

## OUTREACH July 28, 2014

Thank you for your membership in and work with NAEGA

### Member Event Schedule – July-September

#### Action Reports:

- USDA Urged to Immediately Restore Official Grain Inspection Service at Port of Vancouver, Wash.
- China Biotech
- APHIS AQI Fee Increase Letter
- Mexico Phyto Requirements – Canadian Soybeans Transiting U.S.

#### More Participation Opportunities:

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

#### Information for your consideration

- Canada-U.S. Announce New Beyond the Border Services
- Statements by USTR Ambassadors on the WTO Trade Facilitation Agreement
- U.S. Export Credit Guarantee Allocations

#### 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. A proposed agenda can be found [here](#). 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

### **USDA Urged to Immediately Restore Official Grain Inspection Service at Port of Vancouver, Wash.**

Citing the “extremely troubling precedent” being set, 22 national, regional and state agricultural producer, commodity and agribusiness organizations including NAEGA have urged the U.S. Department of Agriculture (USDA) to take immediate action to restore official grain inspection and weighing services at the Port of Vancouver, Wash.

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In a recent letter to Secretary of Agriculture Tom Vilsack and other key administration officials, the organizations cited a July 1 notice by the Washington State Department of Agriculture (WSDA) that effective July 7, it no longer would fulfill its obligation to provide official grain inspection and weighing services at the Pacific Northwest port. The port is being picketed by the International Longshore and Warehouse Union (ILWU) as part of an ongoing labor dispute. WSDA had been delegated the responsibility to provide official grain inspection and weighing services at the port by USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA).

The NGFA, NAEGA and several other organizations had met last October with GIPSA Administrator Larry Mitchell and other USDA officials to urge that the agency prepare contingency plans to ensure an "immediate and effective" program to continue official services at the port after several previous interruptions in service triggered by WSDA inspectors being ordered by WSDA officials to cease inspections. In the July 1 notice stating that it was suspending official inspection services indefinitely, effective July 7, the director of WSDA's grain inspection program stated as one of the reasons the belief that the "continued provision of inspection services appears to have been unhelpful in leading to any foreseeable resolution" of the labor dispute.

"To our knowledge, this latest announcement by a designated state agency declining to provide official services is unprecedented," the groups wrote in their letter to Vilsack. "We believe WSDA's actions create an extremely troubling precedent that will cause irreparable damage to the integrity and reliability of the nation's official grain inspection system."

The organizations also cited the "uncertainty" already created for producers within the U.S. grain export industry and among international buyers of U.S. commodities regarding potential future disruptions of official services at facilities operating at other U.S. export ports. "The disruptions that already have occurred have put at risk the United States' reputation as a reliable supplier of grains and oilseeds to foreign customers," the groups wrote. "In the absence of WSDA's reliable performance of its duties, FGIS must intervene and make the necessary arrangements to provide the mandatory official (inspection) services."

Federal law prohibits the export of U.S. grains and oilseeds unless officially inspected and weighted by official personnel in accordance with the U.S. grain standards. In addition, such exports are required to be accompanied by official certificates showing the official grade designation and certified weight, unless the requirement is waived by the secretary of agriculture and the grain is not sold or exported by grade. Under the U.S. Grain Standards Act, Congress vested in USDA the responsibility and obligation to provide official inspection services to facilitate efficient and cost-effective marketing of U.S. grains and oilseeds.

"To this point, confidence that the U.S. official grain inspection system will function in a continuous and consistent manner – and not be subject to unwarranted disruptions – has been instrumental in facilitating the ability of U.S. farmers and agribusinesses to reliably serve foreign customers and remain competitive in world markets," the groups wrote in the letter to Vilsack,

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adding that it had been a model of integrity. “But the recent decision by WSDA, and the subsequent inaction to this point of FGIS to fulfill its (statutory) mandate to provide official inspection services, risks sullyng that hard-earned reputation, to the long-lasting detriment of U.S. agriculture. It also sends a dangerous signal to any third-party that might wish to disrupt U.S. grain export trade.

National organizations signing the letter to Vilsack were: Agricultural Retailers Association; American Farm Bureau Federation; American Soybean Association; National Association of Wheat Growers; National Corn Growers Association; National Grain and Feed Association; National Oilseed Processors Association; North American Export Grain Association; Transportation, Elevator and Grain Merchants Association; U.S. Grains Council; U.S. Soybean Export Council; and U.S. Wheat Associates.

State and regional organizations signing the letter were: Idaho Grain Producers, Minnesota Grain and Feed Association, Montana Grain Growers Association, North Dakota Grain Dealers Association, North Dakota Grain Growers Association, Oregon Wheat Growers League, South Dakota Grain and Feed Association, South Dakota Wheat Inc., Pacific Northwest Grain and Feed Association and Washington Association of Wheat Growers.

To read the entire letter, [click here](#).

### **China Biotech**

China’s Import Inspection Authority (AQSIQ) has notified of a requirement for all imported DDGS to be certified free of MIR 162. The new requirement was apparently effective for all shipments departing from July 24. Shipments that do not meet the certification requirement will be rejected.

NAEGA received this [letter from AQSIQ](#) (unofficial translated by FAS/Beijing) notifying USDA FAS about the new certification requirements. NAEGA will continue to press the U.S. Administration to enter negotiations to provide for trade of crops as it did in December. The translation of the letter from AQSIQ leads to more questions so it is encouraged for NAEGA members to provide us with questions, suggestions for actions, and all relevant information you can share about how this is being implemented in China.

### **APHIS AQI Fee Increase Letter**

NAEGA, along with a broad group of agriculture, manufacturing, pest management, and shipping and logistics organizations, submitted [comments](#) to the Animal and Plant Health Inspection Service (APHIS) Agricultural Quarantine Inspection (AQI) user fee increase for overtime services. The comments encouraged APHIS to withdraw the current proposal and establish a working group to evaluate if the activity-based costing (ABC) methodology is the best method to calculate costs. Any further proposals and data should be peer reviewed and verified by the USDA chief economists and a qualified third party. Further, APHIS should also look for additional ways to cut costs and improve efficiency before increasing fees. If a fee increase is still determined to be

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necessary, the implementation of the fee should take place over several years to allow affected parties to adjust to the increase.

### **Mexico Phyto Requirements – Canadian Soybeans Transiting U.S.**

NAEGA assisted in securing [this letter](#) from USDA Animal and Plant Health Inspection Service (APHIS) regarding Mexico’s phytosanitary requirements for Canadian soybeans entering Mexico from the U.S. The [letter](#) asks Mexico to clarify whether a U.S. phytosanitary certificate (PC) for Canadian origin soybeans is acceptable instead of a Canadian PC and a U.S. re-export certificate. Currently, the U.S. does not require a PC as a condition for entry for Canadian soybeans.

### **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:**

#### **2014**

**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](#).

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*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**

### **Canada-U.S. Announce New Beyond the Border Services**

The Canada Border Services Agency (CBSA) and the U.S. customs and Border Protection (CBP) announced they will deliver on several Beyond the Border Action Plan commitments. The two agencies **announced** new services including:

- The official opening of the eGate pilot project that allows NEXUS members extended expedited passage at the Peace Bridge port of entry in Fort Erie, Ontario.
- Eligibility to apply to join the Customs Self Assessment (CSA) importer program is being extended to importers based in the United States. Previously, only importers residing in Canada or, in the case of corporations who had their head office in Canada or operated a branch office in Canada, were eligible to participate in the CSA program.
- The CBSA has launched a new online Trusted Trader Portal that allows companies to apply for membership in the Partners in Protection (PIP) program and allows existing members to maintain their Trusted Trader membership.

### **Statements by USTR Ambassadors on the WTO Trade Facilitation Agreement**

U.S. Trade Representative (USTR), Michael Froman and Deputy USTR, Micael Punke recently made statements in Geneva, Switzerland about the World Trade Organization (WTO) Trade Facilitation Agreement reached in Bali in December 2013.

"After long and difficult negotiations, Ministers in Bali unanimously agreed last December on a package of agreements, including the Trade Facilitation Agreement and an agreement on food stockpiling, each with its own work program and timetable. A decision to walk away from that package would have serious ramifications on the future of the Doha Round." Said Ambassador Froman.

"The current state of play on Trade Facilitation threatens to deal a serious blow to the credibility of the multilateral trading system and to set back the development needs of many countries around the world. We will be consulting with other WTO Members on appropriate next steps." Ambassador Froman continued.

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Ambassador Punke boiled it down to a simple question: “Will Members of the WTO keep their commitments?” He says, “The United States Stands behind its word. We believe the vast majority of WTO Members take their obligations seriously. Today, we are extremely discouraged that a small handful of Members in this organization are ready to walk away from their commitments at Bali. ... [I]f the Bali package fails, there can be no post-Bali.

### **U.S. Export Credit Guarantee Allocations**

The U.S. Department of Agriculture's Foreign Agricultural Service (FAS) today allocated additional fiscal year 2014 funds for the Export Credit Guarantee Program (GSM-102). Details are available at: <http://www.fas.usda.gov/programs/export-credit-guarantee-program-gsm-102/gsm-102-allocations>

For additional information, please contact the FAS Credit Programs Division at [gsm.registrations@fas.usda.gov](mailto:gsm.registrations@fas.usda.gov) or (202) 720-6211.

*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**

**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.

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**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.

**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 – 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, 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/>

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**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)

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

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