



North American Export Grain Association

## Outreach

### November 21, 2017

Thank you for your membership in and work with NAEGA

## Happy U. S. Thanksgiving!

Graphic of the week. The fifth round of NAFTA negotiations began on November 17 in Mexico City. You can read more about the latest developments in the news section!



### NAFTA Update

#### Key developments on international trade and potential future actions



August 2017:

**First round of NAFTA renegotiation and increased pressure on China:** Representatives from Canada, Mexico and the US met in Washington, DC to begin discussions to renegotiate NAFTA. The USTR announced the initiation of a Section 301 investigation into Chinese intellectual property theft.



September 2017:

**Second and third rounds of NAFTA renegotiation completed:** Trade talks continued in Mexico City and Ottawa. Negotiators agreed on certain provisions to modernize small business regulations, but could not yet resolve differences on labor standards and dispute settlement.



October 2017:

**Fourth round of NAFTA renegotiations:** Negotiations continued in Virginia from October 11-15, with Canada and Mexico supporting the idea of free trade and the United States pushing for restrictions because free trade benefits the other countries more.

#### Potential actions

- NAFTA renegotiations will resume on November 17 in Mexico City, with goals including:
  - Raising rules of origin, the level of a good produced in North America needed to qualify for zero tariffs under NAFTA
  - Eliminating Chapter 19, which allows private companies to challenge trade rulings made by NAFTA countries
  - A sunset clause to end NAFTA in five years unless each country agrees to its renewal
- Trump has the power to negotiate tariffs on specific goods without congressional approval, but more substantial changes to NAFTA may have to pass through Congress
- Trump has indicated he is willing to withdraw from NAFTA if a satisfactory agreement isn't reached
- Trump is expected to withdraw from TTIP negotiations with the EU

#### Trade policy timeline



### Member Opportunities

- **REGISTER NOW - NAEGA Contracts and Best Practices Seminar – Tokyo, Japan – November 28**
- **RSVP: Japanese Grain and Oilseed Industry Cocktail Celebration – Tokyo, Japan – November 28**
- CMC State of the Industry 2018 – Miami, FL – January 28-30
- NAEGA Board of Directors Meeting – Miami, FL – January 30
- NAFTA and Asia-Pacific Policy Teams
- Contracts and Best Practices Seminars
- NAEGA Internships

### Action Reports

#### *Recent Actions:*

- IGTC General Assembly and Strategy Session
- USAEDC Annual Workshop
- DBTG and AAPA Conferences
- US-China AQSIQ Survey Team
- IGC MCC Meeting and IMO CCC 4

#### *Upcoming Actions:*

- EU, IGC, Cocal and IGTC events Brussels, Belgium – December 3-6

#### *Pending Actions*

- U.S. APHIS Consultations on IPPC Activities
- CFIA Consultations for Canada-U.S. RCC

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### NAEGA Calendar and Member Notices

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## **Member Opportunities**

### **NAEGA Contracts and Best Practices Seminar and Reception – Tokyo, Japan – November 28**

Please join NAEGA for a Contracts and Best Practices Seminar in Tokyo, Japan!

Led by NAEGA Senior Advisor Sam Bonilla, this seminar is an interactive, industry-wide opportunity to exchange and learn through an intensive and informative review of commercial and official practices to improve predictability, reduce risks, resolve trade barriers and facilitate profitable trade.

*Please click here to register for the Contracts and Best Practices Seminar.*

The preliminary 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 pending 2017 revisions to the NAEGA II Model Contract.
- Perspectives on the global contracting environment in GAFTA, FOSFA and other contract models and practices.
- Review of recent arbitration decisions.
- Case Study Exercises on:
  - o Calculating laytime, despatch and demurrage.
  - o Contract Terms.
  - o Arbitration and other alternatives for dispute resolution.

The seminar is free to NAEGA members and non-members. NAEGA member representatives are encouraged to invite others by forwarding this invitation.

Please contact Ryan Olson at [rolson@naega.org](mailto:rolson@naega.org) or 202-682-4030 if you have any questions.

**RSVP: Japanese Grain and Oilseed Industry Cocktail Celebration – Tokyo, Japan – November 28**

Please join industry and government colleagues including NAEGA President Gary C. Martin and Senior Advisor Samuel Bonilla for a celebration honoring the Japanese grain and oilseed industry.

The North American Export Grain Association looks forward to hosting this business networking cocktail reception on November 28 from 6:00 PM to 8:00 PM JST at the Tokai University Club.

Please RSVP to Gary Martin ([gcmartin@naega.org](mailto:gcmartin@naega.org)) or Ryan Olson ([rolson@naega.org](mailto:rolson@naega.org)) or [here](#). While in Tokyo, Sam, Gary and Ryan looks forward to meeting NAEGA member personnel whenever possible!

**CMC State of the Industry 2018 – Miami, FL – January 28-30**

NAEGA member personnel are invited to join the NAEGA Board of Directors at the Commodity Markets Council's State of the Industry 2018 conference. The conference will take place at The Miami Beach Edition Hotel. CMC is the leading trade association for commodity futures exchanges and their industry counterparts. The State of the Industry 2018 conference will include discussion and presentations by industry and government leaders focusing on agriculture, metals, energy, power and technology markets. Governor of Nebraska Pete Ricketts will join the conference as the keynote speaker. A copy of the draft agenda can be found [here](#). [Please click here if you would like to register.](#)

**NAEGA Board of Directors Meeting – Miami, FL – January 30**

Please "save the date" for the next meeting of the NAEGA Board of Directors on January 28-30 in Miami, FL. The Board is planning to meet the afternoon of January 30 right after and in conjunction with the Commodity Market Council's State of the Industry 2018 Conference at The Miami Beach Edition Hotel. More information, and a preliminary agenda, will be available soon.

### **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.

Please contact [Ryan](#) if you have any questions or are interested in participating in NAEGA's ad hoc policy teams.

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

NAEGA is beginning to plan seminars for 2018! 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!

### **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:***

#### **IGTC General Assembly and Events**

Last week, the International Grain Trade Coalition (IGTC) and NAEGA completed several successful activities in the Washington, D.C. area, including:

*November 15*

- U.S. Capitol Tour: IGTC members met with U.S. Representative Adrian Smith of Nebraska to discuss the IGTC's mission and objectives. Participants were then treated to a tour of the U.S. Capitol and grounds.
- IGTC and Canadian Embassy seminar on policy issues affecting the international grain trade: IGTC members and corporate stakeholders attended an exclusive event at the

Canadian Embassy to discuss the IGTC's global policy agenda to D.C. based Embassy representatives, international organizations and select U.S. government officials.

- IGTC and World Bank Reception: Enabling the Business of Agriculture: the IGTC held an evening reception at the World Bank to discuss the Enabling the Business of agriculture project and network with World Bank officials and staff.

#### *November 16*

- IGTC Strategy Session: IGTC members and corporate stakeholders met to discuss policy files and priorities, including plant breeding innovations, information sharing, electronic documentation and the IPPC ISPM for grain, among other issues.
- IGTC General Assembly: members met for their annual General Assembly to discuss and vote on IGTC operational and policy issues.

#### *November 17*

- Management Council Meeting: The IGTC management council met to discuss ongoing implementation of the business plan.

Agenda's for these events and further information and photos from these activities can be found on the IGTC website: [www.igtcglobal.org](http://www.igtcglobal.org).

### **USAEDC Annual Workshop**

On November 13-15 Ryan traveled to Baltimore, MD to attend the U.S. Agriculture Export Developments Council's Annual Workshop. USAEDC annual workshop brings together USDA cooperators, staff and other U.S. government officials to discuss trends and opportunities for U.S. agriculture exporters. Discussions featured remarks by Under Secretary for Trade and Foreign Agricultural Affairs Ted McKinney and discussions on USDA and cooperator programing and policy. A trip report for this travel will be available soon.

### **DBTG and AAPA Conferences**

On November 5-10 Ryan traveled to Punta del Este, Uruguay to participate in the American Association of Port Authorities Latin American Congress and the Dry Bulk Terminal Group's Fall Operational and Technical Seminar.

Priority during this mission was NAEGA's continued engagement with the Dry Bulk Terminals Group, which NAEGA renewed its Memorandum of Agreement with in 2017. The NAEGA and the DBTG work together closely on international regulatory issues that affect the global grain trade and dry bulk terminals. Ryan also advises the DBTG Executive Committee. A trip report for this travel will be available soon.

### **U.S.-China AQSIQ Survey Team Report**

On September 10-20 NAEGA Senior Advisor Kirk Miller joined a group of China AQSIQ officials for a survey tour of grain supply chain facilities in the Mid-West. A trip report for this mission is now available. The trip, supported by the USDA FAS, NAEGA, U.S. Soybean Export Council, U.S. Grains Council, American Soybean Association and the United Soybean Board, was meant to educate AQSIQ officials on the U.S. export supply chain and the fungible, comingled nature of U.S. grain and oilseed exports as part of U.S. government and industry efforts to comply with Decree 177 facility registration requirements. During their travel, the team visited facilities along



the Mid-West, Mississippi River and Gulf Coast in Kansas City, St. Louis, Memphis and Galveston. The trip concluded with a briefing in Washington, D.C.

A copy of Kirk's trip report can be found [here](#).

#### **IGC MCC Meeting and IMO CCC 4 Report**

On Friday, September 8 Katy Lee, Secretariat of the International Grain Trade Coalition (IGTC) traveled to London to attend and participate in the International Grain's Council's (IGC) Market Conditions Committee (MCC) meeting. During the meeting Katy presented before the MCC on *Current Developments in Policy and Practice* as part of the IGTC's continued and regular engagement with the IGC. Following these meetings Katy participated in the International Maritime Organization's (IMO) Subcommittee on the Carriage of Cargoes and Containers (CCC) to monitor and respond to developments impacting the global grain and oilseed trade. A trip report from this travel is now available.

A copy of Katy's trip report can be found [here](#).

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

##### **EU, IGC, Cocal and IGTC events in Brussels, Belgium – December 3-6**

Gary will work on behalf of both NAEGA and the IGTC in Brussels, Belgium at several important trade related events. While in Brussels he looks forward to meeting NAEGA member personnel whenever possible!

On December 4, Gary plans to attend the European Commission Grains Outlook Seminar. At the Seminar, the Commission will present its outlook for global grain supply, demand and trade.

On December 5th Gary will attend the International Grains Council's 46th Session and report the IGC on IGTC (agenda attached). That evening IGTC will co-host the Cocal Annual Reception at which the IGC delegates from IGC member governments are expected to join agri-value chain representatives and officials from the EU institutions. The IGC is a government-to-government organization of 28 member governments with a unique mandate to facilitate trade.

#### ***Pending Actions:***

##### **U.S. APHIS Consultations on IPPC Activities**

The Animal and Plant Health Inspection Service is accepting consultations on three draft specifications and 13 draft International Standards for Phytosanitary Measures (ISPM) from the International Plant Protection Convention (IPPC).

##### ***Draft Specifications:***

- [Revision of ISPM 12](#)
- [Audit of phytosanitary context](#)
- [Supplement to ISPM 11](#)

##### ***Draft ISMPs:***

- [2017 Amendments to ISPM 5: Glossary of phytosanitary terms](#)
- [International movement of cut flowers and foliage](#)
- [Requirements for the use of fumigation as a phytosanitary measure](#)
- [Diagnostic protocols: Bactrocera dorsalis complex](#)
- [Diagnostic protocols: Conotrachelus nenuphar](#)
- [Diagnostic protocols: Ips spp](#)
- [Diagnostic protocols: Xylella fastidiosa](#)
- [Diagnostic protocols: Puccinia psidii](#)
- [Revision of Diagnostic Protocol: Plus pox virus](#)
- [Revision of ISPM 6: Surveillance](#)
- [Requirements for the use of temperature treatments as a phytosanitary measure](#)
- [Draft revision of Annexes 1 & 2 to ISPM15](#)
- [Draft 2015 and 2016 amendments to ISPM 5 Glossary of phytosanitary terms](#)

Please contact Gary or Ryan if you are interested in contributing to any of these comments.

### **CFIA Consultations for Canada-U.S. RCC**

The Canadian Food Inspection Agency (CFIA) is seeking input from stakeholders for the development of new cooperation opportunities and prioritization of existing initiatives under the Canada-United States Regulatory Cooperation Council (RCC). The purpose of this consultation is to provide an additional mechanism to seek stakeholder feedback on the prioritization of work plan initiatives currently being pursued between the CFIA and its U.S. regulatory counterparts, and to solicit input on potential opportunities for the future. There is no firm deadline for completion of this consultation. However, CFIA’s tentative timeframe for collecting input is by fall of this year. Input [can be submitted at this link](#).

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## **In the News**

### **Round 5 NAFTA Update**

In advance of the 5<sup>th</sup> round of NAFTA negotiations, the U.S. Trade Representative updated its NAFTA negotiating objectives. A notable inclusion is a commitment to “Establish specific commitments for trade in products developed through agricultural biotechnologies, including on transparency, cooperation, and managing low level presence issues, and a mechanism for exchange of information and enhanced cooperation on agricultural biotechnologies.” The update is seen as an action to help clear the way for two deputy USTR nominees – Dennis Shea to be ambassador to the WTO and C.J. Mahoney to be deputy USTR for China, Africa and the Western Hemisphere - to move through the confirmation process after Senate Finance Committee ranking member Ron Wyden (D-OR) put a hold on them. Read the summary of objectives [here](#), with the sections with changes highlighted.

Early reports from Mexico City are that the mood remains the same as it has been over the past few weeks – uncertain but hopeful. No great breakthroughs are expected during the 5<sup>th</sup> round but the technical negotiators will continue to make progress on a number of non-contentious chapters. There will not be a ministerial meeting during the round. A Sixth (Technical) Round will be conducted in Washington, DC: December 11. At the 6<sup>th</sup> round not all chapters will be covered as

many of the staff from the three parties will be at the WTO Ministerial, which will be taking place at the same time.

In the U.S. over 168 Food and Agriculture industry stakeholders, sent NAFTA related letters to all 50 U.S. State governors. An individualized version of the letter was also sent to state agriculture commissioners and each state's leader of economic development. A final copy of the general letter is attached and can be found [here](#).

The U.S. Chamber of Commerce released an analysis of 12 states it believes would be hardest hit by a NAFTA withdrawal. The states included: MI, WI, ND, TX, MO, OH, IA, IN, AZ, NE, PA & NC. You can find the full analysis [here](#).

*If you would like more information, or wish to provide comments on any of these news topics monitored by NAEGA, please contact us.*

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### **Calendar & Member Notices**

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

**2017**

#### **November**

- 6-December 15** – IPPC MRL Questionnaire - Virtual
- 20-22** – TropAg 2017 Session – Brisbane, Australia
- 28** – NAEGA Contracts and Best Practices Seminar – 12:30-5:30pm – Tokyo, Japan
- 28** – Japanese Grain and Oilseed Appreciation Reception – 6:00-8:00pm – Tokyo, Japan

#### **December**

- 3** – NGFA Country Elevator Conference – Louisville, KY
- 4** – EU Commission Grains Outlook Seminar – Brussels, Belgium
- 4** – COCERAL-IGTC Reception – Brussels, Belgium
- 5** – 46<sup>th</sup> International Grains Council Session – Brussels, Belgium
- 6** – NOLA Subcommittee Meeting – New Orleans, LA
- 6-8** – GHS Subcommittee Meeting – Geneva, Switzerland
- 10-13** – WTO Ministerial Conference – Buenos Aires, Argentina



14 – IGTC Management Council Meeting – Virtual

**2018**

**January**

18 – Annual Grain Sector Meeting with U.S. APHIS Administrator

22-26 – IPPC Global ePhyto Symposium – Kuala Lumpur, Malaysia

25-26 – Paris Grain Day 2018 – Paris, France

28-30 – Commodity Markets Council State of the Industry – Miami, FL

28-30 – NAEGA Board of Directors Meeting – Miami, FL

**February**

21-22 – WTO Agriculture Committee – Geneva, Switzerland

28-March 1 – WTO SPS Committee – Geneva, Switzerland

**March**

14 – IGTC Management Council - Virtual

18-20 – NGFA Annual Convention – Scottsdale, Arizona

18-20 – NAEGA Annual Meetings – Scottsdale, Arizona

26-28 – Canadian Global Crops Symposium – Toronto, Canada

**April**

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

18-20 IGTC Strategy Session – London, UK

19 – 27<sup>th</sup> IGC Grains Conference – London, UK

19 – 2018 Gafta London Dinner – London, UK

**July**

**1-September 30** – IPPC ISPM Consultation - Virtual

**11-12** – WTO SPS Committee – Geneva, Switzerland

**August**

**1-2** – Australian Grains Industry Conference – Melbourne, Australia

**September**

**4-7** – IGTC and Gafta Seminars – Washington, D.C.

**10** – USSEC Annual Event – Mid-West, U.S.A.

**14** – IGTC Management Council – Virtual

**26-27** – WTO Agriculture Committee – Geneva, Switzerland

**October**

**31-November 1** – WTO SPS Committee – Geneva, Switzerland

**November**

**19-23** – IPPC Standards Committee – Rome, Italy

**21-22** – WTO Agriculture Committee – Geneva, Switzerland

**TBC** – COP 14 – CBD and COP-MOP 9 - Egypt

**December**

**14** – IGTC Management Council - Virtual

**TBD** – Biosafety Protocol COP 14 – Egypt

**2020**

**December**

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

**2022**

**December**

**TBC** – COP 16 – CBD - Turkey

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