



North American Export Grain Association

Outreach

March 29, 2018

Thank you for your membership in and work with NAEGA

Image of the Week

Trump signs Section 301 memorandum, calls for USTR to determine tariffs on Chinese goods

The tariffs may have wide-ranging effects

25%+

The White House is putting together a package of tariffs on Chinese imports that could be as high as 25% or more. The formal list of tariffs will be released in 15 days.

1,300+

The scope of the tariffs could be vast. Reports indicate that USTR is developing a list of as 1,300 products to target. Additional products may be added by the Treasury Department in the future.

\$50bn

The president said the tariffs could affect imports of about \$60 billion, but administration officials placed the figure closer to \$50 billion, or roughly 10% of the \$500 billion the U.S. imported from China last year.

Tariff timeline



Sources: Sherisse Pham, "How much has the US lost from China's IP theft?" CNN, March 23, 2018; Bob Davis, "U.S. to Apply Tariffs on Chinese Imports, Restrict Tech Deals," WSJ, March 23, 2018.

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Member Opportunities

Contracts and Best Practices Seminars

With the release of the revised NAEGA 2 contract on March 30 NAEGA is planning for educational seminars to communicate the revisions and educate on the contract and industry best practices. Last year, NAEGA held three North American and one international seminar. As we move into the Spring and Summer we are seeking your assistance in identifying locations for this year's seminars! Let us know where we should hold 2018 Seminars and what topics you would like us to cover. NAEGA also conducts company specific private seminars. Please let us know if you are interested attending or hosting a NAEGA seminar. Click [here](#) for more information 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 January 2017 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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Action Reports

Recent Actions:

Revised NAEGA 2 Contract Effective on March 30

On January 30, 2018 the NAEGA Board of Directors approved revisions to the NAEGA 2 Model FOB Contract and Addendum 1. In addition, the Board approved Terms of Use for the NAEGA 2 contract. These revisions will be implemented on March 30, 2018. Please find below copies of the revised NAEGA 2 Contract, Addendum 1, and the Terms of Use. These versions will be public on the NAEGA website on Friday, March 30, 2018. Hard copies are also available and they can be sent to you upon request. Background and further detail on the revisions can be found in the below brochure.

- [NAEGA 2 Model FOB Contract \(Revised as of March 30, 2018\)](#)
- [NAEGA 2 Model FOB Contract Addendum 1 \(Revised as of March 30, 2018\)](#)
- [NAEGA 2 Model FOB Contract Terms of Use](#)
- [NAEGA 2 Model FOB Contracts Revisions Brochure](#)

Please contact NAEGA if you are having any issues implementing the new contract. Staff is standing by to assist with any questions.

Grain and Special Grain Arbitrator List and Guidelines

On Monday, March 19 the Board of Directors approved the NAEGA list of Grain Arbitrators, Special Grain Arbitrators, and Guidelines for Grain Arbitrators and Special Grain Arbitrators. All three documents can be found below.

- [List of Grain Arbitrators \(effective March 19, 2018\)](#)
- [List of Special Grain Arbitrators \(effective March 19, 2018\)](#)
- [Guidelines for NAEGA Approved Arbitrators, Special Grain Arbitrators and Schedule of Fees \(effective March 19, 2018\)](#)

The list of Special Grain Arbitrators is a new list being made available to members. As approved in the March 30, 2018 revisions to the NAEGA 2 contract, Special Grain Arbitrators can serve as chairpersons on three-person AAA arbitration panels. These Special Grain Arbitrators fall under the Guidelines and Fees set by NAEGA. Previously, chairpersons had to be chosen from the AAA list of international arbitrators.

Annual Meetings and Events

Thank you to all who joined us last week in Scottsdale, AZ at the NAEGA Annual Meetings! During our time in Scottsdale NAEGA had a series of successful meetings and events, including meetings of the Contracts, Production Technology and Grades and Inspections Committee and of the Membership and Board of Directors. Minutes will be available for all these meetings in the coming weeks. In addition, NAEGA introduced the revised version of the NAEGA 2 model contract during a briefing on Monday, March 19. Please contact NAEGA staff if you have any questions or would like more information.

New Board of Directors Elected

On Monday, March 19 the NAEGA Membership renewed the terms of five expiring Board Members – Charles Colbert, Zen Noh Grain Corporation; Wes Uhlmeier, ADM; David Smoot, Viterra; Ron Williams, Columbia Grain; and Kevin LaGraize, Russell Marine Group. These terms were renewed for an additional three year period expiring in 2021. Congratulations!

NAEGA Board of Directors Terms

Name	Company	Term Expiration
Steve Smalley	Cargill, Inc.	March 2020
Steve Campbell	Louis Dreyfus Company	March 2019
Charles Colbert	Zen-Noh Grain Corp.	March 2021
Steve Strong	Bunge North America	March 2020
John Griffith	CHS, Inc.	March 2019
Wesley Uhlmeier	ADM	March 2021
Carsten Bredin	Richardson International	March 2020
Holly Womack	CoBank	March 2019
David Smoot	Viterra	March 2021
Norihisa Tsunoda	Mitsui & Co.	March 2020
Randal Ritchie	Gavilon Grain, Inc.	March 2019
Ron Williams	Columbia Grain, Inc.	March 2021
Augusto Bassanini	United Grain Corporation	March 2019
Kevin LaGraize	The Russell Marine Group	March 2021

IGTC Newsletter

The latest IGTC Newsletter is now available! This week’s newsletter covers IGTC actions at the International Grains Council, a call for participation in the World Bank’s Enabling the Business of Agriculture project and an update from the ePhyto project’s national and regional focal points.

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

Upcoming Actions:

IPPC Commission on Phytosanitary Measures – April 16-20 – Rome, Italy

On April 16-20 Katy Lee, Secretariat of the International Grain Trade Coalition, will travel to Rome, Italy to participate in the IPPC Commission on Phytosanitary Measures (CPM). During this meeting the IGTC will act as an observer at the annual CPM event, considered the “parliament”

of the 183 contracting governments to the IPPC. The agenda of the CPM includes issues of highest importance to the IGTC, including:

- The role of the grain trade in global food security and economic development;
- The status of the draft International Standard on Phytosanitary Measures (ISPM) for grain;
- Discussions among IPPC contracting parties on “Conceptual challenges in commodity standard development”;
- The IPPC Ephyto Solution and progress of the worldwide pilot project on IPPC ePhytos;

During the meeting the IGTC will also hold individual meetings with the leaders of the CPM, countries sitting on the Standards Committee and IPPC staff. A notice to post for this travel is available [here](#).

IGTC Strategy Session and IGC Meeting – June 17-20 – London, UK

On June 17-20 a robust representation from IGTC Members and Corporate Stakeholders is expected in London to participate in a IGTC Strategy Session and attend a meeting of the International Grains Council. A preliminary schedule includes:

June 17: Welcome event for IGTC global delegation in London

June 18: IGTC Strategy Session

June 18-19: IGC Session and annual conference

June 19: GAFTA annual dinner

Pending Actions:

Codex Alimentarius Analysis and Sampling Comments

The U.S. Department of Agriculture and Food and Drug Administration [are sponsoring a public meeting](#) on April 6, 2018 to provide information and receive public comments on agenda items and draft United States (U.S.) positions to be discussed at the 39th Session of the Codex Committee on Methods of Analysis and Sampling (CCMAS) of the Codex Alimentarius Commission (Codex). The meeting will take place in Budapest, Hungary, between May 7 and 11, 2018. The public meeting is scheduled for Friday, April 6, 2018, 10:30 a.m.–12:30 p.m. To register for the meeting please [click here](#).

Comments on Deregulation of Herbicide Resistant GE Canola

The U.S. Department of Agriculture’s (USDA) Animal and Plant Health Inspection Service (APHIS) is inviting public comment on a petition from BASF Plant Science L.P. (BASF) seeking deregulation of a canola variety genetically engineered (GE) to convert oleic acid to docosahexaenoic acid (DHA) and eicosapentaenoic acid (EPA), as well as for resistance to an imidazolinone herbicide.

Comments may be submitted from March 30, 2018 – May 29, 2018, at www.regulations.gov by entering docket number APHIS-2018-0014 in the search box.

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Section 301 Announcement

On Thursday, March 22 the Trump Administration [announced the results from a Section 301 investigation](#) into Chinese intellectual property rights. Section 301 of the Trade Act of 1974 gives the executive branch the authority to respond to unfair, unreasonable, or discriminatory trade practices and gives the Office of the U.S. Trade Representative (USTR) the ability to take action to compel another country to eliminate the offending act, policy, or practice, with the president's approval. The USTR report on Chinese intellectual property rules found that Chinese law and practices have been unfair, unreasonable and discriminatory and calls for the U.S. to take action to address them. Following the announcement of these results, President Trump signed a memorandum calling for the USTR to “publish a proposed list of products and any intended tariff increases within 15 days of the date of this memorandum” and file suit at the WTO to address these practices.

U.S. Steel and Aluminum Tariffs

On Thursday March 22 the [Trump Administration announced tariffs on steel imports of 25 percent and aluminum imports of 10 percent as part of efforts to shield domestic producers on national security grounds](#). The tariffs went into effect at 12:01am on Friday, March 23. The tariffs are suspended until May 1, 2018 for Argentina, Australia, Brazil, Canada, Mexico, the European Union and South Korea pending discussion with these countries on ways they can reduce their impairment of U.S. industry.

USDA Statement on Plant Breeding Innovation

On Thursday, March 28, 2018 the [U.S. Department of Agriculture \(USDA\) released a statement on USDA's stance on new breeding techniques including genome editing](#). According to the statement USDA “does not regulate or have any plans to regulate plants that could otherwise have been developed through traditional breeding techniques as long as they are not plant pests or developed using plant pests. This includes a set of new techniques that are increasingly being used by plant breeders to produce new plant varieties that are indistinguishable from those developed through traditional breeding methods.”

NAEGA is currently working with partners, including the National Grain and Feed Association (NGFA) to respond to this decision and encourage USDA to exert strong and effective leadership in interacting with governmental authorities in other countries to urge adoption of science- and risk-based approaches to the regulatory treatment of plant breeding innovation so there is not a recurrence of the significant and costly international trade disruptions that occurred with some transgenic biotech traits. These efforts should be done in coordination with the U.S. Food and Drug Administration and the U.S. Environmental Protection Agency under the coordinated regulatory framework.

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Calendar & Member Notices

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

2018

April

4 – China sorghum ADCVD case questionnaires due

16-20 – IPPC Commission on Phytosanitary Measures (CPM-13) – Rome, Italy

May

14-18 – IPPC Standards Committee – Rome, Italy

June

6-7 – WTO Agriculture Committee – Geneva, Switzerland

14 – IGTC Management Council – Virtual

18 - IGTC Strategy Session – London, UK

19 – 27th IGC Grains Conference – London, UK

19 – 2018 Gafta London Dinner – London, UK

July

1-September 30 – IPPC ISPM Consultation – Virtual

2-7 – 41st Codex Alimentarius Commission (CAC41) – Rome, Italy

11-12 – WTO SPS Committee – Geneva, Switzerland

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

TBD – DBTG Operational and Technical Workshop – Baltimore, MD

1-5 – FAO Committee on Agriculture (COAG) – Rome, Italy

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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