



## Outreach July 9, 2018

Thank you for your membership in and work with NAEGA

### Image of the Week

**Differences between the U.S. House and Senate’s Farm Bills**  
*On June 28 the U.S. Senate passed its version of the Farm Bill. The U.S. Senate and U.S. House will now meet in a Conference Committee to negotiate differences between the two versions.*

Subject	House version	Senate version
Crop insurance	<ul style="list-style-type: none"> <li>Eliminates the individual farm coverage under ARC, must use county-wide data</li> </ul>	<ul style="list-style-type: none"> <li>Makes no major changes</li> </ul>
Commodity programs	<ul style="list-style-type: none"> <li>Maintains reference prices for almost all commodities in Price Loss Coverage</li> </ul>	<ul style="list-style-type: none"> <li>Reduces Adjusted Gross Income limit from \$900,000 to \$700,000</li> <li>Does not limit payouts</li> </ul>
SNAP	<ul style="list-style-type: none"> <li>Creates a 20 hour per week work requirement for ABWDs</li> <li>Increases the ABWD age from 50 to 60</li> </ul>	<ul style="list-style-type: none"> <li>Makes no major changes</li> </ul>
Conservation programs	<ul style="list-style-type: none"> <li>Suspends new enrollment in the Conservation Stewardship Program</li> <li>Increases EQIP spending</li> <li>Increases CRP acres from 24 million to 29 million</li> </ul>	<ul style="list-style-type: none"> <li>Reduces acres covered under CSP and funding for EQIP programs</li> <li>Increases CRP acres from 24 million to 25 million</li> </ul>
USDA structure	<ul style="list-style-type: none"> <li>Makes no major changes</li> </ul>	<ul style="list-style-type: none"> <li>Recreates the position of under secretary for rural development</li> </ul>
Bipartisan support	<ul style="list-style-type: none"> <li>No Democrats offered amendments to the bill in committee</li> <li>All Democrats voted against the bill in committee and on the House floor</li> </ul>	<ul style="list-style-type: none"> <li>Many Democratic amendments were offered and adopted in committee</li> <li>All Democrats on the Agriculture Committee voted for the bill</li> </ul>
Hemp legalization	<ul style="list-style-type: none"> <li>Does not address the issue</li> </ul>	<ul style="list-style-type: none"> <li>Adds Majority Leader Mitch McConnell’s (R-KY) hemp legalization bill</li> </ul>

Sources: "Vote Clears House Farm Bill," DTN The Progressive Farmer, Chris Clayton, April 18, 2018. National Journal Research, 2018.

### Action Reports

**Recent Actions:**

- Contribution Report
- ASP Cyber Security Meeting
- IGTC Newsletter
- IGTC-ISF Meeting

**Upcoming Actions**

- USAEDC Attaché Seminar – July 11-13 – Arlington, Virginia
- IGTC meetings and outreach – July 13-22 – Rome and Geneva
- U.S. State Department Foreign Service Institute Presentation – July 26 – Washington, D.C.

### ***Pending Actions***

- Maritime Regulations
- Additional Tariffs against China
- **MEMBER FEEDBACK NEEDED: FGIS soybean, corn and canola standards**

### **Member Opportunities**

- U.S. Barge Trade Digitization Project Underway
- Japan Corn Quality – Washington, D.C. – July 23
- NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico – August 23-25
- Board of Directors Meeting – Arlington, VA – October 2
- DBTG Technical and Operations Seminar – Baltimore, MD – October 3-5
- Summer and Fall Contracts and Best Practices Seminars
  - Minneapolis, MN – Week of August 13
  - New Orleans, LA – Week of October 1
- NAFTA and Asia-Pacific Policy Teams
- NAEGA Internships

### **News**

- CME Block Trades
- Approval for Liberty Link Soy
- China and U.S. tariffs go into effect

### **NAEGA Calendar and Member Notices**

- Upcoming Events and Notices for Members

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## **Action Reports**

### ***Recent Actions:***

#### **NAEGA Contribution Report**

On Thursday, June 28 NAEGA submitted its annual 2017 Contribution Report to FAS, officially closing out the 2017 MAP Program Year. The contribution report highlights industry and staff contributions to NAEGA’s Unified Export Strategy (UES) efforts. Per MAP regulations, NAEGA and NAEGA industry personnel must contribute the same amount of money to NAEGA’s UES as allocated in its MAP agreement, plus 10 percent. In 2017, NAEGA and its membership contributed 169 percent of its MAP allocation to its UES objectives. Thank you to all NAEGA members and member personnel who worked to accomplish NAEGA’s UES objectives, proving once again that NAEGA is dedicated to “working together to make trade work”!

A copy of the NAEGA contribution report can be found [here](#). For more information, please contact Ryan.

#### **ASP Cyber Security Meeting**

On June 25, the U.S. Coast Guard’s Office of Port and Facility Compliance, Cargo and Facilities Division held a meeting with Alternate Security Plan (ASP) members to discuss best practices

regarding cyber security. The purpose of this meeting was to set goals for cyber awareness expected from ASP users, with a specific focus on users being able to recognize suspicious behavior and know what constitutes a security breach in the cyber realm.

The Coast Guard is encouraging industry to get ahead of the curve by addressing cyber security before small issues develop into larger problems.

Interested in participating in the NAEGA-NGFA Alternative Security Program? Contact [Ryan](#).

### **IGTC Newsletter**

The latest IGTC newsletter is now available! This edition covers ongoing IGTC communications about the IPPC's ePhyto hub, a call for input on the IPPC draft ISPM and specifications on grain, and a report on the WTO SPS committee's proposal on MRLs.

For more details, read the IGTC newsletter [here](#) or visit the IGTC website at [www.igtglobal.org](http://www.igtglobal.org).

### **IGTC-ISF Meeting**

Randy Gordon, NGFA President and acting as a NAEGA volunteer, is back from Nyon, Switzerland where he joined an IGTC team for bilateral meetings with the International Seed Federation. A trip report for this travel is now available [here](#). The meeting was the second meeting conducted between IGTC and ISF to discuss the information needs of the global grain industry concerning the commercialization of crops developed through genetic engineering. During discussions the IGTC and ISF engaged in detailed, substantive discussions on specific information needed from gene-editing seed developers and those commercializing such seeds to preserve the fungible, commingled commodity stream and to avoid trade disruptions.

### ***Upcoming Actions:***

#### **USAEDC Attaché Seminar – July 11-13 – Arlington, Virginia**

The U.S. Agricultural Export Development Council will hold its annual Attaché Seminar on July 11-13 in Arlington, Virginia. This year's seminar includes a number of speakers providing information regarding updates in the Foreign Agricultural Service (FAS), upcoming plans for the Office of Trade and Foreign Agricultural Affairs, as well as several regionally-based breakout sessions led by various FAS attachés. A draft of the agenda can be found [here](#).

#### **IGTC Meetings and Outreach – July 13-22 – Rome and Geneva**

On July 13-22 Gary will join IGTC Secretariat Katy Lee in Rome and Geneva for a series of IGTC bilateral meetings and events with members, corporate stakeholders, and inter-governmental organizations. As part of this trip, Gary and Katy will attend the IPPC's ePhyto Industry Advisory Group meeting at the FAO in Rome on July 18. A finalized agenda for the balance of their trip will be available soon.

#### **U.S. State Department Foreign Service Institute Presentation – July 26 – Washington, D.C.**

On July 26 Gary will address a class of US foreign service personnel enrolled in a Biotechnology and Global Challenges course. U.S. State Department economic officers and USDA FAS staff are included in the training class meant to bring officers up to speed on biotechnology issues. A further agenda and Gary's presentation will be available soon.

## ***Pending Actions:***

### **Maritime Regulations**

The Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA) is seeking public input on how the Federal government may prudently manage regulatory costs imposed on the maritime sector. OIRA seeks public comment on how existing agency requirements affecting the maritime sector can be modified or repealed to increase efficiency, reduce or eliminate unnecessary or unjustified regulatory burdens, or simplify regulatory compliance while continuing to meet statutory missions. This RFI is meant to inform agencies' development of regulatory reform proposals.

Comments should be submitted via [regulations.gov](https://www.regulations.gov) by **July 16, 2018**.

NAEGA members interested in contributing to these comments should contact Ryan.

### **Additional Tariffs against China**

The U.S. Trade Representative (USTR) is seeking public comment on the announcement of new tariffs on Chinese goods related to its Section 301 investigation into Chinese intellectual property practices. According to the Section 301 investigation, USTR has determined that the acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation are unreasonable or discriminatory and detrimentally affect U.S. commerce. As a result, the President has ordered the implementation of a 25 percent tariff on an initial \$34 billion of certain products from China on July 6, 2018. The proposed products to be targeted by this additional tariff can be found [here](#).

Following the initial implementation of tariffs on \$34 billion of Chinese production, the USTR is seeking comments from U.S. stakeholders on a further \$16 billion of products to be implemented at a future date. A list of these products can be found [here](#). Public comments regarding this proposed additional action are welcome and will be received according to the following schedule:

*July 23, 2018:* Due date for submission of written comments.

*July 24, 2018:* The Section 301 Committee will convene a public hearing in the main hearing room of the U.S. International Trade Commission, 500 E Street SW, Washington, DC 20436 beginning at 9:30 a.m.

*July 31, 2018:* Due date for submission of post-hearing rebuttal comments.

Comments should be submitted via [regulations.gov](https://www.regulations.gov) by **July 23, 2018**.

NAEGA members interested in contributing to these comments should contact Gary or Ryan.

### **U.S. FGIS soybean, corn and canola standards**

The U.S. Agricultural Marketing Service (AMS) has announced that it is seeking public comment on current Federal Grain Inspection Service (FGIS) standards for canola, corn and soybeans. The

purpose of these requests for comments is to ensure that standards and official grading practices remain relevant and effective.

- [Request for comments on corn standards can be found here.](#)
- [Request for comments on soybeans standards can be found here.](#)
- [Request for comments on canola standards can be found here.](#)

All comments are due **August 28, 2018.**

NAEGA's Grades and Inspections Committee will be engaged in drafting a response. Please let us know if you are interested in contributing to NAEGA's comments.

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## Member Opportunities

### Barge Trade Digitization Project

On Feb. 16, 2018, National Grain and Feed Association (NGFA) and North American Export Grain Association (NAEGA) conducted a workshop in New Orleans to explore the potential for digitization of the paperwork and processes employed in the barge trade industry.

The workshop was attended by over 40 representatives from various sectors in the barge trade, including barge lines and operators; grain companies; exporters; trade, transportation and logistics consultants; and technology providers. The workshop focused on the numerous steps and multiple entities involved in the contracting, application, reconsignment, billing and other processes common in the barge trade. Because the documentation and current processes still are largely paper-based, they are time-consuming and costly. *The resounding consensus of the participants at the workshop was that the industry should attempt to address the inefficiencies, unnecessary expenses and delays of the current system by pursuing alternative approaches based on employment of digitization and electronic transmission.*

As a result, a task force of company representatives in the barge trade has been assembled and begun to consider what approaches to undertake for a new system. Initial observations about the new system include:

- The purpose of the new system would be to facilitate document transfers between trading counter parties. It is not to displace the verbal application of barges, but to ease transfer of documents once the verbal application has occurred. The new system will serve as a shared documents ledger with secured access.
- The new system should have ability to record trade-specific information; create, access, download and print bills of lading and various other documents; electronically sign documents and transfer ownership; receive electronic communications; and house and archive extensive documentation.
- Security is an important requirement.
- Cost is another critical component. The task force predicts that the costs of a new system will present a significant savings compared to the current processes.
- The new system would be designed to be used by all industry parties when transferring documents.

The work of the task force is still very preliminary. As part of their initial review, the task force is seeking input from other industry participants on the core requirements of a new system and any other feedback they should consider. Broad adoption by the industry is critical to achieving the maximum potential cost savings associated with the new system.

*All inquiries and feedback are welcome.* Please contact Julie Detlefsen ([Julie\\_Detlefsen@cargill.com](mailto:Julie_Detlefsen@cargill.com)) or Charlie Delacruz ([cdelacruz@ngfa.org](mailto:cdelacruz@ngfa.org)) with any questions or comments.

### **Japan Corn Quality – Washington, D.C. – July 23**

NAEGA member personnel are invited to join Gary and Ryan on July 23 at the U.S. Grains Council for a meeting with the Japanese Feed Manufacturers Association (JFMA), the Japanese Feed Trade Association (JFTA) and Japanese industry representatives. The purpose of the meeting will be to discuss U.S. corn quality in the Japanese market. A final agenda and meeting time will be distributed soon.

### **NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico – August 23-25**

Please “save the date” for the next NAEGA-APPAMEX Forum in Puerto Vallarta, Mexico on August 23-25. The forum will take place at the Hard Rock Hotel Vallarta at Paseo de los Cocoteros No. 19, Villa 8 Nuevo Vallarta, Bahía de Banderas, Riviera Nayarit, México C.P. 63732

A preliminary agenda can be found [here](#).

All NAEGA members are invited to attend. If you are interested in attending please complete the attached registration form [here](#). Hotel bookings at the Hard Rock can be made by contacting the hotel directly using the following email address: [nfuentes@rcdhotels.com](mailto:nfuentes@rcdhotels.com).

Please contact [Ryan](#) for more information.

### **Board of Directors Meeting – Arlington, VA – October 2**

The next meeting of the NAEGA Board of Directors will be held from 9:00am-2:00pm on Tuesday, October 2 at NAEGA’s office in Arlington, VA. More details and the meeting agenda will follow in the coming weeks.

### **DBTG Technical and Operational Seminar – Baltimore, MD – October 3-5**

Please “save the date” for the Dry Bulk Terminals Group’s (DBTG) fall Technical and Operational seminar. This fall’s seminar will take place at the Sheraton Inner Harbor Hotel in Baltimore, MD on October 3-5.

### **Contracts and Best Practices Seminars**

Please “save the date” for NAEGA’s next Contract and Best Practice Seminars. With the release of the revised NAEGA 2 contract on March 30, NAEGA is planning for educational seminars to communicate these revisions and educate on the contract and industry best practices. This year, we are planning two educational seminars in:

- Minneapolis, MN: Week of August 13

- New Orleans, LA: Week of October 1

Final dates and times will be announced when they become available.

NAEGA seminars are an intensive and informative review of commercial and official practices taught in an interactive environment. The goal of each seminar is to improve predictability, reduce risks, resolve trade barriers and facilitate profitable trade. A general agenda includes:

- Open dialogue on current contracting practices as they relate to trade risks.
- A “Road Map” of the NAEGA II Model Contract
- Review of the 2018 revisions to the NAEGA II Model Contract.
- Perspectives on the global contracting environment in GAFTA, FOSFA and other contract models and practices.
- Case study exercises on:
  - Calculating laytime, dispatch and demurrage.
  - Contract terms.
- Arbitration and other alternatives for dispute resolution.

In addition to the public seminars listed above, NAEGA also conducts company specific private seminars. Please contact Ryan if you are interested in hosting a private, tailored seminar at your office. Click [here](#) for more information on the in-depth, interactive programs NAEGA conducts!

### **NAFTA and Asia-Pacific Policy Teams**

With NAFTA negotiations underway and the evolving U.S.-China trade relationship, we expect many more fast paced and dramatic developments that could greatly change the terms of trade for NAEGA members. Your involvement is needed!

NAEGA ad hoc policy teams of member personnel working largely through conference calls are helping to guide our multifaceted effort to address the evolving trade environment. Teams focused on the North American Free Trade Agreement and the Asia-Pacific Market are already established. The **NAFTA Policy Team** will be heavily engaged over the next three months to support NAEGA work with the U.S. Food and Ag. Dialogue for Trade, The Pacific Northwest Economic Region, the Canada U.S. Grain and Seed Trade Task Group and the NAEGA committees and Board of Directors to address NAFTA. A similar effort will soon start with an **Asia-Pacific Policy Team** that will be focused on U.S. trade relations with China, Japan, Korea and the Trans Pacific environment more generally.

### **Internships**

We have an open intern position starting in the fall of 2018 to work at the NAEGA office at 1400 Crystal Drive, Arlington, VA 22202. Information on working for NAEGA as an intern 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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## News

### CME Block Trades

In a report published on Monday, July 2 the U.S. Commodity Futures Trading Commission's (CFTC) Division of Market Oversight announced that block trading conducted by the CME Group has fallen within the Commission's rules for "fair and reasonable pricing." Block trades are generally larger deals that are privately negotiated but cleared via an exchange before appearing as volume like other deals.

In its report, CFTC also noted that "block trades are still occurring mainly in the nearby months," and that "block trades are insignificant compared to total volume, but the analysis shows block trades can be a significant percent of the total volume in an individual contract month on specific days."

A copy of the report can be found report [here](#).

### Approval for Liberty Link Soy

On Thursday, July 5 Bayer reported that it has received several key approvals for the commercialization of its FG72xLL55 event, including approval in the Philippines. FG72xLL55 soy is a collaboration project between Bayer and MS Technologies and will be commercialized under the name LibertyLink® GT27™ in 2019.

The new LibertyLink® GT27™ trait stack is a soybean seed with tolerance to Liberty® (glufosinate-ammonium), glyphosate herbicides and the first HPPD mode of action herbicide for soybeans, pending EPA approval.

Please contact NAEGA for additional information about this approval.

Additional information regarding the launch of LibertyLink® GT27™ will be released shortly.

### China and U.S. Tariffs go into Effect

As a result of the recent U.S. Section 301 investigation into Chinese intellectual property practices, U.S. Customs and Border Protection (CBP) began enforcing, at midnight on July 6, new 25 percent tariffs on \$34 billion in Chinese goods. The new tariffs will be applied to imports of 800 Chinese products including medical devices and auto parts.

In retaliation for these measures, the Chinese Ministry of Commerce announced this morning that they would begin enforcing retaliatory tariffs of 25 percent on \$34 billion in U.S. goods, including soybeans, cotton, rice, sorghum, beef, pork, dairy, nuts, and produce.

The statement from U.S. Customs and Border Protection can be found [here](#).

The statement from China MOFCOM can be found [here](#).

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**Calendar & Member Notices**  
*Click [here](#) for a copy of the IGTC Calendar*

**2018**

**July**

- 1-September 30** – IPPC ISPM Consultation – Virtual
- 2-7** – 41<sup>st</sup> Codex Alimentarius Commission (CAC41) – Rome, Italy
- 9-10** – IPPC ePhyto IAG – Geneva, Switzerland
- 11-12** – WTO SPS Committee – Geneva, Switzerland
- 11-13** – USAEDC Attaché Seminar
- 13-22** – IGTC meetings and events in Geneva and Rome
- 16** – Comments on maritime regulations due
- 23** – Comments on additional tariffs on China due

**August**

- Week of August 13** - NAEGA Contracts and Best Practices Seminar – Minneapolis, MN
- 23-25** – NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico
- 28** – Comments on FGIS standards for canola, corn and soybeans due

**September**

- 4-7** – IGTC Seminar – Washington, D.C.
- 7** – International Grains Council Market Condition Committee Meeting – London, UK
- 10-14** – IMO CCC5 – London, UK
- 14** – IGTC Management Council – Virtual
- 26-27** – WTO Agriculture Committee – Geneva, Switzerland

**October**

- Week of October 1** - NAEGA Contracts and Best Practices Seminar – New Orleans, LA
- 1-5** – FAO Committee on Agriculture (COAG) – Rome, Italy
- 2** – NAEGA Board of Directors Meeting
- 3-5** – DBTG Operational and Technical Workshop – Baltimore, MD
- 31-November 1** – WTO SPS Committee – Geneva, Switzerland

**November**

- 19-23** – IPPC Standards Committee – Rome, Italy
- 21-22** – WTO Agriculture Committee – Geneva, Switzerland
- 10-22** – COP 14 – Egypt
- 27-29** – IGTC General Assembly 2018 – Beijing, China

**December**

- TBD** – U.S. APHIS and China AQSIQ bilateral on soybean phytosanitary requirements
- 2-4** – NGFA Country Elevator Conference – St. Louis, MO
- 4** – IGC 40<sup>th</sup> Session – London, UK
- 14** – IGTC Management Council - Virtual
- TBD** – Biosafety Protocol COP 14 – Egypt

**2019**

**March**

**17-19** – NGFA Annual Convention – Amelia Island, FL

**December**

**2-4** – NGFA Country Elevator Conference – Indianapolis, IN

**2020**

**March**

**8-10** – NGFA Annual Convention – Austin, TX

**December**

**TBC** – COP 15 – CBD – Beijing, China

**2021**

**March**

**14-16** – NGFA Annual Convention – San Diego, CA

**2022**

**December**

**TBC** – COP 16 – CBD – Turkey

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