



*"Working Together to Make Trade Work"*

## **OUTREACH April 22, 2014**

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

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- China – USDA-AMS/FAS Feed Export Certification Plan

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## **Reports on NAEGA Actions**

### **China – NGFA 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.

In the aftermath of recent disruptions in trade between the U.S. and China resulting from the presence of Agrisure Viptera™ MIR162 corn biotechnology event, for which Syngenta has failed to achieve approval for import by the Chinese government, a NGFA [press release](#) on Wednesday, April 16 announced the issuance of a pair of economic studies on the impact of enforcement by China of a zero-tolerance policy from the yet to be approved Syngenta Agrisure Viptera™ MIR-162 product and the potential economic impact from Syngenta North America Inc. decision to launch seed sales of the new Agrisure Duracade™ 5307 prior to meeting China's product authorization requirements.

The [economic analysis of Agrisure Viptera™ MIR-162](#) found that China's corn import rejections amounted to 1.45 million metric tons (mmt), which is substantially greater than the 908,800 metric tons (mt) reported most recently by the Chinese government. The financial loss stemming from MIR-162 have amounted to an estimated range from \$1 billion to \$2.9 billion for U.S. corn, DDGs and soybean sectors.

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In the [second economic analysis](#) released, which forecasts the economic impact of commercializing Agrisure Duracade™ 5307 in the U.S. prior to Chinese import approval, it is estimated that the commercialization of Duracade™ will result in an economic loss to U.S. corn, DDGS and soybean sectors ranging between \$1.2 billion and \$3.5 billion, with a mid-point estimate of \$2.3 billion. Meanwhile, the benefit of Duracade™ in the 2014/2015 marketing year is: 1) \$23.4 million for U.S. corn farmers; 2) \$1.8 million for handlers and end users of corn; and 3) \$39.7 million for Syngenta and its licensees and resellers. The total economic benefit of Duracade™ is \$64.9 million.

The net economic impact of Duracade™ is estimated to be a \$1.2 billion to \$3.4 billion loss, with a mid-point estimate of \$2.3 billion. The NGFA analysis was referenced along with NAEGA policy and perspective in The Wall Street Journal which published [this article](#) on Friday, March 11.

### **China – USDA-AMS/FAS Feed Export Certification Plan**

Multiple trade groups from U.S. Industry, including NAEGA, are working the USDA-Agricultural Marketing Service (AMS) to support exploratory pilot audits by Chinese officials of U.S. feed and feed ingredient manufacture and export facilities. Several volunteer U.S. facilities will be selected to host a team of auditors from China’s General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). The pilot audits are expected to set the stage for certification by USDA AMS that will comply with China’s Decree 118.

The requirements of AQSIQ under Decree 118 include that 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.

USDA has been designated the U.S. National authority for certification of animal feed and pet food products for export to foreign countries (including China). USDA-AMS has the authority to audit, register and provide export certification for animal feed and pet food products for export. Reaching to include and go beyond compliance with Decree 118, USDA-AMS is expanding its services to support and certify the trade of animal feed and feed ingredients. Products USDA-AMS plans to certify include pet food and treats, dried distillers’ grains with solubles, mixed-ingredient feeds, and feed additives. Using the Pilot program with AQSIQ to establish USDA AMS certification for China is a first step in establish USDA as the officially recognized competent national authority for the certification of export feed and feed ingredients for many other foreign destinations that require such certifications.

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 completing this certification process should complete the AMS web-based application for service and the Good Manufacturing Program (GMP) checklist found [here](#).

If you have questions, you can let Gary or Kyle know or questions can be directly answered by emailing William Stone at [william.stone@ams.usda.gov](mailto:william.stone@ams.usda.gov).

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**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.*

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**New Issues & Opportunities for NAEGA Consideration**

**World – WTO Raises Trade Growth Estimate**

On April 14<sup>th</sup>, the World Trade Organization (WTO) issued a [press release](#) stating the world trade is expected to grow by 4.7% in 2014, up from the 4.5% estimated last fall. The WTO estimates world trade will grow at 5.3% in 2015. Over the past two decades world growth has averaged 5.3%, but in the past two years it has only averaged 2.2% annually.

Prospects for world trade and output for 2014 and 2015 are better than they have been for some time. This increased optimism is largely due to economic improvements in the U.S. and European Union.

*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**

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**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.

**19** – Unified Export Strategy (UES) application due to USDA FAS for NAEGA 2015 International Programs funding under the USDA programs including the Market Access Program (MAP).

**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

### **September**

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

**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/>

### **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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