



North American Export Grain Association

Outreach August 30, 2018

Thank you for your membership in and work with NAEGA

Image of the Week

This Week the Trump Administration announced \$12 billion in assistance U.S. farmers to mitigate foreign trade actions
The aid will be distributed through three USDA Programs

• **Market Facilitation Program**

- Overseen by the Farm Service Agency
- Provides direct payments to corn, cotton, dairy, hog, sorghum, soybean and wheat producers starting September 4, 2018
- In total, it will spend \$4.7 billion

• **Food Purchase and Distribution Program**

- Overseen by the Agricultural Marketing Service
- USDA will purchase up to \$1.2 billion of impacted goods
- Goods will be distributed to nutrition assistance programs

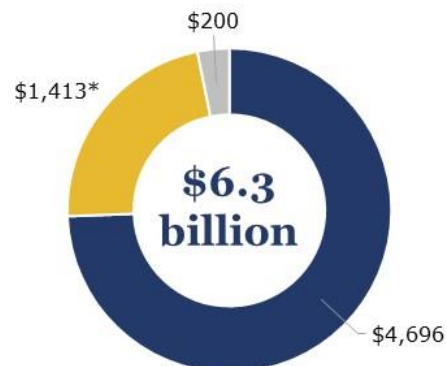
• **Agricultural Trade Program**

- Overseen by the Foreign Agricultural Service
- USDA will invest \$200 million in developing foreign markets for US agricultural goods

Agricultural assistant payouts

MILLIONS OF US DOLLARS

- Market Facilitation Program (direct subsidies)
- Agricultural Marketing Service (USDA buys goods)
- Agricultural Trade Program (export supports)



* Includes almonds and sweet cherries, although the program details for these commodities are TBD

Sources: USDA

Action Reports

Recent Actions:

- NAEGA-APPAMEX Forum

- IGTC Meetings in Geneva and Rome

Upcoming Actions

- **MEMBER FEEDBACK NEEDED: FGIS soybean, corn and canola standards**
- IMO CCC5 – September 10-15 – London, UK
- U.S. Corn – Peru CVD Investigation

Pending Actions

- Khapra Beetle Comments
- Meeting on IMO III 5
- USDA AMS Grain Inspection Advisory Committee
- Codex SPS Standard-Setting Activities
- China's Compliance with WTO Commitments
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- U.S. National Trade Estimate Report

Member Opportunities

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- Board of Directors Meeting – Arlington, VA – October 2
- Upcoming Contracts and Best Practices Seminar – Week of October 8 in NOLA
- DBTG Technical and Operations Seminar – Baltimore, MD – October 3-5
- Annual Hwy H₂O Conference – Toronto, Canada – November 13-15
- U.S. Barge Trade Digitization Project Underway
- NAFTA and Asia-Pacific Policy Teams
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News

- U.S.-Mexico Preliminary Trade Agreement
- USDA Trade Mitigation
- Deregulation of GE Canola

NAEGA Calendar and Member Notices

- Upcoming Events and Notices for Members

Action Reports

Recent Actions:

NAEGA-APPAMEX Forum

Ryan is back from Puerto Vallarta, Mexico where he attended at presented at the 2018 NAEGA-APPAMEX Forum. The topic of this year's forum was "The Agri-food Supply Chains after New Global and National Horizons." Speakers and attendees included the new Undersecretary-elect of SAGARPA Dr. Miguel Garcia Winder, representatives from the Secretariat of the Economy, and

officials from the Embassies of Canada and the United States. During the meeting, Ryan represented NAEGA and the IGTC and spoke about *The multilateral regulatory framework applied on agricultural commodities and the non-tariff trade barriers* and *Possible scenarios of the world economic regions on their insertions into the global agricultural commodities trade*. Ryan's presentations can be found [here](#) and [here](#).

An agenda for the Forum can be found [here](#). A trip report will be available in the coming weeks.

IGTC Meetings in Geneva and Rome

A trip report is now available for Katy and Gary's recent mission to Geneva and Rome to meet with IGTC member and corporate stakeholder and attend the IPPC's ePhyto IAG. In Geneva, Gary and Katy held a series of bilateral meetings with IGTC corporate stakeholders and international organizations. Following their planned meetings in Geneva, Mr. Martin and Ms. Lee travelled to Rome to participate in a meeting with the International Plant Protection Convention's (IPPC) ePhyto Industry Advisory Group (IAG). While in Rome, Mr. Martin also meet with Bryce Quick (FAS) and colleagues at the U.S. Mission to the UN Agencies to discuss current trade and agricultural policy developments.

Read the full trip report [here](#).

Upcoming Actions:

U.S. FGIS soybean, corn and canola standards

The NAEGA Grades and Inspections Committee is coordinating with the National Grain and Feed Association's Grades and Weights Committee to respond to U.S. Agricultural Marketing Service (AMS) request for public comment on current Federal Grain Inspection Service (FGIS) standards for canola, corn and soybeans as follows:

- [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.](#)

Responses to all three requests were due August 28, 2018. However, NAEGA and NGFA have confirmed that AMS will be announcing an extension shortly.

The Agency reports that the purpose of these requests for comments is to ensure that standards and official grading practices remain relevant and effective. While the standards and grading practices for all three commodities are relevant to NAEGA interests the soybean standards likely will need and attract the most attention given the ongoing issues with China, and in particular the Animal and Plant Health Inspection Service's inappropriate use of FM (a grain quality factor) on phytosanitary certificates (reserved for plant disease or plant pest matters). We anticipate that soybean producer and marketing organizations will focus heavily on the definition and measurement of foreign material in the U.S. soybean standards. There also may be consideration given to changing soybean FM to differentiate and account for soybean pieces and hulls, thereby more closely mirroring the BCFM factor in the corn standards.

Please let us know your views.

IMO CCC5 – September 10-15 – London, UK

On September 10-15 Ryan will travel to London, United Kingdom to attend the fifth meeting of the International Maritime Organization's (IMO) Sub-committee on the Carriage of Cargoes and Containers (CCC) as a member of the International Bulk Terminals Association (IBTA) delegation. Over the past few years NAEGA has worked closely with the IBTA to monitor developments at the CCC and weigh in on the CCC's regulatory initiatives as they impact the bulk grain trade. During this meeting of the CCC, NAEGA and the IBTA will be following changes to the classifications of Distillers Dry Grains and Solubles to ensure that they are trade facilitating. NAEGA will also be monitoring the actions by member states to ensure that past efforts to re-open regulations under the International Grain Code are not revisited. A notice to post for this upcoming travel will be available soon.

U.S. Corn - Peru CVD Investigation

NAEGA continues to gather and convey information to interested members regarding Peru's recent self-initiation of a counter-vailing duty case against U.S. origin yellow corn. On July 24 Peru initiated an investigation into U.S. yellow corn imports under the WTO Subsidy and Countervailing Measures agreement and Peruvian law. Currently, the U.S. Trade Representative, along with the U.S. Department of Commerce (DOC), International Trade Commission (ITC) and Department of Agriculture (USDA) are coordinating a joint U.S. government (USG) response. NAEGA is closely coordinating with this USTR led team.

According to the USDA's [March 2018 Peru Grain and Feed Annual](#), the CVD case was initiated as a result of protests by domestic producers regarding low domestic corn prices:

“In February-March 2018, Peruvian corn producers protested low market prices for corn. They argued that imported corn is undercutting local corn prices, and are demanding that the government purchase local corn at above the market prices. The protesters were trying to repeat similar negotiations by potato producers in early 2018. These protests reveal the challenges that the government faces in adequately addressing social and production issues faced by smallholder farmers.”

USTR is anticipating that the current legal process will follow the below schedule:

- [USTR schedule for Peru yellow corn CVD case.](#)

On August 6 U.S. government and industry received the following questionnaires regarding Peru's investigation into U.S. subsidy programs.

- [U.S. Government CVD Questionnaire](#)
- [U.S. Producer CVD Questionnaire](#)

Both questionnaires are due **in Spanish on September 12.**

NAEGA is currently coordinating a Special Interest Group (SIG) of exporters in order to facilitate a coordinated industry response. If you are interested in joining the SIG, please contact Gary and Ryan.

Pending Actions:

Khapra Beetle Comments

The NAEGA Grades and Inspections Committee is considering a response to the North American Plant Protection Organization, which [is seeking public comment](#) on developing a harmonized North American approach to preventing the introduction, establishment and spread of khapra beetle in various pathways. As part of this consultation, the U.S. Animal and Plant Health Inspection Service is accepting comments on the following discussion documents:

- [APHIS Khapra Beetle Discussion Document](#)
- [Khapra Beetle Discussion Document Table](#)

Comments are due to APHIS by August 31, 2018. Final comments are due to NAPPO on September 30, 2018.

Meeting on IMO III 5

The Department of State will be holding a public meeting on Friday, September 14 to prepare for the fifth session of the International Maritime Organization's (IMO) Subcommittee on Implementation of IMO Instruments (III 5) to be held at the IMO headquarters in London, UK, on September 24-28. Agenda items include discussions of the alleged inadequacy of port reception facilities, measures to harmonize port state control activities and procedures worldwide, and safety issues identified from the analysis of marine safety investigation reports.

The official notice in the Federal Register can be found [here](#) and additional information [here](#).

Interested persons may attend the meeting in person or participate via teleconference. If you would like to attend, contact Mr. Christopher Gagnon by email at christopher.j.gagnon@uscg.mil or by phone at (202) 372-1231. Those wanting to physically attend the meeting must respond to Mr. Gagnon no later than **September 5, 2018**.

USDA AMS Grain Inspection Advisory Committee

The USDA's Agricultural Marketing Service (AMS) Grain Inspection Advisory Committee will be holding a public meeting on **September 5-6, 2018** at AMS National Grain Center in Kansas City, Missouri to advise the AMS on the programs and services delivered under the U.S. Grain Standards Act. Recommendations by the Advisory Committee help AMS better meet the needs of its customers who operate in a dynamic and changing marketplace, and public participation is welcome in this endeavor.

The official notice in the Federal Register can be found [here](#) and additional information [here](#).

Public participation will be limited to written and oral statements. If you wish to present written or oral comments, contact Kendra Kline at (202) 690-2410 or by email at

Kendra.C.Kline@ams.usda.gov. Oral comment opportunities will be at a first come, first serve basis.

Codex SPS Standard-Setting Activities

The USDA's Office of Trade and Foreign Agriculture Affairs (TFAA) is requesting public comments on the sanitary and phytosanitary (SPS) standard-setting activities of the Codex Alimentarius Commission (Codex). TFAA seeks comments on SPS standards under consideration and recommendations for new standards.

The official notice in the Federal Register can be found [here](#) and additional information [here](#).

China's Compliance with WTO Commitments

The Office of the United States Trade Representative (USTR) is seeking comments from interested parties as it prepares its annual report to Congress on China's compliance with its World Trade Organization (WTO) accession commitments. In particular, USTR is seeking comments on commitments in the following areas:

- A. Trading rights.
- B. Import regulation (e.g., tariffs, tariff-rate quotas, quotas, import licenses).
- C. Export regulation.
- D. Internal policies affecting trade (e.g., subsidies, standards and technical regulations, sanitary and phytosanitary measures, government procurement, trade-related investment measures, taxes and charges levied on imports and exports).
- E. Intellectual property rights (including intellectual property rights enforcement).
- F. Services.
- G. Rule of law issues (e.g., transparency, judicial review, uniform administration of laws and regulations) and status of legal reform.
- H. Other WTO commitments.
- I. Unresolved compliance issues that warrant review and evaluation by USTR's China Enforcement Task Force.

The official notice in the Federal Register can be found [here](#) and additional information [here](#).

Comments should be submitted through regulations.gov. The deadline to submit comments, requests to appear and summaries of testimony at the October 3 public hearing is **September 19, 2018**.

Russia's Implementation of its WTO Commitments

The Office of the U.S. Trade Representative (USTR) is seeking comments from interested persons as it prepares its annual report to Congress on Russia's compliance with its World Trade Organization (WTO) accession commitments. The Trade Policy Staff Committee (TPSC) will also convene a public hearing to assist the USTR in its preparation of this report.

In particular, USTR is seeking comments on commitments in the following areas:

- A. Import regulation (e.g., tariffs, tariff-rate quotas, quotas, import licenses).
- B. Export regulation.

- C. Subsidies.
- D. Standards and technical regulations.
- E. Sanitary and phytosanitary measures.
- F. Trade-related investment measures (including local content requirements).
- G. Taxes and charges levied on imports and exports.
- H. Other internal policies affecting trade.
- I. Intellectual property rights (including intellectual property rights enforcement).
- J. Services.
- K. Government procurement.
- L. Rule of law issues (e.g., transparency, judicial review, uniform administration of laws and regulations).
- M. Other WTO commitments.

The official notice in the Federal Register can be found [here](#) and additional information [here](#).

Comments should be submitted by **September 25, 2018**. The public hearing will take place on October 4.

U.S. National Trade Estimate Report

NAEGA members are invited to participate in comments to the Office of the U.S. Trade Representative (USTR) regarding the publication of the annual National Trade Estimate Report on Foreign Trade Barriers (NTE Report). USTR is requesting written comments to assist them in identifying significant barriers to U.S. exports of goods and services, U.S. foreign direct investment, and the protection and enforcement of intellectual property rights for inclusion in the NTE Report. USTR will also consider responses to this notice as part of the annual review of the operation and effectiveness of all U.S. trade agreements regarding telecommunications products and services that are in force with respect to the United States.

The official notice in the Federal Register can be found [here](#) and additional information [here](#).

Comments should be submitted through regulations.gov. The deadline to submit comments is October 30, 2018.

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Member Opportunities

APHIS Webinar on Biotechnology Regulations – September 20

APHIS' Biotechnology Regulatory Services' Biotechnology Quality Management Support program is hosting a free webinar on monitoring or volunteers on Thursday, September 20 from 1:00pm-3:00pm. The webinar will provide details and supporting examples on the relationship between volunteer monitoring activities and compliance with APHIS' biotechnology regulations.

Register or find more information about the webinar [here](#).

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.

Upcoming 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 these revisions and educate on the contract and industry best practices. Our next seminar will take place on October 9 in New Orleans, LA.

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!

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

You are welcome to join NAEGA staff 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.

A preliminary schedule of events is available [here](#).

HWY H₂O Conference – Toronto, Canada – November 13-15

NAEGA members are invited to attend the St. Lawrence Seaway Development Authority's HWY H₂O Conference in Toronto, Canada. HWY H₂O is a convergence of industry thought leaders and experienced marine specialists in maritime commerce and shipping focused on the Great Lakes and St. Lawrence Seaway. This year's conference will focus on technology and innovation as a key component in developing new opportunities, streamlining costs and remaining a competitive logistic system.

Register or find more information about the conference [here](#).

U.S. Barge Trade Digitization Project

A task force of member company representatives involved in Mississippi River barge trade is examining approaches to undertake for a new digital data exchange system. 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.

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

U.S.-Mexico Preliminary Trade Agreement

On August 27, U.S. President Donald Trump and Mexican President Enrique Pena Nieto announced that both countries have reached a preliminary trade agreement called the 'United States-Mexico Trade Agreement' as part of negotiations of the North American Free Trade Agreement (NAFTA). Details of the deal have yet to be released, but briefing papers from the Office of the U.S. Trade Representative indicate that the deal includes significant efforts to address agricultural non-tariff barriers, as well as weaker dispute settlement provisions and the requirement for a review process.

Canadian trade negotiators are expected to arrive in Washington today or tomorrow to join the discussions and explore the possibility of signing on to the agreement. Both the U.S. and Mexico have attempted to reach a deal by the end of August – this would give Trump enough time to notify Congress of the finalized deal and have the deal signed by current Mexican President Nieto before President-elect Lopez Obrador takes office on December 1.

Please click [here](#) for more information.

USDA Trade Mitigation

On August 27, the U.S. Department of Agriculture (USDA) announced details regarding actions it will take to assist farmers in response to trade damage from unjustified retaliation by foreign nations. In July, the USDA announced it would authorize up to \$12 billion in programs to mitigate retaliatory tariffs against the U.S. agriculture.

The following programs will be used to assist agricultural producers:

- USDA's Farm Service Agency (FSA) will administer the **Market Facilitation Program (MFP)** to provide payments to corn, cotton, dairy, hog, sorghum, soybean and wheat producers starting September 4, 2018. This is the first payment period. The second payment period, if warranted, will be determined by USDA.
- USDA's Agricultural Marketing Service (AMS) will administer a **Food Purchase and Distribution Program** to purchase up to \$1.2 billion in commodities unfairly targeted by retaliatory tariffs. USDA's Food and Nutrition Service (FNS) will distribute these commodities through nutrition assistance programs.
- Through the Foreign Agricultural Service's (FAS) **Agricultural Trade Promotion Program (ATP)**, \$200 million will be made available to develop foreign markets for U.S. agricultural products. The program will help U.S. agricultural exporters identify and access new markets and help mitigate the adverse effects of other countries' restrictions.

Beginning **September 4**, MFP applications will be available online at www.farmers.gov/MFP. Producers can submit their MFP applications in person, by email, fax, or by mail.

Deregulation of GE Canola

On August 24, the USDA's Animal and Plant Health Inspection Service (APHIS) announced the deregulation of Nuseed Americas' canola variety genetically engineered (GE) to contain in its seed increased levels of docosahexaenoic acid (DHA), which is an omega-3 fatty acid.

Please click [here](#) for more information, including the final plant pest risk assessment and final environment assessment.

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Calendar & Member Notices

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

2018

August

- 28** – Comments on FGIS standards for canola, corn and soybeans due
- 30** – U.S. Food and Agriculture Dialogue for Trade – Washington, D.C.
- 31** – Khapra Beetle comments due to U.S. APHIS

September

- 4** – USDA MFP applications available online
- 7** – International Grains Council Market Condition Committee Meeting – London, UK
- 10-14** – IMO CCC5 – London, UK
- 12** – Peru CVD Questionnaires Due
- 14** – IGTC Management Council – Virtual
- 19** - USTR Comments on China's Compliance with WTO Commitments Due
- 20** – APHIS Biotechnology Regulations Webinar - Virtual
- 26-27** – WTO Agriculture Committee – Geneva, Switzerland

October

- 1-5** – FAO Committee on Agriculture (COAG) – Rome, Italy
- 2** – NAEGA Board of Directors Meeting
- 3-5** – DBTG Operational and Technical Workshop – Baltimore, MD
- October 9** - NAEGA Contracts and Best Practices Seminar – New Orleans, LA
- 16-19** – NAPPO Annual Meeting – Merida, Mexico
- 30** - USTR Comments for National Trade Estimate Report on Foreign Trade Barriers Due
- 31-November 1** – WTO SPS Committee – Geneva, Switzerland

November

- 5-8** – USDA Trade Mission to South Korea
- 12-18** – APEC Leaders Summit
- 13-15** – HWY H₂O Conference – Toronto, Canada
- 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

- 1** – New Mexican Administration takes office
- 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

January

9 – Peru CVD Evidentiary Period Ends

February

8 – Peru CVD essential facts issues

March

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

25 – Peru CVD definitive resolution issued

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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