



Outreach June 6, 2019

Thank you for your membership in and work with NAEGA

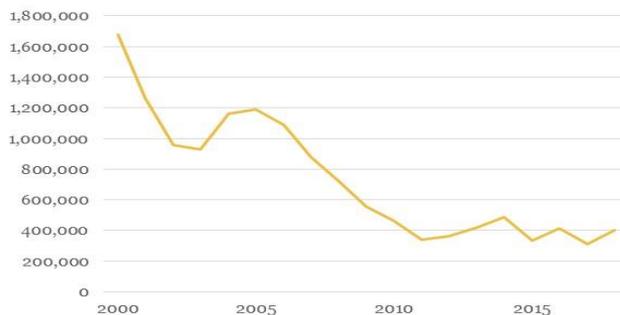
NAEGA is pleased to announce the appointment of Patrick Hayden as NAEGA Director of Operations. Most recently, Patrick was an independent consultant for trade and government affairs where he worked closely Washington, D.C. based food and agriculture groups on trade issues. Prior to that, Patrick was the Director of Policy Advocacy for Food, Agriculture and Retail Trade at the U.S.-India Business Council. In addition, Patrick previously served as NAEGA's Director of Operations from 2007-2013. Welcome back Patrick!

Graphic of the week:

On May 30, President Trump announced new tariffs on Mexico in response to continued illegal immigration

President Trump cited the International Emergency Economic Powers Act as authorizing the move. Tariffs will go into effect at 5 percent on June 10, and increase to as much as 25 percent by October.

US Border Patrol apprehensions by fiscal year



Sources US Customs and Border Protection, The White House, CNS

The tariffs are set to go into effect June 10

The tariffs will start at 5%, then raised an additional 5% each month until reaching 25%.

All Mexican goods will be subject to the tariffs until President Trump deems that Mexico has taken steps to prevent migrants from entering the United States

Mexico has not yet announced any retaliatory measures

Experts suggest the tariffs may make USMCA's passage more difficult in Mexico, where the Senate has not yet ratified it

Action Reports

Recent Actions:

- New Board of Directors Organization
- Amicus Brief on Safe-Berth Clauses
- Report on USGSA Reauthorization
- NAEGA-APPAMEX Trip Report

Pending Actions

- Section 301 China Comments
- IPPC ePhyto Case Studies
- Contracts and Best Practices Seminars – Your advice requested

Upcoming Actions

- London Grain Week
- Contracts Committee Sponsored Travel for Arbitrators

Member Opportunities

- Amicus Brief on Safe Berth Clauses
- London Grain Week – London, UK – June 9-13
- FAS Regional Workshop – Cartagena, Colombia – June 26-28
- USAEDC Attaché Seminar and Workshop – Arlington, VA - July 10-11
- PNWER Annual Summit in Saskatoon, Saskatchewan – July 21-25, 2019
- NAEGA Asia-Pacific Policy Teams
- NAEGA Internship Open

News:

- USDA FGIS Updates Registered Grain Exporters
- U.S. Announces 5% Tariffs on Imported Goods from Mexico
- New U.S. Treasury and Commerce Regulations for Cuba
- USDA Proposes Part 340 Regulations

NAEGA Calendar and Member Notices

- Upcoming events and notices to members

Action Reports

Recent Actions:

New Board of Directors Changes

On Thursday, May 30 the NAEGA Board of Directors met via conference call. In addition to reviewing and making several decisions related to NAEGA actions including approval of the minutes from its [March 2019](#) meeting, the Board made several organizational changes. NAEGA Board Chairman Wes Uhlmeier provided notice of his resignation effective June 1 and after applauding Wes's contribution to NAEGA, the Board named Matt Hopkins of ADM to fill the unexpired term on the Board Wes was elected to. Subsequently, to staff the Executive Committee, the Board elected John Griffith (CHS) as Chairman, Matt Hopkins as First Vice Chair and Augusto Bassanini as Secretary. Holly Womak of Co-Bank, who previously served as both Secretary and Treasurer, will continue as Treasurer. Steve Strong (Bunge), Steve Smalley (Cargill), Gordon Russell (LDC), Carsten Bredin (Richardson), and Kevin LaGraize (Russell Marine) will continue to serve as Vice Chairs.

Amicus Brief on Safe-Berth Clauses

The Board has approved action to proceed to attempt to form a NAEGA Special Interest Group (SIG) to provide for an Amicus Brief to the U.S. Supreme Court Review of Safe-Berth Clauses in Voyage Charter Agreements re: CITGO Asphalt Ref. Co. v. Frescati Shipping Co. At issue is the interpretation and scope of the safe berth clause that appears in all charter party agreements. A split has occurred between U.S. Circuit Courts - the Second and Third U.S. Circuit Courts of Appeal interpret the safe berth clause to essentially impose strict liability on charterer, versus the Fifth Circuit Court of Appeals that applies a much more flexible standard. A split among the circuits is one of the strongest bases for granting Supreme Court review; the Court doesn't take a case solely to reverse a decision it thinks is wrong. The parties filed a letter granting blanket consent for amicus briefs, which will make things easier for the NAEGA SIG put something together and file it. The deadline for the amicus briefs is July 16, 2019.

We believe a brief from the grain industry will be impactful on the Court decision making. U.S. companies that either operate export grain elevators or charter vessels to receive and transport grain to export markets as well as elevator operators that are just selling on an FOB basis have a considerable stake in the U.S. Supreme Court's decision because the safety of berths is periodically challenged.

NAEGA members are asked to consider and indicate your company's interest in participating in the SIG. Please let Gary Martin (gcmartin@naega.org) know who we should include in upcoming meetings and communication regarding the Amicus Brief to the U.S. Supreme Court Review of Safe-Berth Clauses in Voyage Charter Agreements.

Report on USGSA Reauthorization Issues

Last week, NAEGA conveyed a report from Senior Advisor Kirk Miller on "2019 U.S. Grain Standards Act Reauthorization Issues" Kirk's report is part of the extensive work of the NAEGA Grades and Inspections Committees on going consideration and joint work with the NGFA Grades and Weights committee to develop policy related to the in order to inform U.S. Grain Standards Act (USGSA) on September 30, 2020.

Kirk report's on several FGIS actions and commercial trade concerns that the U.S. Congress could be encouraged to consider as part of the USGSA reauthorization. They include

1. Regional coordination and cooperation measures under a future U.S.-Mexico-Canada Agreement (USMCA).
2. General waivers for private third party inspections and weighing.
3. Limiting the use of FGIS grain quality inspections in phytosanitary dispute resolution activities.
4. FGIS oversight and external reviews to ensure that service competitiveness is being met.
5. Alternative practices and procedures to prevent export inspections from bearing the burden of being the last critical control point for control of any pest problems that are being used as TBT's.
6. Promoting scientifically valid risk assessments in U.S. trade dispute resolution. Kirk's report can be accessed [here](#).

NAEGA-APPAMEX Trip Report

Ryan is back from Cancun, Mexico, where he represented NAEGA and IGTC priorities at the 26th Annual NAEGA-APPAMEX Forum. Co-hosted by NAEGA, the forum featured presentations on international grain and oilseeds markets and updates on the future of agricultural trade in the context of several regional agreements such as the North American Free Trade Agreement (NAFTA) and the North American Plant Protection Organization (NAPPO). The forum included contributions from both the current Mexican administration with the attendance of Undersecretary of Agriculture Miguel Garcia Winder. During the forum, Mr. Olson provided remarks at the opening ceremony, gave a presentation on Leading Trade Policies in the Global Economies and represented the International Grain Trade Coalition (IGTC) on multilateral regulatory issues.

A copy of the trip report for the mission can be found [here](#). Ryan presentation can be found [here](#).

Pending Actions:

Section 301 China Comments

The U.S. Trade Representative is seeking public comment on proposed modifications to actions being taken in its Section 301 investigation regarding acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation. The proposed modification is to take further action in the form of an additional ad valorem duty of up to 25 percent on products of China with an annual trade value of approximately \$300 billion.

USTR is seeking public comment and will hold a public hearing regarding this proposed modification based on the below schedule:

June 10, 2019: Due date for filing requests to appear and a summary of expected testimony at the public hearing.

June 17, 2019: Due date for submission of written comments.

June 17, 2019: The Section 301 Committee will convene a public hearing in the main hearing room of the U.S. International

All written submissions can be made on regulations.gov under the docket number USTR-2019-0004.

IPPC ePhyto Case Studies

The International Grain Trade Coalition (IGTC) and the International Plant Protection Convention (IPPC) are seeking industry contributions to “case studies” on the roll out of the IPPC’s ePhyto Solution. In particular, the IPPC is seeking participation from destination countries participating in the hub. Moving forward, the IPPC is seeking, through these case studies, to answer questions such as:

- How did the importing plant protection and quarantine (PPQ) get in contact with the exporter?
- How was the customer made aware of the existence of the ePhyto?
- How did the customer clear customs and who was part of the chain?

If you are interested in participating in a case study, please contact the IGTC secretariat at secretariat@igtglobal.org.

Contracts and Best Practices Seminars – Your advice requested

The NAEGA Contracts Committee is seeking your advice on the location, timing and curriculum of this year's Contracts and Best Practices Seminars. Please let us know if you are interested in attending or hosting a seminar, and what topics we should focus on. This year, the committee is considering contract seminars in the following locations:

- Vancouver, British Columbia
- St. Louis, MO
- Tokyo, Japan
- Winnipeg, Manitoba

NAEGA seminars are an intensive and informative review of commercial and official practices taught in an interactive environment. The goal of each seminar is to improve predictability, reduce risks, resolve trade barriers and facilitate profitable trade.

NAEGA conducts both public and private seminars, and curriculum can be tailored to your needs. Please contact Ryan if you are interested in hosting a private, tailored seminar at your office. [Click here](#) for more information on the in-depth, interactive programs NAEGA conducts!

Upcoming Actions:

London Grain Week

On June 9-13 Katy Lee, Sam Bonilla and Gary are planning to travel to London to lead and participate in events during the London Grain week, including meetings with International Grain Trade Coalition (IGTC), International Grains Council (IGC), the United Kingdom's Agriculture and Horticulture Development Board (AHDB) and GAFTA.

Contracts Committee Sponsored Training for Arbitrators

NAEGA is happy to announce that AAA ICDR is planning a series of training seminars on ICDR case management. The seminar, titled *ICDR International Symposia in Advanced Case Management Issues* is intended to inform participants on AAA ICDR rules and procedures for arbitration panels and provide guidance on managing cases for chairpersons. This seminar fulfills the training requirement for NAEGA arbitrators who are interested in serving as Special Grain Arbitrators and chairpersons on arbitration panels.

This year, ICDR is planning on holding three training seminars, two in North American and one in Europe.

In order to meet our Board of Directors mandated goal of increasing the number of qualified Special Grain Arbitrators, NAEGA is offering financial assistance of up to \$1,000 to arbitrators who are interested in attending this ICDR training or the proposed ICDR trainings in North America. Financial assistance can be used to cover registration fees, airfare or lodging to attend

a training seminar. If you are interested in learning more about this opportunity to attend an ICDR training and receive financial assistance, please contact rolson@Naega.org. More information on upcoming trainings will be shared with arbitrators as it becomes available.

[Click here to return to Index](#)

Member Opportunities:

Amicus Brief on Safe-Berth Clauses

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London Grain Week including IGTC Strategy Session and International Grains Council Grains Conference – June 9-13, 2019

We look forward to seeing colleagues from around the world as government and industry participants in the global grain trade will be in London for a week of meetings and events. A series of events are taking place hosted by the International Grain Trade Coalition, International Grains Council (IGC), the United Kingdom's Agriculture and Horticulture Development Board (AHDB) and GAFTA. Meetings and events will include:

Schedule overview – events open to all IGTC members and Corporate Stakeholders during London Grains Week		
When	What	Where

Monday June 10 9am- 4.30pm	<u>IGTC Strategy Session</u> No cost to attend Between 28-35 people expected Focus of discussions will be on IGTC Policy Teams and Working Groups – list of policy priorities here Registration via Katy Lee secretariat@igtglobal.org	Grange Hotel Tower Hill, 45 Prescot Street, London E1 8GP
Tuesday June 11 and Wednesday June 12	<u>International Grains Council (IGC) annual conference – 20% discount!</u> <i>NOTE: IGC is not the same organization as IGTC. It is a government-to-government body of 53 members based on the implementation of the Grains Trade Convention.</i> Over 200 people are expected to attend, including international organizations, governments, and industry representatives. Payment is required in order to attend this conference. IGTC members benefit from a 20% discount by quoting the code IGTC2019 on the registration page: https://www.igc.int/en/conference/registration/reqform.aspx .	28 Great Russell St, Fitzrovia, London WC1B 3UB, UK
Wednesday June 12 EVENING	<u>Gafta London dinner</u> Payment required (Member 195GBP, Non-member 265GBP) via the following link: https://www.gafta.com/events/London-Dinner-2019-12-Jun-2019-London-UK/62299 For further details please email Megan Smart: events@gafta.com	Private. Details obtained from Gafta events@gafta.com

NAEGA member representatives are especially invited to attend an **IGTC Strategy Session in London on June 10, 2019**. The Strategy Session will involve IGTC members and corporate stakeholders and will include discussions concerning how to strengthen the work of IGTC policy, new and existing commercial requirements for grain producers and seek advice for decision makers going forward in the current business environment. More details and a registration link for the Monday June 10 meetings of the IGTC will be available later this week

The International Grain Trade Coalition is providing discounted registration for the **International Grains Council’s 2019 Grains Conference and Workshops**. To access the savings and register now contact the [IGTC Secretariat](#) for details. You can find more information [here](#). Tuesday, June 11 and Wednesday, June 12 will examine key opportunities and challenges facing the international grain and oilseed industry. Plenary sessions and workshops will include speakers from across the globe sharing their expertise. For example, NAEGA and IGTC President Gary Martin will Chair an IGTC workshop on Wednesday, June 12: “A Dialogue on International Progress through Cooperation” at which cooperation between governments and commercial actors to provide for innovation and enhancement of the trade flows will be expertly examined in this interactive session. Audience comments and suggestions will be incorporated into the dialogue and used to inform IGTC actions and report to governments. IGTC representatives will provide formal remarks and responses to questions from the IGC Council and Conference related to IGTC work with industry and governments around the world to achieve a market and regulatory environment supportive of trade that avoids disruptions in the international trade of grain, oilseeds, pulses and derived products in advance of audience participation. The IGC Conference and Workshops will be held at the Congress Centre at 28 Great Russell Street, London WC1B 3LS

FAS Regional Workshop – Cartagena, Colombia – June 26-28

USDA FAS's Western Hemisphere Regional Policy and Marketing Strategy Workshop, scheduled for June 26-28, 2019 in Cartagena, Colombia is open to U.S. businessperson to participation.

The workshop will be held at the Intercontinental Hotel and will bring together FAS offices in the region to discuss opportunities and threats for U.S. agriculture and build a stronger and more effective working relationship between offices in the Western Hemisphere with USDA stakeholders.

Michael Conlon, the Agricultural Counselor in Colombia is arranging the workshop. On Thursday, June 27, the workshop will focus on improved coordination within public-private partnerships, with sessions on marketing strategies, trade policy trends, and ag stakeholder issues. In the afternoon, there will be one-on-one meetings (speed consultations) between FAS offices and industry participants.

If you would like to attend, please indicate your RSVP with USDA FAS by emailing: Michael Conlon (Michael.Conlon@fas.usda.gov) and Ana Salinas (Ana.Salinas@fas.usda.gov).

USAEDC Attaché Seminar and Workshop – Arlington, VA - July 10-11

NAEGA members are invited to join Gary at the U.S. Agriculture Export Development Council's (USAEDC) annual Attaché Seminar and Workshop on July 10-11 at the Westin Arlington Gateway in Arlington, VA. This year's seminar and workshop will feature a high-level U.S. Government panel and panels concerning Japan, USMCA, the EU, Cuba, Sustainability, Trade Facilitation, among other topics. Participants will hear from FAS Administrator, Ken Isley, about the transformation and re-organization of the Agency and the agenda will include a program update from Deputy Administrator, Mark Slupek. USAEDC will also again be hosting its "speed dating" session between cooperators and USDA FAS attaches.

Online registration and a preliminary agenda will be available in the coming days.

2019 PNWER Annual Summit – Saskatoon, Canada – July 21-25, 2019

Registration is now open for the 2019 Pacific Northwest Economic Region annual summit in Saskatoon, Saskatchewan. Over 500 regional business leaders, legislators, and key decision makers attend the Annual Summit to explore shared challenges in the region, discuss best practices, promote regional relationships, and develop an action plan to address challenges in the coming year. Early bird registration is provided through April 30. Register early to take advantage of early bird pricing! More information. Register [here](#).

Asia-Pacific Policy Teams

With the evolving U.S.-China trade relationship, we expect many more fast paced and dramatic developments that could greatly change the terms of trade for NAEGA members. Your involvement is needed!

NAEGA ad hoc policy teams of member personnel working largely through conference calls are helping to guide our multifaceted effort to address the evolving trade environment. A policy team focused on the Asia-Pacific Market is already established. Over the next few months the team will be focused on U.S. trade relations with China, Japan, Korea and the Trans Pacific environment more generally.

Internships

We have an open intern position starting in the summer of 2019 to work at the NAEGA office at 1400 Crystal Drive, Arlington, VA 22202. Information on working for NAEGA as an intern can be found [here](#).

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](#)

News

USDA FGIS Updates Registered Grain Exporters

Last week, USDA's Federal Grain Inspection Service (FGIS) published its latest list of registered grain exporters. The most recent list can be found [here](#).

Companies wishing to register as exporters with FGIS should click [here](#).

U.S. Announces 5% Tariff on Imported Goods from Mexico

On May 30, 2019, the White House released a statement announcing the imposition of a 5 percent tariff on all goods imported from Mexico starting on June 10, 2019 in response to migrant flows across the U.S.-Mexico border.

In addition, the White House announced that these tariffs will be raised to 10 percent on July 1, 2019, 15 percent on August 1, 2019, 20 percent on September 1, 2019 and to 25 percent on October 1, 2019 if steps to reduce border crossing are not taken.

The Mexican President, Andrés Manuel López Obrador, released a letter the following day, on May 31, 2019, responding to President Trump's declaration by denouncing the use of tariffs as an effective way to solve the migrant problem. President López Obrador proposed that both countries opt "for development cooperation to help Central American countries to attract productive investments that create jobs to resolve this grave issue at its core".

The White House declared that tariffs will remain in place until Mexico acts to substantially stop the illegal migration to the US.

The full statement from the White House can be seen [here](#).

The full letter by the Mexican President can be seen [here](#).

New U.S. Treasury and Commerce Regulations for Cuba

On June 4, 2019 the Trump Administration announced changes that will add new restrictions to travel to Cuba. The actions will not affect business travel, nor do they affect any regulations that govern agricultural or any other business with Cuba.

The changes include:

1. Elimination of group people-to-people travel. This is the easiest and most popular category of American travel, used by National Geographic, Road Scholar, and many other tour companies. The Administration views these trips as “veiled tourism” and has ended them. People who have already booked flights or lodging under this category will be able to proceed with their trips.
2. Vessel restrictions. Trump is reversing the Obama Administration policy that made it easy for private planes, yachts, sailboats, and cruise ships to travel to Cuba. It is possible for these vessels to go to Cuba, but they will have to apply for permission and the presumption is that licenses will not be granted. U.S. cruise ship visits to Cuba will end. Commercial airlines are unaffected, except that they are likely to reduce flights if demand falls.

USDA Proposes Part 340 Regulations

On Wednesday, June 5 the USDA’s Animal and Plant Health Inspection Service (APHIS) announced the availability of a proposed rule titled “Movement of Certain Genetically Engineered Organisms.” The new rule is, code named SECURE in short for Sustainable, Ecological, Consistent, Uniform, Responsible and Efficient, marks the first significant revision of USDA’s biotechnology regulations since they were established in 1987.

A copy of the proposed rule can be found [here](#).

[Click here to return to Index](#)

Calendar & Member Notices

Click [here](#) for a copy of the IGTC Calendar

2019

June

- 3-6** - USDA FAS Trade Mission – Bogota, Colombia
- 10** – IGTC Strategy Session – London, UK
- 10** – International Grains Council’s 49th Session
- 10** – Due date for filing requests to appear at the Section 301 hearing on China tariffs
- 10** – Due date to submit written comments to the USTR on China tariffs
- 11-12** – 28th IGC Grains Conference and Workshops
- 17** – Section 301 Committee public hearing on China
- 26-28** – FAS Western Hemisphere Regional Policy and Marketing Strategy Workshop – Cartagena, Colombia

July

- 10-11** – USAEDC Attaché Seminar and Workshop – Arlington, VA
- 21-25** – PNWER Annual Summit
- 22** – NAEGA meeting with JFMA and JFTA on corn quality

September

- 6** – IGC Market Conditions Committee – London, UK

October

- 14-17** – USDA FAS Trade Mission – Ho Chi Minh City, Vietnam
- 28-31** – USDA FAS Trade Mission - Nairobi, Kenya

November

- 5-8** - USDA FAS Trade Mission – Mexico City, Mexico

December

- 2-4** – NGFA Country Elevator Conference – Indianapolis, IN
- 3** – International Grains Council’s 50th Session – London, UK

2020

March

- 8-10** – NGFA Annual Convention – Austin, TX

December

- TBC** – COP 15 – CBD – Beijing, China

2021

March

- 14-16** – NGFA Annual Convention – San Diego, CA

2022

December

- TBC** – COP 16 – CBD – Turkey

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[Click here to return to Index](#)