DBTG please click here. Please contact Gary or Ryan if you would like to provide contributions to Jerry's participation in the committee meeting.

IMO CCC Subcommittee Meeting – September 5-9

The International Maritime Organization's (IMO) Subcommittee on the Carriage of Cargoes and Containers (CCC) will hold its annual meeting in London, United Kingdom on September 5-9. A copy of the agenda can be found here. NAEGA Senior Adviser Jerry Cotter will travel to London and represent NAEGA. Jerry will be engaging the IMO CCC on topics related to the classification of substances Harmful to the Marine Environment (HME) and the IMO's Solid Bulk Cargoes Code (IMSBC), and will also monitor developments related to the classification of seedcakes as hazardous commodities and proposed regulation of seedcakes under the International Grain Code.

For more information on NAEGA activities related to the IMO, please click here. Please contact Gary or Ryan if you would like to contribute your knowledge or expertise to Jerry's engagement with the IMO CCC.

IPPC ISPM EWG Meeting – September 19-23

The International Plant Protection Convention's (IPPC) Expert Working Group (EWG) on International Sanitary and Phytosanitary Measures for Grain (ISPM) will hold a meeting in Melbourne, Australia. Marcel Bruins, NAEGA Science Adviser, will attend and represent NAEGA and the International Grain Trade Coalition (IGTC). During discussions on the development of the proposed ISPM for grain Marcel will represent the IGTC and NAEGA based off the recently completed survey on the International Movement of Grain, which can be found here, and the IGTC's policy document on the IPPC ISPM, which can be found here.

A copy of the Notice to Post for this mission can be found here. For more information or to contribute your knowledge and expertise to this NAEGA/IGTC mission, please contact Gary or Ryan.

Pending Actions:

NAEGA is considering making comments on the following items. Please contact us with your advice or suggestions:

Chemical Facility Anti-Terrorism Standards

The U.S. Department of Homeland Security (DHS) has published in the *Federal Register* a notice regarding the implementation of a revised tiering methodology for chemical facilities of interest regulated under the Chemical Facility Anti-Terrorism Standards (CFATS).

The notice temporarily suspends the requirement to submit Top-Screens and Security Vulnerability Assessments (SVA) in order to allow for a phased roll out of the new Chemical Security Assessment Tool (CSAT) 2.0. CSAT 2.0 consists of a more streamlined CSAT Top-Screen, SVA, and a Site Security Plan, that will allow the collection of the data necessary to process facilities through the new methodology and improve the integration between the SVA application and the SSP application.

To minimize confusion, DHS is taking a multi-step approach to this implementation. First, the Department is temporarily suspending the Top-Screen and SVA submissions requirements as outlined in the notice. Second, DHS will replace the current CSAT surveys with the revised surveys. Lastly, DHS will reinstate the Top-Screen and SVA submission requirement. DHS will individually notify facilities of the requirement to resubmit a Top-Screen using the new tool in a phased manner, however, facilities may choose to proactively resubmit a Top-Screen once the new tool is available and prior to the individual notification. Additionally, new chemical facilities of interest that come into reportable amounts of COI after reinstatement of the requirement to submit a Top-Screen and SVA must submit within 60 days.

For more information, please click here. Please contact Gary or Ryan if you have any questions.

CFTC Supplement to Position Limits Rule

On May 26 the Commodities and Futures Trading Commission (CFTC) announced that it will issue for public comment a supplement to its position limits proposal. The proposal will modify the procedures for those seeking exemptions from speculative position limits for non-enumerated bona fide hedging. The supplement would provide a new process for exchanges to recognize certain positions in commodity derivative contracts as non-enumerated bona fide hedges or enumerated anticipatory bona fide hedges, as well as to exempt from federal position limits certain spread positions, in each case subject to CFTC review.

Comments on the supplemental may be submitted electronically though the CFTC's website. If you are interested in contributing to comments on the supplemental, please contact Gary or Ryan. For more information, click here.

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In the News

USDA Completes Investigation of GE Wheat in MT

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) has completed an investigation into the release of a genetically engineered (GE) wheat event in Montana. On July 14, 2014 the USDA was notified that suspected GE wheat had been discovered growing at the Montana State University's Southern Agricultural Research Center (SARC) where Monsanto researchers grew GE wheat as part of field trials between 2000 and 2003 under APHIS authorization. Upon investigation, APHIS confirmed that the wheat was genetically engineered to resist the herbicide glyphosate. The GE wheat volunteers were contained at the facility and did not enter commerce. Due to the delay in notifying APHIS of the presence of the GE wheat in the field Monsanto and Montana State have been issued warning letters for failing to adhere to required performance standards for field trials.

A copy of APHIS's Report of Investigation can be found here.

Waves on the Waterfront Newsletter

The U.S. Coast Guard Office of Port and Facility Compliance has released its June edition of the *Waves on the Waterfront* newsletter focusing on safety, security and stewardship of American ports and export facilities. This edition features an update on personnel changes at Coast Guard, information on compliance with MARPOL Annexes I, II, V and VI and a registration opportunity for a free online training on cybersecurity, among other items.

A copy of the newsletter and more information about each of these topics can be found here.

GIPSA Publishes Final Rule on USGSA

On July 29 the Grain Inspection, Packers and Stockyards Administration (GIPSA) published its final rule revising existing regulations and adding new regulations under the U.S. Grain Standards Act (USGSA). The USGSA was reauthorized by Congress and signed into law on September 30, 2015. The reauthorization includes several changes to existing law that required additions or modifications to the underlying regulations. As part of this process NAEGA and NGFA submitted comments on April 25 urging GIPSA to make several changes to its proposed rule regarding changes to the USGSA. With some notable exceptions GIPSA supported these proposed changes. However, GIPSA insisted on, against the request of NAEGA and NGFA, defining the term "emergency." In addition, GIPSA refused to require a 72-hour advance notice of discontinuation of service to affected users of official inspection and weighing services, as suggested by the NAEGA-NGFA comments.

NAEGA and NGFA have developed an overview of the proposed and final amendments to the USGSA. This overview can be found here. For more information, please contact Gary or Ryan.

If you would like more information, or wish to provide comments on any of these news topics monitored by NAEGA, please contact us.

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Calendar & Member Notices

Click here for a Copy of the IGTC Calendar

2016

August

27 - NAEGA Move Date

31-September 1 – U.S. Soy Global Trade Exchange – Indianapolis, Indiana – Please register here.

September

- 1 DBTG Executive Committee Meeting London, UK
- **5-9 -** IMO Subcommittee on the Carriage of Cargoes and Containers Meeting London, United Kingdom Cotter Attending.
- 14-15 Viterra Contracts and Best Practices Industry Workshop Regina, SK, Canada
- 12-13 FAS Regional Market Strategy Session Berlin, Germany
- 19-23 IPPC ISPM EWG Melbourne, Australia

October

- 18 NAEGA-NGFA Alternative Security Program Users Meeting Portland, OR
- **18** Grades and Inspections Committee Joint Meeting with NGFA Grains, Grades and Weights Committee Portland, OR
- 18 PNW Regional Industry and Government Workshop Portland, OR
- 19 NAEGA Board Meeting Portland, OR
- 19 NAEGA Contracts Committee Meeting (Pending) Portland, OR
- 20 NAEGA Contracts and Best Practices Seminar Portland, OR

October

5-8 – NAEGA/APPAMEX Forum, Iberostar Hotel, Cancun, Mexico.

November

8 – Election Day – U.S. House, Senate and Presidential elections.

8-10 – IGTC General Assembly and Strategy Session – Geneva, Switzerland

December

7-15 – COP-MOP Meetings to the Cartagena and Nagoya Protocols – Cancun, Mexico

7-9 – UN GHS Subcommittee Meeting – Geneva, Switzerland – Cotter Attending.

2017

March

19-21 – NGFA Annual Convention – New Orleans, LA

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