

# OUTREACH May 23, 2016

Thank you for your membership in and work with NAEGA

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## **Member Opportunities**

#### **New Orleans Industry Workshop – June 8**

Please join us for an Industry and U.S. Government Workshop hosted by the North American Export Grain Association (NAEGA) and the National Grain and Feed Association (NGFA) on Wednesday, June 8 from 7:30am to 3:30pm. The NAEGA-NGFA Industry Workshop will take place at the Federal Grain Inspection Service (FGIS) Offices at 104 Campus Drive, Suite 200 Destrehan, LA 70047.

Discussion will focus on NOLA region grain and oilseed export industry concerns. Reports and interaction with U.S. Government officials and guests will include representatives of: USCG, Corps of Engineers and National Cargo Bureau on maritime security and transportation issues; USDA APHIS on phytosanitary requirements on U.S. exports, USDA FGIS on their grain inspection and international services and U.S. FDA on product safety. News from China, Mexico and Korea will be featured.

Please register at the link here. A copy of the final agenda is available here.

## IGTC Strategy Meeting and IGC Grains Conference – June 13-14

The International Grain Trade Coalition (IGTC) will meet on for June 13 at the Club Quarters Hotel, 61 Lincoln's Inn Fields, London. You and company colleagues are invited to attend. The meeting will begin at 12:30pm with a working lunch, followed by an update on key policy items and agreement on IGTC next steps and action. More information is to come; please let us know if you plan to attend by registering here with IGTC.

IGTC will be prominent at the upcoming International Grains Council (www.igc.int) meetings on June 13 and 14. IGTC has arranged for display tables at the IGC Conference at the Jumeira Carlton Tower Hotel. NAEGA members are welcome and encouraged to send promotional materials and information to be included at the tables. Following a report to the IGC on Monday June 13, IGTC will update conference attendees on developments related to electronic management of trade documents and sponsor the Conference Luncheon. IGTC President Gary Martin will address the IGC Conference on IGTC views related to the Conference theme 'Changing dynamics: the new trading environment'.

You can take advantage of an IGTC 20% discounted registration for the IGC Conference (http://www.igc.int/en/conference/confhome.aspx) at the Jumeira Carlton Tower Hotel. To access the discounted registration please email directly to: conf@igc.int quoting the discount code: (IGTC16).

#### WTO Seminar on Electronic Documentation

The International Grain Trade Coalition (IGTC) has been invited to attend the World Trade Organization's seminar on electronic phytosanitary certification on June 28 in Geneva. As corporate stakeholders in IGTC all NAEGA members are also invited to attend. The seminar takes place under the leadership of the WTO's Standards and Trade Development Facility, with a view to more deeply engaging member governments in work on electronic data exchange. The seminar will be strictly government-led, though trade and industry participants will be allowed to speak

from the floor during the 'open discussion' sections of the seminar. Topic of discussion for the seminar will include:

- review existing international SPS and electronic data exchange standards and consider outstanding standard-setting gaps;
- review relevant initiatives aiming to streamline the automation of trade procedures and facilitate implementation of paperless trade to identify synergies and good practice; and
- present countries' experiences in the area of exchange of electronic SPS certificates, share lessons learned, discuss challenges faced and consider capacity building needs for developing countries.

A preliminary agenda can be found here. Participation is done on a first come, first serve basis by May 30. If you are interested in registering for the seminar please contact the Katy Lee, Acting IGTC Secretariat at secretariat@igtcglobal.org.

## NAEGA/APPAMEX Forum – October 5-8

Please save the date for the 23<sup>rd</sup> Annual NAEGA/APPAMEX Forum to be held on October 5-8 in Cancun, Mexico. This year's forum will take place at the Iberostar Hotel in Cancun. All NAEGA member representatives and their colleagues are invited to attend. More information, including a link to registration and a preliminary agenda, will follow. A copy of last year's agenda can be found here.

For more information, please contact Gary or Ryan.

## **Seminars and Internships**

**NAEGA Seminars:** Please click here for more information on NAEGAs in-depth, interactive education on contract practices.

*Internships:* Information on working for NAEGA as an intern in our Washington, D.C. office 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**

## Monsanto Response to NAEGA/NGFA Questions on RR2X Soybeans

Over the last two weeks NAEGA and the National Grain and Feed Association (NGFA) have been working closely together to find out more information on Monsanto's commercialization of Roundup Ready 2 Xtend® (RR2X) Soybeans in the North American market. It has come to the attention of NAEGA and NGFA that RR2X soybeans have been planted and are being moved in the North American market despite the lack of regulatory approval for this trait in the European Union (EU). This has the potential to severely disrupt trade with the EU if RR2X soybeans are discovered at EU import points. In response to this, NAEGA and NGFA sent a letter and a series of follow up questions to Monsanto. The letter and follow up questions can be found here and here.

This weekend, NAEGA and NGFA received a response from Monsanto on its follow up questions. These follow up questions provide details on the traits approval status, planted acres of the RR2X

seeds and Monsanto's commercialization and stewardship protocols. A copy of the response can be found here.

#### **Successful Seminar in Tokyo**

Over 50 attendees from the Japanese grain and oilseed industry made for a very successful contract seminar on May 16 at the Tokai University Club in Tokyo. Participants in the seminar, which was led by NAEGA President and CEO Gary Martin and Senior Adviser Sam Bonilla, reviewed international grain trade contracts and took a close look at the NAEGA II FOB contract. In addition, Gary and Sam led attendees through case studies on laytime commencing and an arbitration.

Following the seminar NAEGA welcomed approximately 100 guests to a reception at the Tokai University Club to honor the Japanese grain and oilseed industry. The reception was opened with remarks from Gary, followed by speeches from the U.S. Embassy's Senior Agricultural Attaché and the Japanese Feed Trade Association (JFTA). A copy of Gary's remarks can be found here.

To learn more about NAEGA activities in Tokyo, or to learn about how NAEGA can host a personalized, innovative contracts and best practices seminar for your company, please contact Gary or Ryan.

### **Meetings in Korea on Special Act for Imported Food Safety**

NAEGA President and CEO Gary Martin held a series of successful meetings in Seoul, South Korea on May 19-20. While in Seoul, Gary met with the U.S. Grains Council, the Korea Feed Association (KFA), Korea grain and feed importers, the Ministry of Food and Drug Safety (MFDS) and the U.S. Embassy. Gary took advantage of these meetings to educate members of the Korean grain and feed market on the U.S. grain and oilseed export industry and NAEGA policy priorities.

Of strategic importance to NAEGA was a meeting with the MFDS to discuss the implementation of the Korean Special Act on Imported Food Safety, which came into effect February 4 (for more information on the special act, click here) with registrations due by August 2016. The Special Act requires food importers to register facilities with the Korean government. During the meeting, and after educating MFDS on the U.S. grain and oilseed exporting system, MFDS agreed to reverse its decision on facility registration and assured Gary that they would only require registration of export elevators. This important change should prove more practical than registration of grain facilities all the way upstream to point of production as was previously being considered. We expect official notification soon and will use the Korean decision to help NAEGA to address similar requirements in other countries.

A copy of Gary's presentation to MFDS can be found here. A report on NAEGA's meetings with the MFDS and the Korean grain and feed industry will be available soon.

#### **IGTC Newsletter**

The newest edition of the IGTC Newsletter is now available! This week's newsletter includes coverage of IGTC meetings in Rome and Geneva with the FAO, corporate stakeholders and the World Bank, a report on IGTC participation and presentation at the World Seed Congress in Uruguay by NAEGA Production Technologies Committee Co-chair Paul Green, and an update of the IPPC EPhyto Industry Advisory Group. A copy of the newsletter can be found on the IGTC intranet at <a href="https://www.igtcglobal.org">www.igtcglobal.org</a> or by clicking here.

## **USGSA Official Weighing of Barges for Shipments**

This week the NAEGA and the National Grain and Feed Association (NGFA) updated members regarding changes affecting the mandatory official weighing of inbound barge shipments at export port locations.

The 2015 US Grain Standards Act (USGSA) deletes reference to "INTRACOMPANY SHIPMENTS" and states that the requirement to provide for official weights on shipments into an export elevator by any mode of transportation – including barge (as well as truck and rail) for ALL shipments (intracompany and intercompany) – is waived unless requested by the shipper or receiver. According to analysis of the act by NAEGA and NGFA, Official weighing of grain transported by barge can still be requested by either the shipper or receiver according to the revised version of the USGSA, as well as through any contractual arrangement between the buyer and seller. As such, the new USGSA provides maximum flexibility to the industry to obtain official weights for intercompany barge shipments upon request, rather than mandating such a requirement. One of the recommendations by NGFA and NAEGA sent to Congress for USGSA changes last year was to remove the mandatory official weighing of INTRACOMPANY movements of grain by barge so as to be consistent with the existing waiver for all other modes of transportation for INTRACOMPANY transfers.

Analysis of the new language on official weighing can be found here. As this new language is implemented, NAEGA seeks members input into how this is affecting the grain and oilseed industry. Please contact Gary or Ryan with any questions or comments on USGSA and official weighing for barges.

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#### **Future Actions**

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

## **COCERAL Annual Meetings – May 25-28**

IGTC Acting Secretariat and NAEGA Contract Representative Katy Lee will travel to Rome, Italy on May 25-28 to attend the COCERAL/FEDIOL Annual Meetings, public session and gala dinner on behalf of the IGTC. At the events, Katy will support NAEGA UES accomplishments by informing and assessing GRNOS related policy and advocacy efforts via her representation. A copy of Katy's notice to post for this mission can be found here.

#### Balkan Livestock and Feed Nutrition Roadshow – June 1-10

NAEGA Senior Advisor Kirk Miller, at the invitation of FAS Rome, will be participating in and presenting at the Balkan Livestock and Feed Nutrition Roadshow on June 1-10 in Serbia, Bosnia and Croatia. During the roadshow Kirk will be giving a presentation on the current global market situation, how long the current period of abundant global grains and oilseeds supplies will last and the value of trade friendly policies that allow high quality sustainably produced US grains and soybeans to reach customers. In addition, Kirk will be traveling with the group, representing NAEGA during meetings with the Balkan livestock and feed industry and reporting back on developments in the Balkan livestock and feed market. During the roadshow NAEGA will also be

sponsoring a luncheon in coordination FAS Belgrade for members of the Balkan grain, livestock and feed industry.

If you would like more information or are interested in participating in the Roadshow or the luncheon, please contact Gray or Ryan

## **NAEGA Unified Export Strategy Drafting – June 3**

During the month of May NAEGA staff will be working hard to craft the 2017 Unified Export Strategy for NAEGA's participation in the U.S. Department of Agriculture's (USDA) Market Access Program (MAP). Each year NAEGA develops a UES in order to communicate a single consolidated and strategically coordinated proposal that incorporates requests for MAP funding. The UES provides the strategic and tactical framework around which NAEGA will executes MAP related activities in the year 2017. Throughout the month of May Ryan and Gary will be drafting and editing the UES in preparation for submission to USDA by June 3.

NAEGA welcomes any contributions or proposals from member companies throughout the UES process. To learn more about the UES application, click here. Please contact Ryan if you would like to make a contribution or if you have any questions.

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## **Information for your Consideration**

## **Changes to Panama Corn and Rice Import Requirements**

After years of consultation with the U.S. Animal Plant Health Inspection Service (APHIS), Panamanian import authorities have now successfully completed the consolidation of various state-specific import requirements for U.S. wheat, soybeans, rice, corn and popcorn into a single national requirement. With this new national requirement there are no longer any individual state specifications for phytosanitary measure and certification. Details about the new consolidated requirements can be found in the following documents here, here, here and here.

#### **ITC Releases TPP Report**

Last week, the U.S. International Trade Commission (ITC) released its final report on the Trans-Pacific Partnership Agreement (TPP). The report, mandated in the Trade Promotion Authority legislation passed by Congress last year, finds that TPP will have modest but measurable gains for the U.S. economy over the next decade. According to the report, TPP will add 0.16 percent, or \$44 billion to U.S. real GDP by 2032 and will increase employment by 0.07 percent. The TPP agreement has the most measureable effects for the agriculture trade. By 2032 TPP is anticipated to increase agriculture exports by 4.1 percent and increase agriculture exports share of GDP by \$11 billion.

The TPP agreement, which was concluded in October 2015, is currently awaiting passage by the national legislatures of its member countries. It is anticipated that TPP could be considered late this year by the U.S. Congress, perhaps during the lame duck session.

A copy of the ITC report on TPP can be found here. For more information on the TPP agreement, please contact Ryan.

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

2016

#### May

**31-June 10** – Croatia, Bosna and Herzegovina and Serbia – Balkan Livestock Genetics and Feed Nutrition Program – NAEGA Senior Advisor Kirk Miller plans to attend and present. Please click here for a preliminary itinerary.

#### June

- 3 NAEGA Unified Export Strategy due to USDA
- 8 Destrehan, LA NGFA-NAEGA Industry Workshop. For a proposed agenda, click here.
- 13 London, UK IGTC Strategy Meeting
- 14 London, UK IGC Grains Conference, Register here.
- **28** WTO Conference on Electronic Phytosanitary Certifications Geneva All NAEGA Members invited to attend.

#### June- October

TBD - Regional Workshop USG Government Agencies and Industry- Pacific Northwest

**TBD** – Regional Workshop USG Government Agencies and Industry – New Orleans

#### July

**TBD** – UN GHS Subcommittee Meeting – Geneva, Switzerland – Cotter Attending.

## **August-September**

**TBD** – IGTC General Assembly and Strategy Session

**TBD** – NAEGA Board Meeting

#### September

**TBD** – IMO Subcommittee on the Carriage of Cargoes and Containers Meeting – London, United Kingdom – Cotter Attending.

#### October

**5-8** – NAEGA/APPAMEX Forum, Iberostar Hotel, Cancun, Mexico.

#### **December**

**TBD** – UN GHS Subcommittee Meeting – Geneva, Switzerland – Cotter Attending.



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