

Outreach

June 28, 2018

Thank you for your membership in and work with NAEGA

Image of the Week

China announces retaliation list on \$50 billion of US goods

In response to the Trump Administration's announcement of \$50 billion in tariffs on Chinese goods, the Chinese Government has announced retaliation on \$50 billion in U.S. goods. The first tranche of tariffs will go into effect on July 6 if the U.S. proceeds with its tariffs.

Tariffs from China would affect about \$34 billion of US products beginning on July 6



Soybeans

25%



Meat

25%



Seafood

25%



Electric vehicles

25%

China plans to implement tariffs on an additional \$16 billion of US goods at a later date



Crude oil



Coal



Chemicals



Medical devices

Sources: "USTR Issues Tariffs on Chinese Products in Response to Unfair Trade Practices," USTR, June 15, 2018; Bob Davis, "China Issues Retaliatory Tariffs as Trade Fights Heat Up," The Wall Street Journal, June 15, 2018; US business leaders warn on impact of Trump tariffs," Financial Times, June 18, 2018.

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Action Reports

Recent Actions:

U.S. FGIS to change falling number calculation

Last week, NAEGA joined the National Grain and Feed Association (NGFA) and the North American Millers Association (NAMA) in a letter to the USDA Agricultural Marketing Service (AMS). The letter follows an AMS request for feedback regarding improvements to the Falling Number (FN) test for wheat.

FGIS will be adopting a mathematical correction to its FN test designed to provide an indication of the amount of sprout damage that has occurred within a specific wheat sample.

In the letter, NAEGA, NGFA, and NAMA support further review and testing of the proposed change and its eventual implementation in 2019 in order to avoid any disruptions in crop marketing.

The full letter can be found [here](#).

IGTC Newsletter

The latest IGTC newsletter is now available! This edition covers IGTC's recent Strategy Session in London, the IGTC-led workshop at the International Grains Council's annual conference, and a call for IGTC members and corporate stakeholders to encourage their governments to become more involved with the ePhyto Hub.

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

IGTC and IGC in London

Last week Gary joined IGTC Secretariat Katy Lee in London for a series of meetings and events surrounding the International Grains Council's (IGC) International Grains Conference. While in London the IGTC hosted a Strategy Session for members and corporate stakeholders and a Management Council meeting. In addition, the IGTC sponsored a (IGC) workshop on the *Improvement of Trade and Investment in the Grain Trade*. A trip report for this mission will be available soon.

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:

June 29, 2018: Due date for filing requests to appear and a summary of expected testimony at the public hearing and for filing pre-hearing submissions.

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 will be seeking public comment on Federal Grain Inspection Service (FGIS) standards for corn, canola and soybeans. Request for comment on these standards will be published in the Federal Register on June 29, 2018, and comments will be due to AMS sixty days after the publication date.

NAEGA's Grades and Inspections committee will be engaged to in response. Please let use 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) or Charlie Delacruz (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. All NAEGA members are invited to attend. Please contact [Ryan](#) for more information.

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 three educational seminars in:

- Portland, OR: Week of July 30
- 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

White House Report on Chinese Economic Aggression

On Tuesday, June 19 the White House Office of Trade and Manufacturing Policy released a report on *How China's Economic Aggression Threatens the Technologies and Intellectual Property of the United States and the World*. The report highlights a number of acts, policies and practices that Chinese industrial policy uses to acquire intellectual property and key technologies. In particular, the report focuses on policies related to China's *Made in China 2025* initiative, and further builds on the Trump Administration's focus on Chinese economic and trade policies.

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

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Calendar & Member Notices

Click [here](#) for a copy of the IGTC Calendar

2018

June

July

- 1-September 30** – IPPC ISPM Consultation – Virtual
- 2-7** – 41st 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
- Week of July 30** – NAEGA Contracts and Best Practices Seminar – Portland, OR

August

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

September

- 4-7** – IGTC Seminar – Washington, D.C.
- 7** – International Grains Council Market Condition Committee Meeting – London, UK
- 10-14** – IMO CCC5 – London, UK
- Week of August 13** - NAEGA Contracts and Best Practices Seminar – Minneapolis, MN
- 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
- 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 40th 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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