



*“Working Together to Make Trade Work”*

## **OUTREACH February 18, 2014**

**Thank you for your membership in and work with NAEGA**

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- U.S. – FDA Issues Proposed Rule on Sanitary Transportation of Food and Feed Under FSMA

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## **NAEGA Member Participation Opportunity**

### **Mark Your Calendars for the NAEGA Annual Meeting Hilton Head, South Carolina – March 31, 2014**

We look forward to working with you in Hilton Head, South Carolina in March! The 2014 NAEGA Annual Meeting will take place on Monday, March 31, 2014 in Hilton Head, South Carolina from 12:00pm to 6:30pm. A luncheon with a guest speaker will start at noon and the Members Meeting will begin at 1:00pm. The Board Meeting will immediately follow the Members Meeting. [Click here](#) to register for the NAEGA meetings.

NAEGA meetings will coincide with the March 30-April 1, 2014 National Grain & Feed Association (NGFA) Convention. Rooms at the Westin Hilton Head can be booked at the NGFA rate by clicking [here](#). A special NAEGA registration for the NGFA Convention is now available [here](#).

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**Thank you for your investment in NAEGA!** – We very much appreciate and need your company’s many contributions to the ongoing success of NAEGA. Invoices for NAEGA’s 2014 Membership Dues have been mailed to member representatives and payment was due by February 17. Prompt payment is appreciated. If you have any questions, please contact the NAEGA office.

### **U.S. – FDA Issues Proposed Rules on Sanitary Transportation of Food and Feed under FSMA**

On January 31<sup>st</sup>, the U.S. Food and Drug Administration (FDA) posted [proposed rules](#) on sanitary transportation of food and Feed under the Food Safety Modernization Act (FSMA). The proposed rule would apply to trucks and rail transportation conveyances, but not barges or vessels.

The comment period deadline is May 31. There will be three public meetings on the proposed rules:

February 27, 2014 in Chicago, Illinois;

March 13, 2014 in Anaheim, California; and

March 20, 2014 in College Park, Maryland (outside of Washington, D.C.).

*Full Details on Upcoming Events can be found in the [Meetings & Events Section of the NAEGA Member’s Only Page.](#)*

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### **Reports on NAEGA Actions**

#### **China Biotech Dilemma**

NAEGA and NGFA sent a joint letter to Syngenta on January 22, 2014 asking the company to halt commercialization of its Agrisure Viptera® (MIR162) until it receives approval by the Chinese government. The letter expressed concerns about the serious economic harm to exporters, grain handlers and, ultimately, agricultural producers - as well as the United States' reputation to meet its customers' needs - that has resulted from Syngenta's current approach to stewardship of Viptera. The letter also encouraged Syngenta to halt its plans to commercialize their newest product, Duracade, until it receives approval in all major export markets in order to prevent similar damage.

NAEGA and NGFA also issued a [Press Statement](#) on the issue. NAEGA's Board of Directors continues to deliberate this issue and has established an ad hoc strategy committee to consider actions in response to the Syngenta's products Viptera™ (event MIR 162 corn) and Duracade™ trait (event 5307 Corn) which are not yet approved in corn. 162 was commercialized in 2011. Syngenta apparently commercialized 5307 in 2013 - the same year they first applied for Chinese approval. Chinese approval requires a minimum of 2 years to complete meaning 5307 will most likely be found in US corn beginning with the harvest of 2014 - at least a year before China would be able to complete its review to provide for import safety certificates.

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Syngenta’s response to the letter can be found [here](#). We are now awaiting further details on Duracade plantings and control measures. Syngenta representatives have indicated plans to proceed with what they characterized as a “very limited launch” in 2014. Precisely how many U.S. acres would be planted is not known. Indications are that it is considerably less than the 700,000 acres Syngenta’s representative told NGFA’s Biotechnology Committee was being considered at the time it met in mid-December. We are aware that Syngenta had extensive discussions with the National Corn Growers Association as well as U.S. grain handlers related to the management of Duracade.

### **International Grain Trade Coalition**

NAEGA contracted with Kirk Miller to be Acting Secretary of the International Grain Trade Coalition (IGTC). During the week of February 10, Gary sent the members of IGTC an [email](#) introducing Kirk. In addition to leading the IGTC effort with respect to LLP, IPPC, and BSP; Kirk has a priority to effect communication, planning, record management and a smooth succession to the next IGTC Secretariat. Kirk’s inaugural email to the IGTC group can be found [here](#).

Last week, we worked with Kirk to help set up internet file sharing and meeting accounts for the IGTC. These accounts will help administer the IGTC during Kirk’s time as Secretary and beyond. They will provide the much needed consistency to IGTC that has been lacking. NAEGA MAP funds will be used in part to support this transition period of IGTC. Kirk Miller is currently planning an IGTC conference call for late this week.

### **U.S. – USDA-AMS/FAS Plans to Meet Chinese Feed Exports to China**

The USDA-FAS and USDA-AMS outlined their plans to provide for compliance with China’s new feed export rules under Decree 118. The requirements of The People’s Republic of China’s General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) include: feed products exported to China must originate from a registered U.S. facility, which may be subject to audits by AQSIQ officials, and the product must be accompanied by a shipment-by-shipment certificate. The FAS/AMS plan is intended to meet these requirements.

The USDA has issued a [press release](#) and [Notice to Trade](#) to help industry and the media understand the USDA’s plan. Parties interested in shipping plant-based feed to China should complete the AMS web-based application for service found [here](#).

**NAEGA is considering making comments on the following items. Please contact us with your advice or suggestions:**

### **2013**

**Feb. 20** – Comments due by National Plant Protection Organization officials to International Plant Protection Convention (IPPC). More information can be found at [IPPC Draft Specifications Member Consultations](#) and the [Grades and Inspections page](#).

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**Feb. 24** – Comments to Animal and Plant Health Inspection Service (APHIS) on Environmental Impact Statement for Determination of Nonregulated Status of Herbicide 2, 4-D Resistant Corn and Soybeans. <http://www.regulations.gov/#!docketDetail;D=APHIS-2013-0042>

*NAEGA Actions on Current Issues are tracked on both the Member’s Only Section under their relevant committee pages and the on the Personal Page’s site. Updates to tracked issues are posted in this section.*

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## **New Issues & Opportunities for NAEGA Consideration**

### **China – Improved Tracking of Implementation of Trade Commitments Needed**

A recent Government Accountability Office (GAO) report stated that the federal government needs to do a better job tracking China’s implementation of its trade-related commitments to the U.S. The U.S. and China engage in two high-level dialogues to address trade barriers and cross-cutting economic issues: the Joint Commission on Commerce and Trade (JCCT) and the economic track of the Strategic and Economic Dialogue (S&ED).

The report identifies 298 trade and investment commitments made by China in the JCCT and the S&ED. These commitments include statements affirming open trade principles, statements of policy intent and statements that focus on trade actions specific to a sector. The GAO identified 11 issue areas that encompass most of the commitments. Included in these 11 issue areas are open trade principles, trade remedies, and transparency. Agriculture is among one of the sector-specific commitments

Although several federal reports on trade barriers present information on JCCT and S&ED commitments, they do not provide a clear and comprehensive picture of progress in implementing those commitments. The GAO therefore recommends that U.S. Trade Representative (USTR), in conjunction with Commerce (DOC) and Treasury, work to provide clearer and more comprehensive reporting on the status of China’s implementation of its JCCT and S&ED trade and investment commitments. This reporting should include more complete information on the status of implementation as well as a more clearly identified source for consolidated information.

### **EU – COCERAL Actions on Trade**

NAEGA counterpart, COCERAL, called on the European negotiators in a [press release](#) to continue to pursue an ambitious trade facilitation agenda with the U.S. in terms of the Transatlantic Trade and Investment Partnership (T-TIP). In a press release, COCERAL said, “The T-TIP needs to prioritize the establishment of a long-lasting regulatory cooperation platform to address non-tariff barriers to trade in agricultural goods, which are today mostly linked to diverging legislation for sanitary and phytosanitary risk management and technical barriers to trade.”

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COCERAL pointed out the one of the main technical barrier to trade today is the asynchronous biotechnology approval for crop cultivation and approval for crop import and processing in the EU. This affects imports of U.S. corn and soybean that are needed to satisfy the 70%-rate of EU import dependence for vegetable proteins.

President of COCERAL, Paul della Tolla, said: “Regulatory gaps between the EU and US restrict trade because they create legal compliance issues with severe impacts on grains and oilseeds traders. There is no food or feed safety at stake, yet the supply of raw materials is jeopardized and the competitiveness of the EU feed and food industries is compromised. A clear commitment to greater regulatory cooperation in agriculture is the way to narrow the gap between existing legislative discrepancies and to harmonize future policies for EU-US trade facilitation. This is the signal that we expect from the T-TIP stocktaking meeting of 17-18 February.”

Further, we have learned from Europe’s COCERAL that this “[Trade Manifesto](#)” was launched at the EU Parliament during an event called “Trade for a Better Market.” Further, the “Manifesto” will be launched by an umbrella group called, CELCAA, representing the trade sector in agricultural commodities. COCERAL is a member of CELCAA.

The Manifesto is to engage with Members and potential candidates to the European Parliament a dialogue on opportunities for the European agricultural trade sector. It uses NAEGA’s “Working Together to Make Trade Work” concept to ask European Parliament candidates to campaign on an ambitious trade plan with Europe’s trading partners. The Manifesto specifically states the importance of transparent, predictable and rules-based system of governing international trade.

**U.S. – Trade Promotion Authority Bill and Other Trade Related Measures**

Delays in moving TPA could also push back potential congressional action to reauthorize other measures that the trade community favors. Sen. Ron Wyden, D-Ore., who is expected to formally succeed Baucus atop Senate Finance this week, has indicated that he wants to move the TPA bill forward but that it will have to be revised first. No hearings or other meetings have yet been scheduled and it remains unclear how long the process may take.

The fate of TPA is likely to also impact other trade-related measures, one of which is Trade Adjustment Assistance (TAA). TAA has often been a concession demanded by Democrats in return for approving TPA, but this time the debate over TPA itself has been so intense there has been little public discussion of TAA. In the meantime, a bill to reauthorize through 2020 the expanded TAA that Congress approved in 2011 but expired at the end of 2013 is expected to be introduced soon in the House. Under this bill TAA would cover workers and firms that supply services and manufactured goods where production has shifted to any other country (not just those with which the U.S. has a free trade agreement). Firms petition for TAA benefits if they supply component parts to foreign customers who switch to parts made outside the U.S., and workers laid off within one year before or after an affirmative antidumping or countervailing injury determination by the International Trade Commission.

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The TPA bill is also expected to be the vehicle for advancing priorities such as a miscellaneous trade bill to lower tariffs on hundreds of imported inputs, extending the Generalized System of Preferences (GSP), and possibly a customs reauthorization. GSP, which offers duty-free treatment to about 5,000 goods imported from more than 100 developing countries, expired July 31, 2013. A GSP reauthorization may get a boost from the impending retirement of Sen. Tom Coburn, R-Okla., who has delayed it over a dispute on how to pay for it.

*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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## NAEGA Calendar & Member Notices

### 2014

#### February

**18** – Washington, DC – United States Soybean Export Council (USSEC), Soy Export Sustainability Advisory Council Members conference call meeting.

**18** – Washington, DC – US Biotech Crop Alliance (USBCA) Meeting with Darci Vetter, USDA Undersecretary for Farm and Foreign Agricultural programs and Obama Administration nominee for agricultural negotiator with the rank of ambassador in the Office of the United States Trade Representative.

**19** – Washington, DC – USSEC Industry Advisory Council (IAC) meeting via conference call. The USSEC IAC includes NAEGA and several other senior level representatives of US soy export stakeholders including bulk and container exporters, oilseed processors, soy food companies, food grade commodity suppliers, equipment manufacturers, seed and technology providers, and a port official.

**20-21** – Arlington, Virginia – USDA Agricultural Outlook Forum – USDA’s annual event to discuss the changing face of agriculture.

**26** – NAEGA Biotech Committee Biotech Conference Call, tentative

#### March,

**6-7** – Washington, D.C. – CBP East Coast Trade Symposium held at the Washington Hilton Hotel in Washington, D.C. This was originally scheduled for October 24-25, 2013 but had to be rescheduled due to the government shutdown.

**11** – NAEGA Grades Committee Conference Call, tentative

**19** – Washington, DC – ASP Workshop Dinner

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**31** – Hilton Head, South Carolina – 2014 NAEGA Annual Meetings – Westin Hilton Head Resort (in conjunction with NGFA’s Convention March, 30 – April, 1). Reservations can be made [here](#).

**April,**

**14-16** – Winnipeg, Manitoba, Canada – Canadian Global Crops Symposium – Hosted by the Canada Grains Council

**June**

**10** – London, United Kingdom – International Grains Council (IGC) Grains Conference – Tower Hotel, Tower Bridge – You can register [here](#).

**July**

**1** – Washington, DC – NAEGA 2013 MAP Contribution Report Due

**15-16** – Alexandria, VA – USAEDC Attaché Seminar

**September**

**29-October 3** – 7<sup>th</sup> Meeting of the Parties/Conference of the Parties for the So-called Cartagena Biosafety Protocol under the Convention on Biodiversity, which governs trans-boundary movements of Living Modified Organisms for feed, food and processing. More information can be found at: <http://bch.cbd.int/protocol/>

**November**

**17-20** – Baltimore, MD – USAEDC Annual Workshop

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