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**NAEGA MAP Trip Report – NAEGA/IGTC Mission to London for IGC Grains Conference, IGTC Strategy Session, and GAFTA and ISF Meetings – June 2016**

**Name of Traveler:** Gary Martin, President and CEO, NAEGA; President, IGTC  
Paul Green, NAEGA Industry Volunteer  
Sam Bonilla, NAEGA Senior Adviser  
Marcel Bruins, NAEGA/IGTC Science Adviser  
Katy Lee, Acting Secretariat, IGTC

**Dates of Travel:** June 11-18, 2016

**Purpose of Travel:**

To accomplish various NAEGA UES priorities including best practices education, underwriting and management of the International Grain Trade Coalition (IGTC) and engagement on emerging issues related to new plant breeding technologies and plant breeding innovations, NAEGA President and CEO Gary Martin; NAEGA Industry Volunteer Paul Green; NAEGA Senior Advisor Sam Bonilla; NAEGA/IGTC Science Advisor Marcel Bruins; and Acting Secretariat of the IGTC Katy Lee traveled to London, United Kingdom on June 11-18, 2016.

This NAEGA mission traveled to London to lead, attend, and participate in various events and meeting surrounding the International Grain Council’s (IGC) Grains Conference on June 14. All of the events were significant in influencing GRNOS trade prospects and included:

- **IGTC discussions with the International Seed Federation (ISF)** to consider policy and information sharing plans related to new plant breeding technologies and plant breeding innovations.
- An **IGTC Strategy Session** featuring participation by IGTC member associations and corporate stakeholder to discuss ongoing policy files. IGTC working groups presented and lead discussion on maximum residue limits (MRLs), hazardous material labelling, Low Level Presence (LLP), the Cartagena Protocol on Biosafety, new plant breeding technologies (NPBT), electronic documentation and the World Bank’s Enabling the Business of Agriculture Project.
- **IGTC participation in the 43<sup>rd</sup> Session of the International Grains Council** that included a presentation by Mr. Martin and Mr. Bruins on *Common interests in the international trade of grains, oilseeds, pulses and other agri-bulks - views from IGTC on building on cooperation with IGC*
- Attendance at the **IGC Grains Conference**.
- **A presentation at the Conference** by Acting IGTC Secretariat Katy Lee on *Electronic Documentation for International Trading*.
- **A presentation at the conference** prepared by NAEGA/IGTC President Gary Martin and due to Gary’s emergency medical condition delivered by IGTC Vice President Teresa Babuscio on *A Global View of Key Dynamics in Policy and Commerce for Grains, Oilseeds and other Agri-bulks* and by
- **Hosting the GTC Management Council Meeting June 14** to consider recommendations leading from the Strategy Session.



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- **Participation in the GAFTA Dinner**
- **Participation in the Grain and Feed Trade Association’s (GAFTA) International Contracts Policy Committee (ICPC) and related proceedings** by NAEGA Senior Advisor Sam Bonilla.

## **Summary of Findings/Conclusions/Accomplishment**

### *IGTC Discussions with the ISF*

Over the past year IGTC has been increasing engagement and outreach with the International Seed Federation (ISF) regarding new plant breeding technologies (NPBT). The IGTC has been engaging with ISF, and other leaders in the industry, as it seeks alliances and stakeholders in order to deploy a strategy that would enhance a smooth and science based approach to the regulation of the NPBTs and cause the lowest amount of disruption to the grain trade. This outreach has, in the past, included IGTC participation in the ISF’s Plant Breeding and Innovation (PBI) Working Group.

To further this continued outreach and discussion, Mr. Martin, Ms. Lee and Mr. Green met with representatives of the ISF in London on June 12 to discuss common ground toward getting international regulatory coherence and compatibility on new plant breeding techniques. During the meeting IGTC indicated its desire to create urgency among governments on this issue, since individual events are being developed already and a lack of plan for compatibility will cause the types of trade uncertainty and risk of trade disruption that is unacceptable to IGTC.

IGTC and ISF tentatively agreed to adopt the ISF term “Plant Breeding Innovation” to reference techniques that could be achieved through normal plant breeding (given enough time). ISF agreed to provide us with a clear definition of those techniques and how we might simply refer to them in a manner that would create momentum toward minimal regulatory oversight, with a priority for compatibility with other governments’ regulatory structures.

The IGTC also requested that ISF include the coalition in their strategies to engage governments toward further coordinating meetings as follow-ups to the ISF coordinated meetings in London and Paris in 2015/16. The IGTC and ISF discussed governments that might take a lead in coordinating and energizing such meetings, but no conclusion was reached.

### *IGTC Strategy Session*

On June 13 NAEGA President and CEO Gary Martin, who is also president of the IGTC, lead an IGTC strategy session for member association representatives and corporate stakeholders. IGTC Strategy Session are opportunities for the IGTC Management Council and Secretariat, along with appropriate working groups, to present and review IGTC policy files and discuss current grain trade priorities. This strategy session, which received participation from corporate stakeholders as well as London hosts GAFTA, the U.S. Soybean Export Council (USSEC) and U.S. Grains Council, followed previous strategy and briefing sessions held for IGTC members over the past year in Winnipeg, Canada, Buenos Aires, Argentina, and Beijing, China.

As part of the Strategy Session, IGTC hosted a luncheon event and discussion by Howard Minigh, President and CEO of CropLife International (CLI). In his remarks Minigh focused on CLI views



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of markets and policy issues including biotechnology; plant protection products and their access to markets; the use of the precautionary principle in the EU; and biotech approvals for import into China. His presentation and subsequent questions from IGTC participants provided for clarity on the stark differences between CLI / technology providers and GRNOS interests. The priority of Crop Life to innovate technology even if such an innovation results in market failures, trade friction and value limitations for GRNOS production is highly inconsistent with NAEGA’s UES.

Resulting decisions and actions adopted at the subsequent June 14 IGTC Management Council meeting hosted by NAEGA and also lead by Gary included:

1. Policy documents: Agreement that these will be finalized for public consumption and dissemination through the IGTC network, forming the basis for other outreach materials such as presentations and outreach letters.
2. New files: Recommendation to Management Council for a Policy Team to be established on MRLs. Cooperation with the GPC alliance on Codex reform will be considered as part of the effort.
3. LLP: Progress on the IGTC’s policy document and approval of Advocacy Strategy with the ultimate aim of providing increased certainty and fungibility in the trade of grain.
4. CBP: Approval of IGTC policy document was agreed, as were key elements to the Advocacy for the last second half of 2016.
5. NPBTs: Agreement to begin roll-out of advocacy strategy and adopt a policy using stronger language around ‘plant breeding innovation’.
6. EDocs: Enthusiasm and agreement to reflect on the next phase for the plan of the IGTC Working Group, still the biggest IGTC ‘file’ in terms of number of interested participants (33). Key decision was to explore proposals for promotional/outreach materials for public consumption
7. ISPM: Agreement that outreach ahead of the September EWG in Melbourne is crucial and the IGTC Policy Team will identify key targets for outreach with national/regional governments.
8. World Bank, Enabling the Business of Agriculture The IGTC participants felt that this relationship should be maintained in order for IGTC to have increasing involvement in the future and strengthen presence on the world stage.
9. General Assembly: Recommendation to hold the December 2016 meeting in Cancún to be discussed by Management Council.

*IGC 43<sup>rd</sup> Session*

On June 13 NAEGA/IGTC Science Adviser Marcel Bruins and NAEGA/IGTC President Gary Martin attended, at the invitation of the International Grains Council (IGC), the IGC 43<sup>rd</sup> Session as observers. This was the first time the IGTC has been invited to attend the IGC Session following the IGTC’s official recognition by the IGC in December 2015. Mr. Martin and Mr. Bruins took part in the session and presented the work of the IGTC. Gary presented a more general overview of the IGTC with a presentation titled *Common interests in the international trade of grains, oilseeds, pulses and other agri-bulks - views from IGTC on building on cooperation with IGC*. Following this overview, Mr. Bruins and Mr. Martin specifically the IGTC work on the ISPM for Grain. IGTC’s contribution to the session appeared to be greatly appreciated as expressed by the IGC. In the question and answer session following the IGTC presentation, there were three



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countries (the United States, Canada and Japan) which expressed their appreciation to the IGC for the fact that private sector was now finally allowed to participate in the IGC Council meetings, which was long overdue.

During the session statements by observer organizations a representative of the World Trade Organization (WTO) (Mr. Diwakar Dixit, Economic Affairs Officer at the WTO in Geneva) made reference to the presentation by IGTC, adding that within the SPS Agreement there are three international standard setting bodies active for plant health (IPPC), animal health OIE and food (Codex), respectively.

During the break Mr. Bruins spoke with Mr. Dixit, who mentioned that it could be interesting for IGTC to follow the country discussions within the WTO SPS Committee as well. In order to seek participation, he advised to contact Mr. Melvin Spreij of WTO. This kind of engagement through the IGC apparatus, reaffirms the importance of IGTC participation in the IGC and the value in achieving observer status.

***IGC Grains Conference***

On Tuesday, June 14, 2016 the NAEGA/IGTC team attended the 2016 IGC Grains Conference at the Jumeirah Carlton Tower Hotel. In addition to conference attendance the IGTC was honored to present twice before the session.

The conference opened with comments from Mr. Etsuo Kitahara, IGC Executive Director. In his opening remarks Mr. Kitahara explained the important role IGC has played in global trade since 1949, including its position as an intergovernmental commodity organization whose main mission is centered on furthering cooperation in world grain trade under the Grain Trade Convention of 1995. He later spoke about the importance of the Trans Pacific Partnership (TPP) to global trade, how competition between major grain suppliers has evolved with Russia and Brazil become the largest single exporters in 2015 and 2016 in wheat and soybeans respectively. He stated South American countries will continue to make their presence known in global trade in 2016 and 2017. The TPP would be a subject of interest among many of the speakers at the conference.

The conference featured two presentations by the IGTC. First, Katy Lee, Acting IGTC Secretariat, was invited to present on *Electronic Documentation for International Trading*. Ms. Lee’s presentation addressed the execution, presentation and maintenance of documents necessary to complete international grain trades using modern electronic data transfer technology. In her remarks Ms. Lee gave an overview of the IGTC and explained the IGTC’s current efforts to promote innovative electronic documentation technologies. Ms. Lee explained that with all of the documents that are involved in international trade such as bills of lading, official government certifications, certificates of origin, fumigation, survey and supervision, and the large number of stakeholders like National Plant Protection Organizations, vessel owners, supervision companies, chambers of commerce to name a few, the global grain trade is increasingly more dependent on information technology to make things work more efficiently. The key to acceptance of this new technology is providing for the authenticity of documents and safe and increased efficiency in the supply chain. To make e-documents a reality the trade has



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worked with a groups such as Bolero, EssDocs and Global Share. She introduced Mr. Pernias who proceeded to give an overview of how documents are handled under an electronic platform as compared to today’s paper system. Ms. Lee concluded her presentation with a brief explanation of how IGTC is working with the International Plant Protection Convention as a key venue for the development of E-Phytos and the establishment of a global “E-Phyto Hub.”

In addition to Ms. Lee’s presentation Dr. Teresa Babuscio, IGTC Vice-President, was a very effective stand-in for Gary Martin (unavailable due to illness) in presenting about the IGTC. Dr. Babuscio presented *A Global View of Key Dynamics and Commerce for Grains, Oilseeds and other Agri-bulks*. Dr. Babuscio paid tribute to IGTC member Geoff Honey, from Grain Trade Australia, a great friend and colleague, who is no longer with us, and is greatly missed. She went on to explain that the key function of trade is to contribute to improve food security by moving grains and oilseeds from areas of surplus to areas of deficit. Dr. Babuscio highlighted the difficulty traders face in the global grain trade mainly due to phytosanitary matters, technical barriers to trade, and increasing demands, from social and environmental issues and market forces. IGTC’s role in the marketplace is to work in this environment, representing the industry worldwide by providing significant expertise on the commercial requirements of the world food and feed processing industry from a global perspective. Dr. Babuscio reviewed some key priorities that IGTC is currently working on, including working with IPPC International Sanitary and Phytosanitary Measures for Grain, electronic documentation, accommodating production technology, international labelling mandates and recent working with the World Bank on its Enabling the Business of Agriculture report.

The IGC Grains Conference featured three sessions cover ongoing topics affecting the international grain trade. Session 1, which covered the supply and demand outlook, began with Dr. Robert Johansson, the Chief Economist at the U.S. Department of Agriculture discussing how to cope with lower prices. He stated that the decline in Chinese growth and appreciation of the U.S. dollar are factors that will continue through 2017. This explains a decline in forecasted exports for 2016 at 25.4 billion dollars. Dr. Johansson also touched on the Trans-Pacific Partnership (TPP), mentioning that it would likely pass the approval of the U.S. Congress due to large interests in agriculture. One area of major interest was his take on the farm scene which he described as a major concern. Concerns are over farmer’s income, their large exposure to debt and high delinquency rates that is slightly ticking up. As a result of this he expected a cut back on machinery purchases and repairs, and for farmers to be more “judicious” with the amount of fertilizers used.

Mr. Jens Schaps, Director for Agricultural Markets, Directorate-General of Agriculture and Rural Development of the European Commission, EU, followed Dr. Johansson with “EU Grains Supply and Demand Outlook.” Mr. Schaps has been working for the European Commission since 1983. In his opening remarks he stated how proud the EU is of the reforms it has made. In particular, the benefits achieved from deregulated markets and the competitive advantage that the euro rate against the dollar has given the producers in Europe, not only for grains but many other commodities. This, along with lower oil prices resulting in low transportation costs, has given a boost to international trade. A long period of low charter party rates in shipping has been a contributor to the low cost of transportation. His outlook for supply and demand is very positive,



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with stocks at a reasonable level but not increasing. Prices have shown some strength lately after coming down from the peaks of 2014, but hedged himself by cautioning that much depended on how the harvest developed.

Next, Mr. Li Xigui, Division Director, Analysis and Forecast Department, for China National Grain and Oils Information Center (CNGOIC), China, gave his perspective on *China, Outlook for Supply/Demand and Prices*. While growth has slowed in recent months, Mr. Xigui stated that China still remains one of the largest consumers and importers in the world. One key factor he mentioned was the population growth experienced as a result of abolishing the one child law. With expectations of 6 million children being born there is much room for grain consumption growth as their nutrient level increases. Overall, their domestic production is increasing mainly due to innovation and high yields as noted in rice and corn where planting areas are on the rise. However, soybean planting areas are down. Mr. Li did mention that with 230 million rural households it was extremely difficult to calculate production values which vary dramatically from one year to another. Additionally, the various levels of grain reserves, at the national level, provincial, city and county level, and private reserves, which are largely controlled by the central government, has made tracking price changes a difficult task. Growth in planting areas is lower than 10 years ago, although with some increases lately. Urbanization is a major factor and has taken up a lot of space. In a chart he demonstrated that corn and rice planting areas have grown but the barley areas have decreased dramatically. Nevertheless, agricultural subsidies, and high prices, continue to make China’s agricultural dynamics quite interesting but at the same time, very complex.

Following Mr. Li, Dr. Corey Cherr, Head of Agriculture and Weather Research and Forecasts, Lanworth at Thomson Reuters USA presented *Is it getting hot in here? – Global Weather & 2016 Crop Outlooks*. He discussed the effects on global crops by conflicting weather patterns caused by El Nino and La Nina affects and those brought on by global warming. He pointed out that, in the Northern Hemisphere, increasing temperatures in the long term hasn’t happened every year, where there are periods of relative stability or cooling as shown in a data series, you also see periods of strong warmth particularly over the last 30 – 35 years. He warned that while last year’s El Nino has passed, we are now faced with La Nina indicating a high heat risk in the Northern Hemisphere. His view for the coming year is that it will be very hot. Affects will be negative with increased volatility, especially in corn and soybean production in the Western Hemisphere in the Americas and Eastern European, but in general sees positive affects in global wheat production.

Lastly, for Session 1 Dr. Rory Deverell, Senior Commodity Risk Manager, INTL-FCStone, Ireland presented *Trading and Managing Price Risk in a World of Known Unknowns*. He discussed how to deal with the great amount of market information that is available today. He explained that our role as risk managers is to try and make sense of that information so that our customers could make commercial decisions on their risks. He also mentioned a turning point in information was in 1972 known as the great Russian grain robbery described in the book “Merchants of Grain” when, after a devastating drought around the world, Russian buyers bought as much as 10 million tons of wheat from the U.S. This was in the middle of the cold war between two countries and, to make matters worse, the Russians used 300 million dollars of U.S. grants



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and bonus to purchase the wheat. With the price of grain doubling, this was deemed a disaster. He emphasized this as a classic example where lack of information created a huge market failure and became the turning point where the markets came to realize the need for more and more data, more and more information, to avoid what is called a “Black Swan Dive.” Dr. Deverellesting used the vote to demonstrate how you may know the timing and vote details, and some of the impacts, but there’s still a huge number of unknowns despite all of the information that has been circulated.

Following Dr. Deverell’s presentation Session 2 over lunch and covered *Recent trade policy developments, including the Trans-Pacific Partnership (TPP)*, including the presentation by Dr. Babuscio on behalf Mr. Martin.

Following Dr. Babuscio, Ms. Fran Freeman, Assistant Secretary in the Agricultural Policy Division of the Department of Agriculture and Water Resources, in Australia, presented on *TPP: An Australian Perspective*. She began by indicating that the TPP is viewed as a very significant deal, and builds dramatically on previous bilateral trade agreements. Australia’s principal objective is to liberalize trade by eliminating tariffs and other restrictions between the negotiating parties of the agreement. After detailing the many benefits to Australia passing the TPP, she categorized this as one of the most significant trade agreements in history.

Mr. Masonari Hayashi, Senior Researcher, Waseda University in Japan, presented *An assessment of the TPP, from the perspective of an importing country and trade rules*. Japan is highly dependent on TPP countries for the import of grains. He tackled two main issues, first how consumers behave in buying domestic and imported products, and second, the trade aspects of the TPP.

Following Mr. Masonari, Mr. Jesus Silveyra, Under-Secretary of Agricultural Markets, Ministry of Agroindustry, in Argentina, presented on *New perspectives for Argentina’s Grain Sector*. Mr. Silveyra commented that he was here to “re-sell Argentina” with the arrival of a new government. They are working on recuperating their value and improving their image after a bad image in the world for the last 10 years. He mentioned Argentina is one of the largest countries in the world, is the 7<sup>th</sup> country in territory with 2,800,000 square kilometers, population of only 42 million with 10 percent of the population living in rural sections of the country. Water is considered very important to their future. Argentina currently produces 110 million tons of grain and oilseeds and have 52 million heads of bovine stock. Unfortunately, many problems were handed down from their previous government, including a 30 percent poverty rate, 5.5 percent fiscal deficit, 5 percent decrease in trade deficit (a 25 percent decrease in exports and a 20 percent decrease in imports), and an inflation rate of more than 30 percent. Additionally, he added currency issues with many restrictions, a decline in the economic activity and a country isolated from the world as other issues. The goal under the new government is to increase grain and oilseed production by 50 percent to 160 million tons by 2020. He claimed they have the land to do it, but mentioned it sounded too ambitious.

Lastly, the IGC Grains Conference closed with Session 3, which included presentations on trade and logistics.



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Mr. Arkady Zlochevskiy, President, Russian Grain Union, presented to the conference on *Grain market scenario and trade outlook for Russia: major challenges and opportunities*. Mr. Zlochevskiy described how, more than 30yrs ago, Russia was biggest consumer of grain in the world. In the past Russia bought very high volumes of grain from the U.S. But now Russia has been a net exporter of grain since 2002. Now, Russia dominates. Sanctions, decreased global purchasing power and extra resources have increased the sector’s competitiveness and farm profits. The main importers of Russian wheat are Middle East and North Africa and Sub-Saharan Africa. In 2002, Russia exported 18 million tons. Now Russia exports 40 million tons, and will grow to 60 million tons, with corresponding growth in port capacity. The vast majority of Russian exports travel to Southeast Asia, the Middle East and Africa through the Black Sea region. Forecasts continue to call for increased production, in part due to illegal planting of genetically modified (GM) crops. Acreage of GM crops is growing steadily. Driving force is the economy. Russian consumers are very scared of GM. In this way Russia is following in a way the Brazilian model (first allowing illegal GM production, then admit to the world that GM is present). Question is when (not if) Russia will allow legal growing of GM varieties.

Following Mr. Zlochevskiy, Mr. Günhan Ulusoy, Chairman, Turkish Flour Industrialists’ Federation (TFIF), Turkey presented on *Milling industry and trade perspectives*.

Central and Southeast Anatolia are and have traditionally been the main wheat growing regions in Turkey. Corn production has increased in past 5 years, mainly in the Mediterranean & Southeast Anatolian regions. For barley, central Anatolia is the main production region. The Turkish Seed Board (TMO) trades in grain during the season to regulate the price. In the future TMO will no longer physically intervene, only via future trading and other financial mechanisms.

Iraq is largest importer of wheat flour. Turkish neighbors Syria and Iraq represent strong export possibilities. However, the number of mills in the region has decreased drastically over the past 50 years. However, export volume of Turkey has increased every year since 2006.

Lastly, Mr. Alan Tracy, President, U.S. Wheat Associates closed out the conference with his presentation on *The changing landscape of world wheat trade*. Mr. Tracy highlighted that wheat is more complex, and is also more political than the other major grains. China and India are biggest producers and biggest consumers, followed by the U.S. and Russia. The U.S. is the leader in wheat export volume. Recent there has been a big shift to expansion in Russia. Russia changed from net importer to net exporter at 18 million tons per year. Russia’s rise has impact on direction of US wheat export, with U.S wheat being directed less to Africa and India, more export to South America and Southeast Asia. He asserted that Currently, the biggest market distortion is not export subsidies. Instead, now it is domestic price supports. China, Turkey, India and Brazil have biggest distortions with price supports above WTO maximum limit. U.S. and EU have much lower supports. Top 4 countries has higher. US is looking at remedies and a WTO challenge may be needed in the future.





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*GAFTA and its ICPC*

The GAFTA dinner on June 14 was attended by Ms. Lee and Mr. Bonilla. Approximately 400 persons attended and the dinner featured performances by Tenors Unlimited. Greeting and opening remarks were made by GAFTA’s President, Rolf Peters.

Throughout the week, Mr. Bonilla was also present in London on the invitation of the Grain and Feed Trade Association (GAFTA), who invited Mr. Bonilla to attend their annual dinner on June 14 and to present at a meeting of the International Contracts Policy Committee (ICPC) the following day.

On Thursday, June 16, 2016 Mr. Bonilla attended the ICPC meeting held at the Royal College of Surgeons during which he presented to the committee the *NAEGA No 2 Contract: Current Environment, Arbitration and Issues*. Over the past few months NAEGA has been increasing its engagement and educational activity with NAEGA members and global contracting bodies regarding the global contracting environment. Following a presentation on best practices in Winnipeg, Canada, Mr. Bonilla was invited to attend, participate and present before GAFTA on the NAEGA No. 2 Model Contract. GAFTA, which operates its own model contract, is keen to hear NAEGA perspectives on the global contracting environment, including potential changes to the NAEGA No. 2 Model Contract and potentially problematic areas for NAEGA members regarding GAFTA’s new Prevention of Shipment Clause.

Mr. Bonilla’s presentation covered three main topics:

1. An overview of NAEGA as an organization and its committees and policies, along with a list of potential revisions to the NAEGA No. 2 model contract that are under consideration. These included considerations to restructure and add a new limitation of liability clause whereby “the seller remains harmless for all recourse made against the seller for quality and condition after loading. The buyer therefore assumes all expenses and risks whatsoever for quality and condition after loading to the conveyance including but not limited to compliance with any requirements by customs, quarantine and/or other authorities.” A new settlement process in clause 16 for “Cancellations, Washouts and Buy-Backs (other than as necessary under the Default Clause No. 22)”, since currently the “Circles” clause 16 is used for settlement purpose. Finally, amending the Arbitration clauses to reflect the recent agreement with the American Arbitration Association (AAA) for re-structuring the arbitration panel to allow for the Chairperson to be chosen from a list of AAA approved NAEGA appointed arbitrators.
2. A list of significant amendments to the International Center for Dispute Resolution (ICDR) International Arbitration rules that we expect will increase the efficiency and reduce the costs of arbitrations under NAEGA.
3. An explanation of the current conflict that exists between the NAEGA No. 2 contract and GAFTA 27, 30 and 31 when in string. This conflict was created in June 1, 2014 when GAFTA amended all their contracts to combine the “Prohibition” clause and “Strikes and other Causes of Delay” clause into one combined “Prevention of Shipment” clause. I gave the committee various examples where the contractual party could find themselves trying to execute a contract without the opposite purchase or sale in string due to time limits now included in their clause.



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## **Recommendations:**

This NAEGA mission to London accomplished a broad array of NAEGA, IGTC and UES objectives. These included continued management, leadership and underwriting of the IGTC through the Market Access Program (MAP) and continued education on best practices and contracting issues to promote continued best use of the NAEGA model contract and promotion of best practices in the global grain trade. Further recommendations from this trip include:

### *IGTC*

- 1) IGTC should continue its efforts to work closely with the IGC. The IGTC’s base of 8,000 stakeholders could be a major asset to IGC in two key areas, their analysis and consultations on grain markets, and its policy developments.
- 2) The IPPC has asked that we submit an official request to correct the conflict that was created when GAFTA amended their contracts to combine their “Prohibition” clause with their “Strikes and other Causes of Delay Clause.”
- 3) IGTC Secretariat to lead in implementation of follow-up actions.
- 4) IGTC Secretariat to take note of feedback from IGTC participants and roll out any changes for the next meeting in November/December 2016.
- 5) IGTC President, Executive and Management Council to redouble efforts in using their connections to increase geographical diversity of participation at upcoming meetings in 2016/7.
- 6) Relationships with stakeholders should be strengthened in the coming months - work to continue with CropLife International is a priority before COP-MOP in December 2016.
- 7) Make more efficient use of a display table at upcoming IGTC meetings, even if target audience is existing IGTC participants.
- 8) Continue to be available to the IGC and build a relationship whereby both sides provide guidance, advice and opportunities for outreach.
- 9) The IGTC should consider seeking observer status in the WTO SPS Committee.

### *NAEGA*

- 1) NAEGA should continue to lead and fund the IGTC through 2018. UES Strategy and Tactics related to the IGTC have already yielded considerable and tangible success and are in position to build on that success through at least the next 36 months.
- 2) NAEGA should build on the success of its participation in the GAFTA ICPC and continue engagement with GAFTA at the 3<sup>rd</sup> Annual International Seminar on Arbitration in Naples, Italy on September 8, 2016, with the main subject “Dispute Resolution clauses and Enforceability of the Arbitral Awards in the World, Mainly in Europe and the Far East.” Currently, Mr. Bonilla will be attending this conference and continuing communication and education on the NAEGA No. 2 and its interaction with the global contracting environment.
- 3) In light of potential modifications to the NAEGA No. 2 Model Contract NAEGA should continue its educational and outreach activities to gauge member interest and educate grain industry participants on the NAEGA model contract and industry best practices. Upcoming opportunities to accomplish this include presentation at the Annual



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International Seminar on Arbitration in Naples and a Contracts and Best Practices Seminar planned for Portland, Oregon in October.

- 4) In an effort to better improve lines of communication, at the IPPC meeting GAFTA assigned a committee member, Brian Arnold, DeLong Co, Inc. as NAEGA’s contact person. NAEGA Contract’s committee should consider how to better communicate with GAFTA and perhaps follow through and assign a NAEGA contact for GAFTA matters, as well.
- 5) The GAFTA ICPC has asked that we submit an official request to correct the conflict that was created when GAFTA amended their contracts to combine their “Prohibition” clause with their “Strikes and other Causes of Delay Clause.” This request should be advanced to the NAEGA Contracts Committee

**Attachments**

- IGC – 2016 Grains Conference – Agenda
- IGTC – Strategy Session – Agenda
- IGTC – Strategy Session – Report