



“Working Together to Make Trade Work”

NAEGA MAP Trip Report – *September Markets Conditions Committee (MCC) of the International Grains Council (IGC) – London, UK*

Name of traveler: Katy Lee, Acting Secretariat of the International Grain Trade Coalition (IGTC)

Dates of Travel: September 8-9, 2016

Locations of Travel: London, UK

Purpose of Travel:

Consistent with advancing NAEGA UES objectives related to the International Grain Trade Coalition (IGTC), Acting IGTC Secretariat Katy Lee travelled to London, United Kingdom to provide representation for the IGTC at the International Grains Council’s (IGC) Markets Conditions Committee (MCC). As a representative of the IGTC, Ms. Lee leads the IGTC’s engagement with the IGC. Over the last few months, following IGC’s official recognition of the IGTC in December 2015, engagement with the Council has been a key aspect of the IGTC’s efforts to facilitate global dialogue on major policy issues affecting the grain trade. During the IGC MCC meeting the IGTC was allocated a specific agenda item entitled *Report on current developments in policy and trade practice*. In total, 18 government representatives attended (list [here](#)). The Primary objectives of this travel included:

1. Further implementation of the IGTC Business Plan through increasing communication activities with major grain trade governments from around the world.
2. Implementation of the agreement for closer cooperation between the IGTC and IGC, as established in December 2015 in Buenos Aires, Argentina.
3. Provision of expertise and insights on current grain trade policies and practices for IGC members and secretariat.

Summary of findings and accomplishments:

Consistent with the IGTC Business Plan, Ms. Lee successfully “expanded external and internal information exchange” with IGC partners, including government representatives and industry actors including the UK’s Agriculture and Horticulture Development Board (AHDB). The MCC meeting was chaired by IGC Director Etsuo Kitahara, as well as the IGC Chair Mr. Aly Toure of Côte d’Ivoire.

During the meeting, Ms. Lee raised the profile of the Coalition and its priority issues during discussion of timely topics including the Cartagena Biosafety Protocol, and the IPPC’s forthcoming International Standard for Phytosanitary Measures (ISPM) on the movement of grain.

Ms. Lee drafted and circulated a briefing paper targeted at IGC membership prior to the meeting, to support her presentation. The main points raised were as follows:

Cartagena Biosafety Protocol



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1. IGC members were reminded of the importance of the 13th meeting of the Conference of the Parties (COP) and the concurrent Meeting of the Parties (MOP) to the Cartagena and Nagoya Protocols, taking place in Cancún, Mexico from December 4-17, 2016. The IGTC sees an urgent need to ensure that any potential decisions resulting from these meetings do not undermine the world-wide commerce of grains, or the ability of the grain trade to help underpin the successful implementation of the Protocol.
2. The Cartagena Biosafety Protocol (CBP) is a founding issue of focus for the IGTC and strongly implicates the grain trade, covering the international movement of products that may contain LMOs derived from modern biotechnology.
3. In August 2016, the 170 Parties to the Protocol cover more than 85 percent of the world’s grain trade movements. In the International Grains Council, 21 of the 27 member countries have ratified the CBP. Important grain trading ‘Non-Parties’, such as Canada, Australia, Argentina and the United States, may also comply with CBP provisions when exporting to countries that have ratified.

ISPM for grain

1. IGC was told about IGTC priorities for the first Expert Working Group on the ISPM, that would take place shortly after the meeting, from September 19-24 in Melbourne, Australia.
2. IGTC “asks” of International Grains Council member governments included: recognition of the IGTC policy document and the need for measures that fully reflect the commercial and economic requirements of the world’s food, feed and processing industries; harmonized utilization of all relevant ISPMs by national and regional plant protection organizations; and the diverse capacity of responsible authorities and commercial systems.
3. IGTC highlighted the importance of “Specification 60,” which was agreed by IPPC member governments in 2014, as the main basis for the drafting of the ISPM. Specification 60 recommends excluding from the ISPM’s scope wider considerations related to living modified organisms (LMOs), food safety, climate change, and quality. It also recognizes grain as a low risk pathway.

Findings

The main outcome of the meeting from the IGC was discussion and review of the IGC August 2016 Grain Market Report ([here](#)). After this, governments were invited to share insights, direction and any significant data from their capitals. The main findings for each of these agenda items are as follows:

IGC August 2016 Grain Market Report

1. Corn harvest is expected to be high in USA, amid further upward revisions for wheat and maize around the world. The forecast for world total grains (wheat and coarse grains) production in 2016/17 is therefore 23million tons higher month-on-month (m/m). Output is now placed at an all-time peak of 2,069 million tons, up by 3 percent year-on-year.
2. Wheat harvest predictions are following similar patterns, as increases for the Commonwealth of Independent States (CIS) and the United States are partly offset by a



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reduced figure for the European Union.

3. Ample availabilities and low prices are seen encouraging feed demand, which accounts for most of the 17 million tons m/m consumption boost. Despite this, the stocks number is raised by 4 million tons from the year before, to a new high of 492 million tons. At 330 million tons, the forecast for trade is up by 6 million m/m, but is still 4 percent below the record in 2015/16.
4. Due to an improved outlook in the United States amid favorable growing conditions, world soybean production is projected 4 million tons higher than previous reports, at a peak of 32 million ton, an increase of 3 percent y/y. With total uptake seen unchanged from July, aggregate ending stocks are lifted slightly, to 31.5 million tons, albeit still representing the second consecutive annual fall, including a mild retreat in the major exporters. Global import demand is anticipated to rise further, to a high of 136 million tons, on expanded deliveries to China.

National grain trade updates

1. Export bans in place include bans on rice in Egypt and maize in Zambia. Rice import bans announced on July 21 in Iran.
2. New rules on wheat imports in Egypt are now in place – government has approved tolerance on ergot of up to 0.05 percent.
3. Support prices for maize in Brazil have been raised by 22 percent.
4. On August 10, the Chinese government announced its latest plan for biotechnology development by 2020, with a focus on maize and soybeans.

Recommendations:

1. IGTC Secretariat should issue full report of the September 9 meeting without undue delay.
2. IGTC Secretariat should lead in implementation of follow-up actions.
3. IGTC President, Executive and Management Council should redouble efforts in using their connections to increase geographical diversity of participation at upcoming meetings in 2016/2017 meetings. The IGC can be instrumental in accomplishing this goal.
4. Relationships with international partners should be strengthened in the coming months.
5. The IGTC should continue build its relationship with the IGC in a manner that provides guidance, advice and opportunities for outreach to both sides.

Attachments:

- Agenda for 9 September MCC meeting
- IGC markets report
- IGTC briefing as circulated to IGC members.