



*“Working Together to Make Trade Work”*

## **OUTREACH May 5, 2014**

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

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## **Reports on NAEGA Actions**

### **China – NGFA Follow-up Q&A of 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 focused 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 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

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of the new Agrisure Duracade™ 5307 prior to meeting China’s product authorization requirements. The Wall Street Journal ran [this article](#) regarding the two economic studies.

Most recently, NGFA issued a question and answer publication designed to assist grain elevators and other market participants in communicating with farmer-customers about their obligations, as well as potential market impacts, associated with biotech-enhanced seeds producing grain not approved for import by U.S. export markets. The five-page question-and-answer piece, entitled “[Legal Obligations and Potential Market Impacts Associated with Biotech-Enhanced Seeds Producing Grain Not Approved for Import into U.S. Export Markets](#),” refines for a producer audience the major findings of the economic analysis of [Agrisure Viptera™ MIR-162](#) and [Agrisure Dracade™ 5307](#). It also references the legal obligations and liabilities that apparently apply to producers choosing to plant Agrisure Duracade™ 5307 corn in 2014, as articulated in Syngenta’s Stewardship Agreement with growers.

### **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.

Regarding the Chinese Decree 118 compliance, the USDA-FAS released China’s “[Hygiene and Quarantine Requirements](#)” and their [audit checklist for plant-based process protein feeds](#) this week. The USDA-FAS also released a [draft itinerary for the audits](#). The USDA-FAS welcomes any and all feedback/insights/questions about the locations, timing, logistics, or facilities that may be subject to audit by the Chinese.

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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).

### **Japan – NAEGA Hosted Japanese Executive Millers Team**

In coordination with the U.S. Wheat Associates, NAEGA hosted a Japanese Executive Millers Team visit. Topics of discussion included last year’s field escape in Oregon of Genetically Engineered (GE) wheat, wheat quality, Trans-Pacific Partnership, Canadian wheat exports to the U.S. for re-export, and transportation/logistics issues.

The Japanese Millers Team included:

- Kazuhiko Niitsuma, Managing Director, Showa Sangyo Co., Ltd.
- Masaaki Kadota, Executive Director, Flour Millers Association
- Toshifumi Horiuchi, Nippon Flour Mills Co., Ltd.
- Shuhei Koga, President, Taiyo Flour Milling Co., Ltd.
- Kazuhiro Takamine, Representative Director and President, THE Torigoe Co., Ltd.

**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](#).

**June 24** – Comments to USDA-APHIS on Proposed Rules for 1. Changes to User Fees and Agricultural Quarantine and Inspection Services (AQI) and 2. Fee Increases for Overtime Services. A copy of the Federal Register notice for changes to user fees can be found [here](#) and the Federal Register notice for increases for overtime services 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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### **NAEGA Member Participation Opportunity**

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### **Your Input Needed – USDA APHIS Proposed Fee Increases**

The United States Department of Agriculture’s (USDA) Animal and Plant Health Inspection Service (APHIS) announced proposed changes to the fees it charges to recoup the costs of conducting agricultural quarantine inspections (AQI) at U.S. ports of entry and overtime rates worked by APHIS officers. APHIS indicates adjustments are essential for the AQI program to have the financial stability it needs to continue the critical work of keeping U.S. agriculture safe and productive agriculture.

The [proposed AQI fee](#) structure ensures that no one party pays more than the costs of the services they incur. APHIS is proposing to add a \$2 fee per sea passenger to recover costs associated with inspecting cruise vessels and passenger baggage, and to add a \$375 fee to recover the costs of APHIS services for monitoring the application of or providing treatments to imported cargo to minimize pest risks. APHIS also proposes to raise user fees for inspections of commercial trucks with a transponder from \$105 to \$320 a year, and commercial trucks without a transponder from \$5.25 to \$8 per crossing.

APHIS is also concurrently proposing to adjust the hourly rates charged when APHIS employees perform work associated with AQI activities on Sundays, holidays or other after-hours periods so APHIS can recover the true cost of providing the services. The overtime rates would be raised commensurate with the anticipated cost of providing AQI services through 2018. [This proposed rule](#) will also be available for a 60 day comment period. This is the first proposed change to overtime rates since 2002.

A [Questions and Answers](#) factsheet on the AQI Program Cost and Fees has been made available.

### **NAEGA to Host Brazilian Trade Team – Washington D.C. – June 2, 2014**

In coordination with the U.S Wheat Associates, NAEGA will host a Brazilian trade team at its office at 1250 I St. NW Washington D.C. on Monday, June 2 at 2:30pm Eastern. NAEGA members are welcome to join the meeting.

The Brazilian team members are:

- 1) Mr. Adriano Campos, Director - Grande Moinho Cearense S.A.
- 2) Mr. Sergio Chesini, Supply Director - Predileto Alimentos S.A.
- 3) Mr. Edson Csipai, Manager of Wheat Origination - Bunge Alimentos S.A.
- 4) Mr. Irineu Pedrollo , Wheat Supply Manager - J. Macedo S.A.
- 5) Mr. Antonio, Bolzani, Suppy Manager, M. Dias Branco S.A.
- 6) Mr. Osvaldo Seco, Assistant Regional Director - US Wheat Associates, Inc.

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A brochure outlining the trip and includes biographies of the Brazilian Team can be found [here](#). And Background and objectives of the trip 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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## **New Issues & Opportunities for NAEGA Consideration**

### **Japan-U.S. – Trans-Pacific Partnership Negotiations**

President Obama recently visited Japan to provide momentum to the Trans-Pacific Partnership (TPP) negotiations. The results of the meeting between the two main economic powers in the TPP negotiations was mixed, but ultimately no agreement was made on market access issues for U.S. agricultural products in Japan, which are delaying the completion of TPP. Tokyo has maintained that their tariffs on beef, pork, dairy, sugar, rice, and wheat shall remain in place.

When it was known that no formal agreement would be reached, President Obama and Prime Minister Shinzo Abe issued a [joint statement](#) asserting that the two had identified a path forward on important bilateral TPP issues. Although the differences in positions seemed to have narrowed, there is still a lot of work left to be done.

### **U.S. – USDA GIPSA FGIS Directive on Moisture Calibrations**

USDA GIPSA FGIS published [this Directive](#) the on official moisture calibrations for unified grin moisture algorithm (UGMA) compatible meters. The directive defines the official calibrations for use with the DICKEY-john and all Official Service Providers for official grain moisture measurement. The directive specifies new official UGMA-compatible moisture meter calibrations for Soft Red Winter wheat and Soft White wheat. The moistures will not be changed.

If you have any questions concerning the directive, contact Patricia Emick, Moisture Group Leader at (816)-891-0450 or [patricia.j.emick@usda.gov](mailto:patricia.j.emick@usda.gov).

*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**

**5-9** – Beijing, China – USDA-MOA Biotechnology Working Group

**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 – Biotechnology Industry Organization 1201 Maryland Avenue SW, Suite 900 Washington, D.C. – 1:00pm to 5:00pm Eastern

## **June**

**2** – Washington, D.C. – NAEGA and US Wheat Associates meet with Brazilian Trade Team at 2:30pm at its office, 1250 I St. NW, Washington, D.C.

**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

**9-18** – USA – US Grain Council (USGC) Sponsored Regulatory & Biosafety Committee Team to the US

**14** – Fortaleza, Brazil – BRICS Summit

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

## **September**

**TBT** – Denver, Colorado – NAEGA Board Meeting – Hosted by CoBank

**11-12** – Beijing, China – APEC Food Safety Cooperation Forum: Special Session and APEC High-Level Regulatory-Industry Food Safety Dialogue

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**14** – Beijing, China – U.S.-China Agriculture and Food Partnership Symposium

**14** – Seoul, Korea – Korean Rural Economic Institute Food Security Symposium

**14** – Geneva, Switzerland; Rome, Italy – MAIZALL Mission to the WTO & FAO

**18** – Washington, D.C. – Michigan State University/USDA FAS Industry Roundtable International Agricultural Biotechnology Short Course

**18-19** – Beijing, China – APEC Food Security Ministers Meeting, High Level Policy Dialogue on Agricultural Biotechnology

**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**

**1-3** – Panama – Dry Bulk Terminal Group (DBTG) Annual Meeting

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

**24-25** – Beijing, China – Development Research Center Food Security and Sustainability Summit (Potential MAIZALL Mission to China)

### **November**

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

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

### **December**

**14** – Washington, D.C. – Joint Commission on Commerce and Trade (JCCT)

**14** – Seoul, Korea – USGC Sponsored Technical Workshop for Biosafety Committee Members

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