



North American Export Grain Association

Outreach

May 8, 2018

Thank you for your membership in and work with NAEGA

Image of the Week

Trump and Chinese tariffs

Next week, President Trump will welcome Vice Premier Liu He to Washington for trade talks. At the same time, USTR will hold three days of Section 301 hearings on China's violation of intellectual property rights. Catch up on this year's unfolding developments in U.S.-China trade relations below.

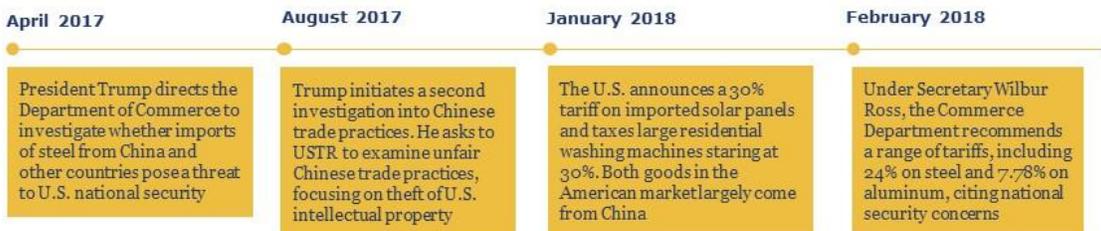
Timeline of events

-  **Trump imposes tariffs on steel imports**, following through on the recommendation delivered by the Commerce Department. Steel imports are taxed at 25% and aluminum at 10%, but key allies are exempted
-  **China imposes tariffs on US imports worth \$3 billion** in direct response to the U.S. tariffs on steel and aluminum
-  **The U.S. threatens to target \$50 billion in Chinese goods**, heightening the tension between the two countries. The tariffs were introduced less than 24 hours after China's announced tariffs, in response to the August 2017 I.P. theft case according to the USTR
-  **China threatens to target \$50 billion in American goods**, responding to the U.S. threat in full measure. Global markets have reacted negatively to the announcement
-  **Trump calls for a new wave of tariffs targeting \$100 billion of Chinese goods**, asking USTR Lighthizer to look into which products to target

Potential actions

- A public comment period is ongoing until May 11 for the \$50 billion in U.S. tariffs on Chinese goods announced April 3. A hearing on the tariffs is set for May 15
- China has yet to announce official dates for when \$50 billion worth of tariffs will go into effect on U.S. imports to China
- China and the U.S. will likely begin negotiations over tariffs. Trump's main objective is to reduce the U.S. trade deficit with China

Previous actions



Sources: Rishi Iyengar, "US-China trade battle: Catch up here," CNN, April 8, 2018; Paul Wiseman, "Trump Proposes Tariffs on \$50 Billion in Chinese Electronics Imports," TIME, April 4, 2018.

Member Opportunities

- World Bank Agriculture Trade Survey
- IGTC Corporate Stakeholder Briefing – Washington, D.C. – May 17
- Canada-U.S. RCC Stakeholder Meeting – Washington, D.C. – June 4-5
- IGTC Strategy Session – London, UK – June 18
- Spring and Summer Contracts and Best Practices Seminars
- NAFTA and Asia-Pacific Policy Teams
- NAEGA Internships

Action Reports

Recent Actions:

- U.S. CFTC Funding Letter
- IGTC Newsletter
- Letter to U.S. AMS on Advisory Committee
- Letter to U.S. GIPSA on Delegated State: Virginia
- Treated Seed Letter

Upcoming Actions

- IGTC DC Working Visit – May 13-18 – Washington, D.C.
- IGTC Strategy Session and IGC Meeting – June 17-20 – London, UK

Pending Actions

- Comments on Deregulation of Herbicide Resistant GE Canola
- Section 301 Comments

News

- Iran Sanctions
- Steel and Aluminum Exemptions

NAEGA Calendar and Member Notices

- Upcoming Events and Notices for Members

Member Opportunities

World Bank Agriculture Trade Survey

The World Bank Group's Enabling the Business of Agriculture project is inviting NAEGA members to contribute their knowledge and expertise to the Enabling the Business of Agriculture 2019 report. The report will analyze and monitor regulations that impact how markets function in the agriculture and agribusiness sectors in 82 countries around the world. More information on EBA, including its latest report covering 62 countries can be found here: <http://eba.worldbank.org/>. Among others, EBA data can be a useful tool when advocating for regulatory reforms to enable market access in your countries.

The EBA team is looking for trade associations, agribusinesses, agri-cooperatives and other associations in your country to share their knowledge by completing a set of questions on the regulatory challenges they face when exporting agricultural products. These questions can be found in Section 5 of [this survey](#).

Data collected through these surveys will be presented in the EBA's 2019 report and, if you choose to contribute, you will be acknowledged in the report and on their website, subject to your consent. The EBA team will also send you a World Bank certificate of participation and a complimentary copy of the report. Individual responses are kept strictly confidential and are not shared with anyone inside or outside the World Bank.

IGTC Corporate Stakeholder Briefing – Washington, D.C. – May 17

Please “save the date” for a briefing for IGTC Corporate Stakeholders on Thursday, May 17 at the NAEGA offices in Arlington, VA.

Canada-U.S. RCC Stakeholder Meeting – Washington, D.C. – June 4-5

NAEGA members are invited to attend a meeting of the Canada-U.S. Regulatory Cooperation Council on June 4-5 in Washington, D.C. This event will bring together senior regulatory officials, industry, and other members of the public to provide progress reports on existing RCC work plans and to discuss new opportunities for regulatory cooperation.

Details regarding the 2018 RCC Stakeholder Event, including the registration process, will be forthcoming. For more information, please click [here](#).

IGTC Strategy Session – London, UK – June 18

Please “save the date” for a IGTC Strategy Session in London, UK on June 18. Global grain trade leaders will gather to discuss issues of mutual interest as per the IGTC policy and outreach agenda. The Grain and Feed Trade Association will host. More details to follow.

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 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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Action Reports

Recent Actions:

U.S. CFTC Funding Letter

This week NAEGA joined 14 other organizations in a letter to Congressmen Robert Aderholt and Sanford Bishop, Chairman and Ranking Member of the House Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies regarding funding for the Commodity Futures Trading Commission (CFTC). The letter requests that the Subcommittee consider the Administration's full budget request of \$281.5 million for the Commodity Futures Trading Commission (CFTC) be included in the FY19 Agriculture Appropriations bill. This funding will support to completion of several rule makings and other initiatives currently underway or planned for U.S. agriculture, including:

- Position Limit Rule – As this very important rule moves toward final status, it is imperative that CFTC has sufficient staff and resources to get the rule right.
- Reg AT/High-Frequency Trading – Commission oversight continues to be needed to help ensure that high-frequency trading doesn't overwhelm or otherwise adversely impact our agricultural futures contracts.
- Block Trading – Now that block trading has been extended to agricultural contracts, close scrutiny is merited by the Commission to preserve appropriate liquidity and transparency for agricultural futures markets.
- Commitments of Traders Report – Enhancements to provide additional frequency and transparency are needed but will require personnel and technology resources.

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

IGTC Newsletter

The latest IGTC Newsletter is now available! This week's newsletter covers IGTC actions at its bilateral meeting with the ISF in Nyon, Switzerland, a welcome to new IGTC Acting Vice-President Iliana Axiotiades of Coceral, and a call for interest in attending the COP-MOP 9 meetings in Egypt on November 10-22.

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

Letter to U.S. AMS on Advisory Committee

This week NAEGA joined NGFA in a letter to the U.S. Department of Agriculture's Agricultural Marketing Service regarding the staffing of the Grain Inspection Advisory Committee. The letter expresses the continued belief that the Advisory Committee has value in providing expert advice and assistance to AMS in fulfilling its core mission of ensuring that Official inspections are performed in a reliable, consistent and uninterrupted manner to facilitate the export of U.S. grains

and oilseeds to global customers. However, the letter recommends that the committee could be improved by:

- Increasing the number of grain handling experts on the committee
- Strengthening appointments
- Restoring appointment of alternates to the committee
- Enhancing the geographic and industry diversity of members
- Promoting fresh perspectives

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

Letter to U.S. AMS on Delegated State: Virginia

This week NAEGA joined NGFA in a letter to the U.S. Department of Agriculture's Agricultural Marketing Service (AMS) regarding its Notice of Intent to Certify the Virginia Department of Agriculture and Consumer Services as a Delegated Official Agency. The letter welcomes AMS's new delegation process, which includes an open and transparent notice and comment period for the re-delegation of states. This type of process was a key request of NAEGA and NGFA during the reauthorization of the U.S. Grain Standards Act.

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

Treated Seed Letter

This week NAEGA again reminded industry leaders about the threat of treated seeds entering commodity supply. In an open letter to the U.S. Grain and Oilseed industry, NAEGA President and CEO Gary Martin emphasized the importance of preventing treated seeds from entering the commodity supply. The letter calls for continued communication with the public and utilization of industry resources to educate users on the threat of treated seeds contaminating food and feed supplies.

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

Upcoming Actions:

IGTC DC Working Visit – May 13-18 – Washington, D.C.

Katy Lee, IGTC Secretariat, will travel to Washington, D.C. on the week of May 13 to work from NAEGA's Arlington, VA offices. During her travel, Ms. Lee will work closely with NAEGA staff on planning and operational issues regarding implementation of the IGTC business plan. In addition, Ms. Lee has a number of DC outreach activities planned, including:

- Meetings with USDA staff regarding IGTC policy files and initiatives.
- A briefing for Washington, D.C. based grain trade stakeholders to discuss IGTC policy files and initiatives.
- Briefings with Washington based embassy representatives. Briefings are currently being sought with the Embassies of Argentina, Australia, Brazil, China, Egypt, Japan, Kenya and South Africa.
- A meeting with the representatives of World Bank's Enabling the Business of Agriculture project to discuss IGTC contributions to the report.

- Monitoring, assessing and reporting on critical U.S. trade policy developments impacting the GRNOS trade and the IGTC mission, including: the critical U.S.– China trade relationship as impacted by developments related to the U.S. Section 301 investigation; and NAFTA and North American GRNOS competitiveness.
- Participation with NAEGA staff as a discussant in a webinar co-hosted by the Saint Lawrence Seaway Development Corporation (U.S. Department of Transportation) and the Canadian St. Lawrence Seaway Management Corporation (SLSMC).
- Preparations for further IGTC engagement with the International Grains Council (IGC). This preparation will include planning for the International Grains Conference session on Monday June 18 and the NAEGA/IGTC sponsored workshop on Wednesday, June 20, both in London.

A copy of the 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:

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.

U.S. Section 301 Comments

The U.S. Trade Representative is seeking public comment on its findings under Section 301 of the Trade Act of 1974 that the Government of China’s policies on technology transfer, intellectual property and innovation that are unreasonable and discriminatory. In relation to these findings, the Trade Representative proposes an additional duty of 25 percent on a list of products from China. In addition to receiving public comment, USTR will also hold a hearing on May 15, 2018. Parties interested in testifying before the hearing or participating in the public comment period should adhere to the following schedule:

- April 23, 2018:** Due date for filing requests to appear and a summary of expected testimony at the public hearing and for filing pre-hearing submissions.
- May 11, 2018:** Due date for submission of written comments.

May 15, 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 10:00 am.

May 22, 2018: Due date for submission of post-hearing rebuttal comments.

Please contact NAEGA if you are interested in participating in these comments.

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News

Iran Sanctions

The Trump Administration is poised to announce its position on staying in or withdrawing from the Joint Comprehensive Plan of Action (JCPOA) ahead of the date for Iran sanctions renewal of waivers on May 12. If the President selects not to renew sanctions waivers by May 12 then those sanctions will come back into force against foreign financial institutions (FFIs) that engage in "significant financial transactions" with Iran's Central Bank. The sanctions apply to FFIs that are central banks only if the financial transactions with Iran's Central Bank concern oil purchases. Applicable sanctions include prohibiting FFIs from opening accounts in the U.S. or imposing strict limitations on their existing accounts in the U.S. Thus, an FFI caught can be denied access to the US financial system and the ability to process USD payments.

Steel and Aluminum Exemptions

On April 30, 2018 the Trump Administration extended exemptions from steel and aluminum tariffs for the European Union, Mexico and Canada until June 1. In addition, the Administration announced agreements in principle with Argentina, Australia and Brazil to allow those countries to avoid tariffs for longer following the implementation of voluntary restraints on the export of steel and aluminum products to the U.S.

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Calendar & Member Notices

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

2018

May

11 – Section 301 Written Comments Due

13-18 – IGTC DC Working Visit – Arlington, VA

14-18 – IPPC Standards Committee – Rome, Italy

17 – IGTC Corporate Stakeholder Meeting – Arlington, VA

15 – Section 301 Committee Hearing – Washington, D.C.

June

4-5 – Canada-U.S. Regulatory Cooperation Committee Stakeholder Meeting – Washington, D.C.

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

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

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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