



“Working Together to Make Trade Work”

NAEGA MAP Trip Report – *Travel to Sochi, Russia for 2nd World Grain Forum*

Name of Traveler: Gary C. Martin, President and CEO, NAEGA

Dates of Travel: November 16-21, 2016

Purpose of Travel:

Consistent with advancing its NAEGA UES objectives related to market education of sanitary and phytosanitary issues and NAEGA leadership within the International Grain Trade Coalition (IGTC), Gary Martin, NAEGA President and CEO, travelled to Sochi, Russia on November 16-21, 2017. In Sochi, and at the invitation of the Russian Grain Union, Mr. Martin attended and presented at the 2nd World Grain Forum.

At the World Grain Forum (<http://wgforum.ru/en/>) Mr. Martin represented IGTC members and policy files during all meetings and presentations. He conducted 5 press interviews and networked with Russian officials and grain trade personnel. Incumbent in Gary’s efforts to advance UES objectives he focused on encouraging the use sound science and international convention regarding measures and practices taken to protect plant health. Additional networking to promote NAEGA UES objectives was completed with several World Grain Forum participants from outside Russia.

During the forum, Mr. Martin officially attended and made remarks at the following events and meetings:

- On November 18, a business breakfast with Russian Deputy Prime Minister Arkady Dvorkovich.
- On November 19, Mr. Martin acted as a moderator on a panel during the Forum plenary session titled *The World Grain Market: Long-Term Trends and Forecasts*. During the panel, Mr. Martin moderated the discussion between globally recognized experts on grain markets, including members of the public and private sector and academia.
- Later on December 19, Mr. Martin presented as a speaker at a round table entitled *Control of Security, Quality and Phytosanitary Conditions of Grain are the Basis for Global Food Security. Phytosanitary Control: Role in Creating Favorable Conditions for International Grain Trade*. During this round table, Mr. Martin presented on IGTC policy files, including participation in the International Plant Protection Convention’s (IPPC) ongoing talks related to the ISPM for grain and the IPPC’s efforts to create a ePhyto hub for the secure transmission of electronic phytosanitary certificates.

Summary of Findings/Conclusions/Accomplishment

The 2017 World Grain Forum brought together nearly 2,500 participants, including official delegations from 27 countries and 49 regions of the Russian Federation, the UN Food and Agriculture Organization (FAO), and representatives of major Russian and foreign agribusiness companies. This year’s event was held under the patronage of Prime Minister Dmitry Medvedev, who spoke at the event along with Deputy Prime Minister Arkady Dvorkovic and Agriculture Minister Arkady Dvorkovich. The forum spanned three days from November 18-20, and included



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presentations by key members of the global agribusiness and government.

Remarks from Medvedev

Dimitry Medvedev spoke at the plenary session of the forum. Below is an excerpt from his remarks. The Prime Minister’s remarks set the tone for much of the subsequent discussion:

In recent years, Russia has regained its role as a leading player on the global food market. One hundred years ago, Russia was indeed the largest producer on the international food market. We lost this position, and even had to resort to importing various kinds of agricultural produce, including grain. However, we have made a big step forward since then. This year’s record harvest is one such example. Last year, we came in first in terms of the volume of wheat exports, and there are signs that we may keep it that way this year as well.

We have become a significant participant of the international agricultural market. We are now faced with an ambitious task which is to increase grain production to 130 million tonnes over the next 10 to 15 years. We have the necessary resources to do so. In the 1990s, we saw a significant reduction in crop acreage. Now, we are in the process of returning land to agricultural use. According to some estimates, about 12 million hectares can be used for these purposes. Conversely, the amount of crop acreage is declining across the world. Russia can at least partially compensate for the loss of this resource, and play a stabilising role on the global market.

We often hear the question: What will happen when the sanctions are lifted? First, nobody is about to lift them yet. Second, the government will always support this industry precisely because of the specifics of our economy and the industry itself. That is why we recently adopted a decision to keep budget allocations to the agriculture industry unchanged at their current high level.

The global trends in agriculture are concentrated in IT and the production of a variety of sensors and robots. This process is referred to as Farming 2.0. It leads to a situation where agribusiness will go from being labour-intensive to capital-intensive. Russia is ready to participate in these processes.

It is important to engage in processing. We will continue to export commodities, including grain. Yet, it is equally important to develop biotechnology and to increase the production of various processed products.

We are now self-sufficient with agricultural products in several areas, including grain. A country like Russia must be able to feed itself. We will stay this course, and at the same time expand the geography of cooperation. For us, this goes beyond our traditional partners, such as North Africa or the Middle East. It also includes Europe, Latin America, and the fast-growing Asia-Pacific region. In order to be able to engage in all of this, it is imperative to develop the infrastructure of the grain complex. Work in this area



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is being done, and state-of-the-art grain terminals will soon become available for grain transshipment to Asia as well.

The world is on the cusp of the next phase of development in agriculture. Russia does not intend to miss out.

Today, agriculture is the fastest growing sector in our country. We must not lose what we have gained in recent years.

Business Breakfast with Russian Deputy Prime Minister

On November 18, at the invitation of Russian Deputy Prime Minister Arkady Dvorkovic, Mr. Martin joined Mr. Dvorkovic, heads of foreign delegations, and the international expert community attending the forum for a business breakfast. During the breakfast, Deputy Minister of Agriculture Sergey Levin moderated a discussion among the participants on topics including: changes in the global grain market; Russian grain on global markets; the role of the state in regulating the grain market; ways to increase competitiveness; and barriers to the grain trade and ways to overcome them. Gary’s remarks received several complements on his remarks along the lines of appreciation for his articulating a clear and substantial path forward to improve international grain trade.

Plenary Session of the World Grain Forum

On the afternoon of November 18 the plenary session of the Forum began with a discussion of *Grain Production and the Grain Market: Global Challenges and Opportunities*, which included comments from Deputy Prime Minister Arkady Dvorkovic and a speech by Prime Minister Dmitry Medvedev.

The following day, November 19, Mr. Martin participated in two sessions during the plenary discussions. During the first session, Mr. Martin moderated a panel titled *The World Grain Market: Long-term Trends and Forecasts* that included: William Meyers, Professor, Food and Agricultural Policy Research Institute (FAPRI), University of Missouri; Abdolreza Abbassian, Senior Economist at the UN FAO; Dmitry Rylko, General Director, Institute for Agricultural Market Studies (IKAR); Matt Ammermann, Vice-president, INTL FCStone Financial Inc. FCM Division 3; Cephas Taruvinga, Leading expert in grain storage and grain loss, FAO UN; and Brian Davern Wright – Professor of the Department of Agricultural & Resource Economics, University of California, Berkeley. Several important connections were made with panelists and Jonathan Gressel was introduced by Gary with recognition for the information and analysis of USDA. Feedback and follow up discussion indicated that this session in particular was very well received.

In the afternoon of November 19, Mr. Martin was part of a round table on *Control of security, quality and phytosanitary condition of grain are the basis for global food security. Phytosanitary control: role in creating favorable conditions for international grain trade*. The afternoon roundtable, which was moderated by Vasiliy Lavrovsky, Assistant to the Head of the federal Service for Veterinary and Phytosanitary Surveillance, included participation from Mr. Martin, representing the IGTC; Julia Shvabauskene, Deputy Head of the Federal Service for Veterinary and Phytosanitary Surveillance; Julia Koroleva – Director of the FGBI Federal Centre for Grain



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and Grain Products Safety and Quality Assurance; Tagir Astemirov, Head of FSUE “Republican Fumigation Group; and Vitalyi Smirnov, Quality Director, UK Sodruzhestvo. The Director of FGBI intervened and disrupted this session with an impassioned plea for expanded authority and funding of the FGBI. While his invention distracted from the sound messages prepared by all the panelists, it served to point out a concern about / potential weakness in Russia’s competitiveness in global GRNOS markets. A lack of integrity in any system of weights and grades is a problem.

During the roundtable, Mr. Martin presented on *Electronic Documentation: A Promising Innovation Opportunity*. During the presentation, Mr. Martin highlighted the grain trade’s use of multiple documents in the execution of an export contract, including bills of lading, phytosanitary certifications, certificates of origin, fumigation certificates and survey documents, and how digitizing many of these certifications could lead to increased efficiencies in the completion of trades. Mr. Martin also highlighted the International Plant Protection Organization’s (IPPC) ePhyto Hub project and the IGTC’s participation in this initiative as part of the IPPC’s Industry Advisory Group (IAG). The IPPC is developing an innovative hub located in the United Nation’s Computing Center in Geneva that will facilitate the transmission of phytosanitary certifications between national plant protection organizations.

As a result of Gary’s work in Sochi, IGTC has received an inquiry from Elina Lukyanova of the Federal Centre of Grain and Grain Products Safety and Quality Assurance (FSFI). Ms. Lukyanova is seeking a working relationship with IGTC.

Recommendations

IGTC participation in the 2nd World Grain Forum was an important venue for the coalition to discuss IGTC policy files and priorities and promote the interests the need for a global grain trade environment that is least distortionary. Moving forward, NAEGA and the IGTC should:

- Continue to engage with Russian members of the IGTC, including the Russian Grain Union, by encouraging active participation in IGTC working groups and teams.
- NAEGA should continue to work closely with USDA FAS and APHIS to resolve concerns regarding U.S. Soybean and Popcorn imports into Russia.
- Post the U.S. election, and leveraging the connections and information gained from this mission, NAEGA should work with APHIS and FAS to mitigate the Russia VPSS Soybean Suspension.
- IGTC should follow up with FSFI and the Russian Grain Union to establish working relationships.

Attachments

- Agenda – 2nd World Grain Forum
- Presentation – Gary Martin – *Electronic Documentation: A Promising Innovation Opportunity*