



“Working Together to Make Trade Work”

NAEGA MAP Trip Report – Decree 177 Compliance – Beijing, China – April 2017

Name of Traveler:

Gary Martin, President and CEO, NAEGA

Dates of Travel:

April 24-29, 2017

Purpose of Travel:

Consistent with its UES objectives, Gary Martin, President and CEO, NAEGA traveled to Beijing, China on April 24-29, 2017. In Beijing, Mr. Martin addressed several objectives related to NAEGA’s UES, including coordination with U.S. government on efforts related to U.S. industry compliance with Decree 177.

The primary purpose of this mission was to support U.S. government meetings with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) regarding U.S. industry compliance with China’s Decree 177 facility registration regulations. Over the past year, NAEGA has been working closely with USDA FAS, the U.S. Animal and Plant Health Inspection Service (APHIS), the U.S. Grain Inspections, Packers and Stockyards Administration (GIPSA), the Agriculture Marketing Service (AMS) and industry to develop an integrated U.S. industry and government response to compliance with Decree 177. Currently, USDA FAS has arranged for high level meetings between U.S. and Chinese governments to address efforts so far regarding facility registration. NAEGA thanks USDA FAS, APHIS, GIPSA, AMS other U.S. government stakeholders for their diligent work in securing this meeting and supporting industry interested related to Decree 177.

During this mission Mr. Martin also met and established an understanding with The China Group Companies Association (CGCA, www.cgcpa.org). The meeting was intended to provide for joint work to improve utilization of information systems to facilitate trade and regulatory compliance. As a result, NAEGA has taken under consideration and will be reporting on the work of a CGCA sponsored think tank: International Institute for the Development of Multinational Institutions (www.idmni.org).

Summary of Findings/Conclusions/Accomplishment

China’s General Administration on Quality Supervision, Inspection, and Quarantine (AQSIQ) established Decree 177 as effective July 1, 2016. To support implementation of Decree 177, USDA has agreed to provide AQSIQ with a list of U.S. exporters of commodities covered by the U.S. Grain Standards Act. AQSIQ has indicated to USDA that it will use the list to monitor compliance with entry requirements

USDA is establishing a new process to update and maintain the list provided to AQSIQ. The process relies on exporter registration with GIPSA. GIPSA registration is one of the requirements for exporting grain, oilseeds, or related commodities from the United States



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The application for registration (form “OMB No. 0580- 0013”) includes a section 6: ”List names and locations where applicant is engaged in buying, handling, weighing, or transporting grain for sale in foreign commerce”.

To provide the list for AQSIQ, GIPSA will call each applicant and those who are currently registered to receive approval for use of the information in Section 6 in compiling the list for AQSIQ.

Implementing Decree 177 will take several months. For instance, USDA has just begun working with AQSIQ to provide for a list of exporters of commodities, including dry beans and pulses that are not covered by the Grains Standards Act. Plans are being made for an AQSIQ technical team to travel to the United States during the first two weeks of September 2017 to tour U.S. grain handling facilities and identify commercially viable solutions to complete the facility registration process. Another next step is for AQSIQ to implement develop a standard practice for CIQ offices on how these lists are used that does not place restrictions on shipping documents to minimize any issues upon arrival.

More complex elements of Decree 177, including concerning provisions related to traceability, biotechnology and phytosanitary measures will likely be subject to broad global consideration. Ultimately NAEGA has placed a high priority on working with all stakeholders, including governments of all supply countries, to minimize the impact of Decree 177 implementation on trade and insure that restrictions on imported commodities will not be a result. We are also working to establish acceptance of existing origin inspections and regulation as sufficient to meet AQSIQ needs

Recommendations

- **Continue to engage with U.S. government and industry to develop a coordinated response to Decree 177 compliance:** NAEGA should continue to work with the Decree 177 Working Group, led by USDA FAS and the Grain Inspectors, Packers and Stockyards Administration (GIPSA), to respond to AQSIQ requests for a facility registration list. NAEGA should ensure that only list provided is comprehensive, easily maintained and acceptable to Chinese officials and industry.
- **Work with NAEGA membership to ensure registration requirements are being met:** NAEGA should continue to engage and communicate to membership regarding the ongoing Decree 177 compliance protocol to ensure that all NAEGA members have completed applicable registration paperwork with the U.S. Department of Agriculture.
- **Assist USDA with the September 2017 tour of U.S. grain handling facilities:** NAEGA should work to assist and facilitate tours by Chinese regulators of U.S. grain handling facilities during their September 2017 visit.

Attachments

- U.S. Department of Agriculture Facility Registration Form