



"Working Together to Make Trade Work"

OUTREACH July 14, 2014

Thank you for your membership in and work with NAEGA

Member Event Schedule – July-September

Action Reports:

- Grain Inspection Disruption in Vancouver, WA
- NGFA/NAEGA Joint Comments on FDA Food Defense Rule
- Proposed USDA APHIS Fee Increase

More Participation Opportunities:

- U.S. Import Document Image System Pilot Test
- Latin American Buyers Conference

Information for your consideration

- Darci Vetter Confirmed as USTR's Chief Agricultural Negotiator
- New Interpretation of the Japanese Constitution
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NAEGA Calendar and Member Notices

- Upcoming Events and Notices for Members

Member Event Schedule – July-September:

All NAEGA member personnel are invited to participate in NAEGA activities over a significant number. Below is a list of NAEGA events we hope to see you at. Please let us know which events you plan to attend:

- 1. July 28 -29, Westin Crown Center Hotel in Kansas City, Missouri** in conjunction with the [FDA Food Defense Workshop](#) on July 29 and the [NGFA/Grain Journal Safety Conference](#) July 29-31. NAEGA Events:
 - **July 28 - NGFA-NAEGA Joint Agroterrorism/Facility Security Committee meets from 1:00 to 3:00 pm.**
 - **July 28 - Alternative Security Program Users Meeting from 3:00-5:00 pm.**

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- **July 28 - NAEGA Dinner & Update – 7:00 PM – Location in KC is to be determined.**

 - **July 29 - Commercial Contract Seminar.** NAEGA staff, including Sam Bonilla, will provide an intensive review of current developments and practices in international grain trade contracts focused on the NAEGA 2.
- 2. August 7 and 8, Hilton Hotel in Vancouver, Washington. NAEGA Events:**
- **Thursday, August 7 - USDA GIPSA-Industry Workshop**

 - **Thursday August 7 - NAEGA Dinner & Update -** Location in Vancouver, Washington area is to be determined.

 - **Friday August 8 - Commercial Contract Seminar** NAEGA staff, including Sam Bonilla, will provide an intensive review of current developments and practices in international grain trade contracts focused on the NAEGA 2.
- 3. August 11 and 12, Washington, DC IGTC Strategy Session and Meetings -** NAEGA members and International Grain Trade Coalition (IGTC) members are invited to attend the Strategy Session and Meetings. Agenda will include strategy sessions on key policy initiatives including the Biosafety Protocol / COP MOP 7 meeting in Korea, the evolving IPPC International Standard for Phyto-sanitary Measures for Grain Movement (Grain ISPM) and the Global Low Level Presence Initiative (GLI). IGTC organizational structure and future business planning will also be addressed. The National Grain and Feed Association (NGFA) and the North American Export Grain Association (NAEGA) will host the meeting at their conference room at 1250 Eye St NW Suite 1003 Washington, DC 20005.
- 4. August 21-24, Puerto Vallarta, Mexico 2014 APPAMEX-NAEGA Forum**
- 5. Friday, September 26, 2014 at CoBank’s offices in Denver, Colorado NAEGA Board of Directors Meeting.** NAEGA Members are encouraged to submit items for the consideration of the Board.

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Reports on NAEGA Actions

Grain Inspection Disruption in Vancouver, WA

NAEGA, NGFA and the National Association of Wheat Growers are working with a large number of U.S. agricultural producer and agribusiness groups to address the disruption in U.S. official

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grain inspection services at the Port of Vancouver, WA. The effort builds upon work late last year and included a letter to USDA Secretary Vilsack last October when the Washington State Department of Agriculture (WSDA) began intermittently suspending official grain inspections – a responsibility that it has been contractually delegated to perform by USDA’s Federal Grain Inspection Service.

On July 1, WSDA formally notified USDA that it was halting official services to one facility effective July 7 after the Washington State Patrol ended its escort service for WSDA inspectors for budget reasons. WSDA continues to allege generalized safety concerns to its inspectors emanating from the lockout of the International Longshore and Warehouse Union – concerns that have not been documented.

[This industry letter](#) will be conveyed on Monday, July 14. It includes many more signatory organizations than the October letter. In it we urge FGIS to immediately step in to provide official inspection services with its own personnel, or with inspectors from other qualified third-party providers.

We have also asked the USDA Grain Inspection Advisory Committee, which is scheduled to start Tuesday morning in Kansas City, Mo. To consider a resolution recognizing these troubling developments and urging that FGIS take whatever actions are necessary to immediately restore Official grain inspection and weighing service wherever and whenever it is disrupted, either by immediately replacing absent inspectors with FGIS Official personnel or with inspectors from available qualified providers, including other designated or delegated Official Agencies.

NGFA/NAEGA Joint Comments on FDA Food Defense Rule

NAEGA joined the National Grain and Feed Association (NGFA) in submitting [comments](#) to the U.S. Food and Drug Administration (FDA) on the [proposed food defense rule](#). The proposed rule is part of FDA’s implementation of the Food Safety Modernization Act’s (FSMA) provisions mandating domestic and foreign facilities required to register under the federal Food, Drug and Cosmetic Act (FDCA) to address hazards that may be intentionally introduced by acts of terrorism.

The comments expressed NGFA and NAEGA support for provisions in the proposed rule that would exempt the manufacturing, processing, packing and holding of animal feed and pet food from FDA’s proposed regulation. The comments ask that the FDA’s proposed definition of “holding” expressly include activities that grain handling facilities traditionally perform to safely and effectively store food so as to provide such facilities with a clear exemption from FDA’s proposed regulations. For example, liquid storage and handling at grain-handling facilities represents an extremely low risk of intentional adulteration of human food, and such an activity should be encompassed within FDA’s definition of “holding.” In the comments, it is suggested that the FDA’s definition of holding be (NGFA-NAEGA language boldfaced and underscored):

“Holding means storage of food. Holding facilities include warehouses, cold storage facilities, storage silos, grain elevators, and liquid storage tanks. **For facilities, holding also includes activities performed for the safe or effective storage of raw agricultural**

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commodities other than fruits and vegetables intended for further distribution or processing, but does not include activities that transform a raw agricultural commodity, as defined in section 201(r) of the Federal Food, Drug, and Cosmetic Act, into a processed food as defined in section 201(gg) of the Federal Food, Drug, and Cosmetic Act. For farms and farm mixed-type facilities, holding also includes activities traditionally performed by farms for the safe or effective storage of raw agricultural commodities grown or raised on the same farm or another farm under the same ownership, but does not include activities that transform a raw agricultural commodity, as defined in section 201(r) of the Federal Food, Drug, and Cosmetic Act, into a processed food as defined in section 201(gg) of the Federal Food, Drug, and Cosmetic Act.”

Proposed USDA APHIS Fee Increase

NAEGA has been working with a group of stakeholders to monitor and influence the USDA Animal and Plant Health Inspection Service (APHIS)’s pending AQI fee increase rulemaking. Last week the group met with APHIS’s Administrator, Kevin Shea, on the pending rulemaking. In anticipation to the meeting and in response to the notice of the proposed rulemaking, the group of stakeholders prepared this [one-pager](#) on the topic. NAEGA’s primary concern is the rules potential adverse impact on trade.

More NAEGA Member Participation Opportunities:

U.S. Import Document Image System Test Pilot

USDA Animal Plant Health Inspection Service (APHIS) and the U.S. Customs and Board Protection (CBP) will conduct a pilot test of the Document Image System (DIS) to upload required shipment documentation for products entering the U.S. under specified [Harmonized Tariff Schedule \(HTS\) Codes](#). Additional information pertaining to technical specifications (see DIS Implementation Guidelines) can be accessed on CBP.gov at the following link: <http://www.cbp.gov/document/forms/dis-implementation-guide>.

Latin American Buyers Conference

NAEGA members are invited to attend U.S. Wheat Associate’s Latin American Buyers Conference in Herradura, Costa Rica. Wheat purchasing decision makers from Brazil, Chile, Colombia, Ecuador, Peru, Mexico, Central America, Venezuela, and the Caribbean are expected to attend this event focused on promoting U.S. Wheat exports. The conference starts at 7:00 pm on Tuesday, July 29 with a welcome reception and continues through Thursday, July 31. The hotel is the Marriott Los Suenos, located about 1 1/2 hours west of the San Jose airport. Everyone who plans to attend the LABC should make hotel reservations directly using [this link](#). Please let us know if you plan to attend.

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

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Comments Extended July 24 (originally were due 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](#).

July 28 – Comments to U.S. Department of Commerce on a proposal to reinstate the reporting requirements for the BE-13, Survey of New Foreign Direct Investment in the United States, which was discontinued in 2009 due to budget reductions. The Department of Commerce is proposing this action to better measure its efforts through the “Build It Here, Sell It Everywhere” initiative to expand foreign business investment in the U.S. 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.

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

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Information for your Consideration

Darci Vetter Confirmed as USTR’s Chief Agricultural Negotiator

On July 9th, Darci Vetter was confirmed by the Senate to be the next chief agricultural negotiator for the Office of the U.S trade Representative (USTR), a position that has been vacant since February. Vetter was approved by voice vote and now moves from her position as deputy under secretary for farm and foreign agricultural services to the USTR.

Congress created the chief agricultural negotiator position in 1997 to ensure that U.S. agriculture is fully represented in trade negotiations. Ms. Vetter will bring a wealth of experience to the position as she most recently oversaw the USDA’s international activities, and had key responsibilities in international trade negotiations and export assistance programs. Before joining USDA, she served as an International Trade Advisor on the Democratic Staff of the U.S Senate Committee on Finance. Prior to her work on Capitol Hill, Ms. Vetter was the director for agricultural affairs at the USTR. In this position she was responsible for facilitating the North American Free Trade Agreement (NAFTA) implementation and resolving agricultural trade issues with Canada and Mexico, as well as participating in the World Trade Organization (WTO) Doha Round negotiations.

New Interpretation of the Japanese Constitution

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On July 1st, Japanese Prime Minister Abe has replaced the longstanding interpretation of Japan’s constitution in regard to national defense. Japan's constitution renounced war as a sovereign right of the nation and banned the creation of any military except for self-defense. But the new interpretation would permit the country to act for "collective self-defense." The Self Defense Forces will likely have an active part to play in regional security. The cabinet’s decision would allow the Japanese Self Defense Forces to join multinational peacekeeping operations, come to the aid of and cooperate more fully with allies, such as the United States, when either country is attacked.

The policy shift has been high on the Prime Minister’s agenda in response to severe military tensions by China, and the growing threat of a nuclear-armed North Korea which executed a new series of ballistic-missile tests on June 29.

WTO Negotiations on Elimination of Tariffs on Environmental Goods

The Office of the U.S. Trade Representative (USTR) issued a [press release](#) on July 8th, 2014 announcing the launch of the Environmental Goods Agreement (EGA) Negotiations in Geneva, an initiative steered by numerous members of the World Trade organization (WTO) designed to eliminate tariffs on environmental imports.

According to the release, WTO members will “engage in intensive negotiations, meeting regularly in Geneva, to discuss the substance of the agreement, including product coverage. This initiative will strengthen the rules-based multilateral trading system, support its mission to liberalize trade, provide important impetus to the Doha Development Agenda negotiations and benefit all WTO Members.” Participating economies include Australia, Canada, China, Costa Rica, the European Union, Hong Kong, China, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Chinese Taipei, and the United States.

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

July

9-18 – USA – US Biotech Crops Alliance (USBCA)-US Grain Council (USGC) Sponsored China Regulatory & Biosafety Committee Team to the US

14 – Washington, DC – National Corn Growers Association (NCGA) Trade Policy and Biotechnology Action Meeting – Gary attending and presenting.

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14 – Washington, DC – Japan Feed Manufacturers (Association) (JFMA) Meeting at NAEGA/NGFA Conference Room.

14 – Fortaleza, Brazil – Brazil Russia India China South Africa (BRICS) Summit

15-16 – Arlington, VA – U.S. Agricultural Export Development Council (USAEDC) Attaché Seminar and USBCA reception. The agenda can be found [here](#).

17 – Arlington, VA – Africa Global Broad-based Initiative (GBI) meeting. NAEGA staff attending.

22 – Chicago, IL – U.S. Soybean Export Council (USSEC) Industry Advisory Council Meeting – NAEGA President and CEO, Gary C. Martin attending

20 -24, Whistler, B.C - PNWER 24th Annual Summit <http://www.pnwer.org/2014summit.html>

28 – Kansas City, MO – Alternative Security Plan (ASP) Users Meeting – 3:00pm – 5:00pm Central Time – ASP users only. NAEGA Dinner and Update - all NAEGA members and Contract Seminar participants invited. The invitation and agenda can be found [here](#).

29 – Kansas City, MO – Commercial Contract Seminar/Training. The invitation and agenda can be found [here](#).

August

4 – Washington, DC – South China Morning Post U.S. Business Report interview with NAEGA at NAEGA/NGFA Conference Room

7 – Vancouver, Washington – USDA GIPSA Industry Workshop.

8 – Vancouver, Washington – Potential NAEGA Update Commercial Contract Seminar/Training.

11-12 – Washington, DC – International Grain Trade Coalition (IGTC) Meeting at NAEGA/NGFA office.

13 – Washington, DC – American Soybean Association and Illinois Soybean Association Biotechnology Roundtable – NAEGA President, Gary Martin to participate on a panel.

21-24 – Puerto Vallarta, Mexico – APPAMEX – NAEGA Forum – Velas Hotel. <http://www.appamex.com.mx/>

September

5 – Washington, DC - NAEGA MAP compliance review by USDA FAS.

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8-12 – London, England – International Maritime Organization (IMO) subcommittee meeting of Carriage of Cargoes and Containers (CCC). The agenda can be found [here](#).

11-12 – Beijing, China – Asia-Pacific Economic Cooperation (APEC) Food Safety Cooperation Forum: Special Session and APEC High-Level Regulatory-Industry Food Safety Dialogue.

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

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

14 – Geneva, Switzerland; Rome, Italy – USBCA-The International Maize Alliance (MAIZALL) Mission to the WTO & FAO

18 – Washington, D.C. – Michigan State University/USDA FAS Industry Roundtable International Agricultural Biotechnology Short Course. Gary Martin on the panel

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

26 – Denver, Colorado – NAEGA Board Meeting – Hosted by CoBank

29-October 3 – Pyeongchang, Korea – 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

1-3 – Panama – Dry Bulk Terminal Group (DBTG) Annual Meeting, Gary Martin planning to present and attend.

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

20-24 – Huatulco, Oaxaca, Mexico – The North American Plant Protection Organization (NAPPO) and the National Plant Protection Organization of Mexico. <http://www.nappo.org/>

24-25 – Beijing, China – Development Research Center Food Security and Sustainability Summit

November

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

17-20 – Baltimore, MD – USAEDC Annual Workshop

December

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

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

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