



“Working Together to Make Trade Work”

OUTREACH April 14, 2014

Thank you for your membership in and work with NAEGA

Action Reports:

- China – Economic Analysis of MIR-162 and Duracade® Commercialization
- China – Proposed MRL Changes

Member Participation Opportunity:

- USDA FAS and FGIS are Requesting Our Input on FGIS Letterhead Statement
- USDA and USTR Update on Pending Trade Agreements – Washington, D.C. – April 21, 2014

New Issues

- U.S. – Preemptive GMO Labeling Bill Introduced
- U.S. – Trade Promotion Authority
- U.S. – Treasury Office of Foreign Assets Control-Iran Rule
- U.S. – USTR Release of NTE, SPS, TBT Reports

NAEGA Calendar and Member Notices

- Upcoming Events and Notices for Members

Reports on NAEGA Actions

China – Economic Analysis of MIR-162 and Duracade® Commercialization

The National Grain and Feed Association (NGFA) and North American Export Grain Association (NAEGA) continue to work jointly and on many fronts to facilitate trade and provide for regulatory compliance while improving the environment for all crop production methods, including crop biotechnology. We are very much focussed on providing for the greatest benefit across the value chain, and find that U.S. farmers and agricultural companies need the ability to market agricultural products to both domestic and foreign customers.

The circumstances that prevail in China demonstrate again that access to international markets for farm products can be disrupted or prevented by technology producers failing to provide for regulatory approvals for biotechnology-enhanced events that are approved for planting and production in the exporting country, but not yet by governmental authorities in the country of import.

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In the aftermath of recent disruptions in corn trade between the U.S. and China resulting from the presence of Syngenta North America Inc.’s Agrisure Viptera™ MIR162, which has not been approved yet for import by the Chinese government, the NGFA undertook an analysis to assess the economic impact to the U.S. value chain. We understand the NGFA assesses ongoing and notable failures by Syngenta to provide for regulatory approvals in China for their corn biotechnology products MIR-162 and Duracade®. The assessments provide for a case study from the 2013 – 14 marketing year and an estimate of economic impact in the 2014 – 15 marketing year.

The NGFA analysis was referenced along with NAEGA policy and perspective in The Wall Street Journal which published [this article](#) on Friday, March 11.

NAEGA looks forward to adding the soon to be published NGFA work to our ongoing effort to inform stakeholders of the ramifications of commercialization of crop biotechnology prior to gaining approval by the importing. We plan to provide both NGFA assessments and the accompanying NGFA press release in communication to members and colleagues around the world.

China – Proposed MRL Changes

NAEGA responded to USDA-FAS regarding [China’s notification](#) to the World Trade Organization (WTO) about their proposed maximum level residue (MRL) changes. NAEGA senior advisor, Arvid Hawk, highlighted [five pesticides](#) that are of concern to NAEGA members. These pesticides are all field applied, but the difference in MRL levels is problematic for shipments in containers.

A copy of the USDA-FAS GAIN Report on China’s MRL of pesticides can be found [here](#).

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

2014

May 6 – Comments to USDAAPHIS on Monsanto’s request for nonregulated status for corn genetically engineered for protection against corn rootworm and resistance to the herbicide glyphosate. A copy of the Federal Register notice can be found [here](#).

May 19 – Comments to USDA-APHIS on Dow AgroSciences’ petition for nonregulated status for cotton genetically engineered for resistance to the herbicides 2,4-D and glufosinate. A copy of the Federal Register notice can be found [here](#).

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.

[Click here to return to Index](#)

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NAEGA Member Participation Opportunity

USDA FAS and FGIS are Requesting Our Input on FGIS Letterhead Statement

USDA Foreign Agricultural Service (FAS) and Federal Grain Inspection Service (FGIS) are requesting our input on planned changes to the FGIS letterhead statement regarding soybeans and genetic modifications (GMO / LMO).

Please respond this week to either Kyle or I with your comments and concerns regarding changing the FGIS letterhead statement.

Explanation of Proposed Changes:

FGIS offers various letterhead statements regarding the transgenic status of various grains. We often work with FGIS to encourage the statements meet your needs and the needs of import customers. The FGIS directive that explains this policy to its issuing officers (field offices, States, and official agencies) appears [here](#), and the list of approved and currently available statements appears [here](#).

The last four statements in the document (starting with the one numbered (1) under paragraph (c)) are out of date. We understand in the past FGIS provided these euro-specific statements when countries were importing U.S. soybeans, processing them, and re-exporting the product to the EU. Now, FGIS most frequently gets requests from shippers of food aid soybeans, soybean meal, and corn-soybean blend who ask for a “GMO statement.” The 4 statements refer to an EC directive that has been replaced, and they refer to Round-up Ready Soybeans in a way that suggests that RR Soybeans are the only transgenic soybean approved in the U.S. To make the letterhead statement up to date and accurate, FGIS would have to add references to the new EC directive and other soybean GMO events. Given the plethora of new events and the complications of EC directives doing so is hard to manage.

FAS and FGIS are suggesting that all of the last four statements be eliminated. Then FGIS will offer a single statement for soybeans, as is now the case for corn. FGIS plans to offer a statement for grain crops (now including corn and soybeans) for which varieties are approved for sale and currently in commercial production in the United States that are of “transgenic” origins along these lines:

“Transgenic (identify grain) commercially produced in the United States have completed the necessary review under the U.S. regulatory process for determining the safety of new agricultural biotechnology products. This well-coordinated regulatory process sets U.S. standards for human, animal and plant health, and environmental safety. The transgenic (identify grain) used for domestic purposes are the same as those used for export.”

Further FGIS would also need a slightly modified version for processed (soy and corn for now) products. (For example ‘made from...’?)

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Other notes for your consideration and comment:

- 1. FGIS is thinking of implementing the change this summer say, July 15. Should we press for an end of crop year conversion like we do with standards changes?**
- 2. They also on April 1 we just deleted some outdated LibertyLink rice statements, and made it a “soft” deadline...they disappeared from this list on the web on that date, but they told the rice industry if they needed them beyond that date for an existing contract, FGIS would provide it for an undefined interim period.**

We are looking forward to your input. Please inform either Kyle or I this week of your comments and concerns on all of the above.

USDA and USTR Update on Pending Trade Agreements – Washington, D.C. – April 21, 2014

Representatives of the U.S. Trade Representative (USTR) and the U.S. Department of Agriculture (USDA), including Sharon Bomer Lauritsen, will provide an update and discussion on the Trans-Pacific Partnership (TPP), the Transatlantic Trade and Investment Partnership (T-TIP) and ongoing related developments, including Trade Promotion Authority (TPA) at Arent Fox LLP, 1717 K Street Washington, DC on Monday April 21, from 2:00pm to 4:00pm.

Please let Kyle or Gary know if you are interested in attending.

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

[Click here to return to Index](#)

New Issues & Opportunities for NAEGA Consideration

U.S. –Preemptive GMO Labeling Bill Introduced

A bill was introduced to establish a federal voluntary labeling standard for foods made with genetically modified organisms. The Safe and Accurate Food Labeling Act would direct FDA to provide guidance for companies that wish to label their products for the presence or absence of GMOs; make mandatory an FDA safety review of all new GMO traits before they are brought to market and enable FDA to mandate labels on any product shown to pose a health, safety or nutrition risk; and directs FDA to define the term “natural” for use on food labels. Additionally, the bill would eliminate a large potential source of confusion among consumers by establishing FDA’s labeling guidance as the national standard and preventing states from enacting a patchwork of conflicting requirements.

Reps. Mike Pompeo (R-Kan.) and G.K. Butterfield (D-N.C.) are cosponsors of the bill. The bill will now go before the Energy and Commerce Committee for hearings and debate. Economic studies show that an average family of four would pay about \$500 more per year for groceries under mandatory GMO labeling schemes being considered in some states.

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U.S. – Trade Promotion Authority

To secure congressional approval of pending trade agreements, Senator Ron Wyden (D-Oregon), who recently became Senate Finance Committee Chairman when Senator Max Baucus (D-Montana) retired, urged an approach he called “smart track,” which he sought to differentiate from the “fast track” trade promotion authority bill introduced earlier this year by Baucus and others. However, he gave little indication as to what this approach would entail, saying only that he wants to hold trade negotiators “more accountable to the Congress ... [and] the American people” to help ensure that trade agreements “respond to the concerns of our people and their priorities, and not just to special interest groups.”

U.S. – Treasury Office of Foreign Assets Control-Iran Rule

In a Federal Register notice published on April 7, 2014, the Office of Foreign Assets Control (OFAC) issued a final rule amending the Iranian Transactions and Sanctions Regulations (ITSR) by expanding the scope of licenses that authorize the exportation or re-export of food to a broader category of agricultural goods to individuals and entities in Iran, effective April 7, 2014.

The general licenses are subject to a yearly review and, unless revoked, will remain active. The notice of the final rule can be found [here](#).

U.S. – USTR Annual Reports on the National Trade Estimate, Sanitary and Phytosanitary, and Technical Barriers to Trade

The Office of the United States Trade Representative (USTR) released its annual reports on the National Trade Estimate (NTE), Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT). These reports describe significant barriers to U.S. exports in foreign markets. NAEGA and NGFA submitted comments to the USTR to help create the report. The comments can be found [here](#) and [here](#).

The [NTE report](#) covers the majority of the trade barriers, including extremely high tariffs. Of interest to NAEGA in this report was the mention of Argentina’s Differential Export Tariffs (DET) on soybeans and soybean products, China’s Value Added Tax (VAT), and Turkey’s market valuation for wheat and flour.

The [SPS report](#) covers unjustified measures that are allegedly for the protection of health and safety, but in reality are disguised trade barriers. The report focuses on discriminatory and protectionist measures. This includes, agricultural biotechnology, particularly in the European Union and other foreign nations which implement policies not based in science.

The [TBT report](#) covers government standards that are outdated, overly burdensome, discriminatory, or otherwise inappropriately reduce compaction. The report includes only 17 countries, including China, the European Union, and Mexico. An example of a TBT is Europe’s categorization of Endocrine Disruptors and their existence in chemicals, and pesticides.

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

April

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

17 – Washington, DC – Export Credit Working Group (ECWG) Meeting with USDA to Brazil’s WTO Case – 9:00am to 10:30am at the USDA

18 – Washington, DC – US Biotech Crops Alliance International Working Group Meeting – 9:00am – 12:00pm – Location TBD

21 – Washington, DC – US Food and Agriculture Dialog Update on Trade Agreements – 2:00pm to 4:00pm, Arent Fox, LLP 1717 K Street NW Washington, DC.

29 – Washington, DC – NAEGA and US Wheat Associates meet with Japanese Executive Millers Team

May

17-18 – Qingdao, China – Asian-Pacific Economic Cooperation (APEC) Ministers Responsible for Trade Meeting

20 – US Biotech Crops Alliance Board of Directors Meeting – Location and Time: TBD

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 Market Access Program (MAP) Contribution Report Due

2-4 – Geneva, Switzerland – United Nations Globally Harmonized System (GHS) meeting discussing explosive dust.

7 – Geneva, Switzerland – WTO Sanitary and Phytosanitary Measures (SPS) Committee Meeting

15-16 – Alexandria, VA – U.S. Agricultural Export Development Council (USAEDC) Attaché Seminar

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September

18-19 – Beijing, China – APEC Food Security Ministers Meeting

29-October 3 – 7th 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/>

October

13 – Geneva, Switzerland – WTO Sanitary and Phytosanitary Measures (SPS) Committee Meeting

November

10-11 – Beijing, China – APEC Economic Leaders’ Meeting

17-20 – Baltimore, MD – USAEDC Annual Workshop

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