



*“Working Together to Make Trade Work”*

## **OUTREACH July 6, 2015**

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

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## Reports on NAEGA Actions

### China Grain Law

Working via the International Grain Trade Coalition (IGTC), NAEGA completed work to coordinate with the COFCO Group, China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce & Animal By-Products (CNFA), and Canada Canola Council for the upcoming meeting in Beijing to examine and address from a global industry perspective the draft General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) Administrative Measures for Inspection, Quarantine and Supervision of Inbound and Outbound Grains. NAEGA has a high priority on responding the "New Grain Law" (copy of the draft text [here](#)). Gary Martin, who serves as IGTC President, will lead the IGTC delegation of Members and Corporate Stakeholders at the August 11<sup>th</sup> and 12<sup>th</sup> meetings. All NAEGA members are invited to attend. Gary plans to convene with NAEGA members in Beijing on Monday August 10<sup>th</sup> in advance of the meeting.

### Canada's Directive D-12-05 - APHIS formal request to NAEGA

NAEGA is preparing a response to this letter from USDA Animal and Plant Health Inspection Service (APHIS) (linked [here](#)). The letter requests our assistance in providing for alternative measures to support U.S. exports and provide for compliance with Canada's Directive D-12-05. The Canadian Food Inspection Agency (CFIA) directive provides for new import requirements for grain (other than barley, oats, rye, triticale, and wheat) from the continental United States. **NAEGA members who wish to work with our efforts to respond to this request should contact Gary immediately. We plan to respond formally before July 15.**

### GHS Sub-Committee Meeting

Last Monday, Jerry Cotter attended the opening session of the UN Globally Harmonized System (GHS) Sub-committee meeting and met with representatives from several of the delegations. Following a meeting that Jerry attended with the Argentinian Agriculture Counselor in December, their government created a task group consisting of government, trade association and industry reps to develop an informal paper for the GHS sub-committee and the Dust Explosion Correspondence Group (CG) to consider.

After the U.S. updated the full committee on the status of the CG, the Argentinian delegation made an official statement, based on the informal paper, opposing the proposal to classify agricultural products i.e. grain, cereal and flour as an explosion hazard and recommending that ag products be exempted from being classified as a chemical.

OSHA responded to the intervention by stating that it is "pre-mature" to specifically exempt agricultural products from the GHS when the CG is still in the process of identifying how dust explosion hazards can be identified and addressed. The Chairman concluded the discussion by stating that there are still "significant differences between the technical experts on agricultural

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dust." He said that it is an issue that will not be resolved today so the CG should continue to address until it is resolved.

A trip report for GHS Sub-Committee meetings will soon be made available.

## **NAEGA Future Actions**

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

### **2015**

**U.S. Review of Coordinated Biotechnology Framework** – ASAP NAEGA will be engaged in a White House initiative intended to update and improve the U.S. Coordinated Biotechnology Framework. The White House issued a memorandum directing the three Federal agencies that have oversight responsibilities for the products of biotechnology—the Environmental Protection Agency (EPA), the Food and Drug Administration (FDA), and the Department of Agriculture (USDA)—to update the Coordinated Framework, develop a long-term strategy to ensure that the system is prepared for the future products of biotechnology, and commission an expert analysis of the future landscape of biotechnology products to support this effort.

NAEGA looks forward to receiving member input. More information can be found [here](#).

August 14 – Comments to USDA on proposed changes to the Facility Guarantee Program that would expand program coverage and streamline the application process, enhancing the program’s ability to support U.S. agricultural exports. The proposed rule can be found [here](#).

*NAEGA Actions on Current Issues are tracked on the Member’s Only Section under their relevant committee pages.*

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## **Member Opportunities**

### **Big Sky, Montana – PNWER Annual Summit – July 12-16, 2015**

The 25<sup>th</sup> Pacific Northwest Economic Region (PNWER) Annual Summit brings together over 500 key business leaders, legislators and government leaders from the ten PNWER states, provinces and territories to address the major policy issues impacting the region.

This year’s summit will be held in Big Sky, Montana from July 12-16. U.S. and Canada Ambassadors, Bruce Heyman and Gary Doer, have confirmed their attendance and will be speaking. [Please click here to register.](#)

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**Montreal, Quebec - US Biotech Crops Alliance Technology meeting July 29-30**

Integral to the new U.S. Biotech Crops Alliance business plan, as endorsed by NAEGA, the Alliance will conduct a “Technology Meeting” on July 29-30 in Montreal, Quebec, Canada.

The meeting will bring together value-chain stakeholders with technology providers to discuss:

- 1) specific biotech-enhanced events in the developmental pipeline,
- 2) status of efforts to obtain approvals/authorizations of foreign countries and
- 3) stewardship plans that the technology provider intends to implement

The agenda includes a plenary discussion of biotech traits in U.S. export markets and projections on anticipated foreign import markets and a full day of two hour discussions with each technology provider.

NAEGA is invited to participate and the Biotechnology Committee is in the process of assembling a team of NAEGA representatives to join NAEGA President Gary Martin in Montreal.

Please contact us as soon as possible if you or a colleague are interested!

**Rosemont, Illinois – Ag Transportation Summit – August 4 and 5, 2015**

This will be the second Ag Transportation Summit hosted by the U.S. Department of Agriculture, the National Grain and Feed Association, and the Soy Transportation Coalition. The title of the 2015 summit is “Transportation Capacity: Overcoming the Challenges”.

Goals of the summit include: raising awareness of the importance of transportation to the success and profitability of U.S. agriculture; precipitating and motivating further action to promote a transportation infrastructure that better serves the interests of U.S. agriculture; providing a venue for advocates of U.S. agriculture to network and develop collaborations for the purpose of promoting the transportation needs of U.S. agriculture; and building bridges between government and agricultural interests that will result in more effective promotion of agricultural transportation issues.

The summit will be held all day on Tuesday, August 4, and the morning of Wednesday, August 5 at the Westin O’Hare is located a short distance from Chicago O’Hare Airport. [Please click here to register.](#)

**China – New Grain Law meeting August 10-12, 2015**

COFCO Group and China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce & Animal By-Products (CFNA) have invited IGTC members and corporate stakeholders to meet, discuss, and respond to the AQSIQ draft Administrative Measures for Inspection, Quarantine, and Supervision of Inbound and Outbound Grains. This meeting is a result of NAEGA Grades and Inspection Committee high priority to respond the “New Grain Law”. Gary Martin will lead the IGTC delegation of Members and Corporate Stakeholders at the August 11<sup>th</sup> and 12<sup>th</sup> meetings. Gary plans to convene with NAEGA members in Beijing on Monday August 10 in advance of the meeting.

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All NAEGA members are invited to attend. Additional details will be included in a forthcoming invitation. Meanwhile please contact Gary if you and/or colleagues are interested in attending the meetings.

The invitation letter can be found [here](#).

### **Puerto Vallarta, Mexico – APPAMEX/NAEGA Forum – August 13-15, 2015**

The 22<sup>nd</sup> APPAMEX/NAEGA Forum will take place in Puerto Vallarta, Mexico at the [Hyatt Ziva Hotel](#) from August 13-15. The registration fee will be \$380 USD for participants. Invitations and more details will be available soon.

### **Government and Industry Workshop in Portland – August 27, 2015**

Mark your calendars! NAEGA and NGFA are working with the Pacific Northwest Grain and Feed Association (PNWGFA) to host a FGIS/Industry Workshop in Portland on Thursday August 27, 2015. NAEGA members will soon be invited to attend the regional workshop on Thursday May 13, 2015.

These regional workshops are intended to expand understanding and identify needs related to Grain and Oilseed trade. We expect the Portland workshop will feature the US Coast Guard, Federal Grain Inspection Service (FGIS), Animal and Plant Health Inspection Service (APHIS), and Food and Drug Administration (FDA).

Agenda and Registration are being developed. Your suggestions for topics and speakers are welcome!

### **NAEGA Contract Seminars**

The NAEGA Contracts Committee conducts seminars for in-depth and interactive education on contract practices. NAEGA Seminars are conducted in two different ways: first, “Privately” funded and designed for a single member company, and attended by persons invited by that member company; second, “Generally” funded by registration fees, designed to cover the interests of many companies, and attended by persons from several companies. In most cases, the Seminars provide intensive review of current developments and practices in international grain trade contracts, and often focus on the NAEGA 2. In-depth examination of regulatory compliance, NAEGA services and policy concerns can also be added content for a Seminar designed to meet your needs. Invitations for General Seminars are sent to all NAEGA member company representatives, and a per person registration fee will be required for attendance.

For example, on June 2-3, NAEGA Senior Advisor and NAEGA Director of Operations, Sam Bonilla and Kyle Liske, conducted a Private seminar in Inver Grove Heights, Minnesota.

Our tentative plans for a General Seminar in Kansas City are on hold as we seek a date in near future that can be accommodated. NAEGA members interested in attending a General Seminar should contact Gary ([gcmartin@naega.org](mailto:gcmartin@naega.org)) or Sam ([sbonilla@naega.org](mailto:sbonilla@naega.org)). We have several open

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dates during which Seminars may be conducted; currently July 20-31 and August 1-11, 17-21 are available. Please let us know, at your convenience, if you would like to discuss options for holding a seminar.

***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**

### **IARC Classification of 2,4-D**

The 2,4-D Research Task Force responded to an International Agency for Research on Cancer (IARC) ranking, saying the IARC classification of 2,4-D as a “2B – possible” carcinogen, is at odds with comprehensive cancer reviews completed by health and safety regulators worldwide.

Toxicologist, Dr. Jim Bus, stresses in an interview regarding 2,4-D that “it’s the dose that makes the poison”. Studies have consistently shown that 2,4-D exposure is traceable, but in levels consistently well below what have been determined as protective of human health. In addition, the U.S. Environmental Protection Agency has stated that, based on available data, 2,4-D should be classified as “not likely to be carcinogenic to humans”.

More information can be found in this 2,4-D Research Task Force news release [click here](#).

### **OECD-FAO Agricultural Outlook**

The Organization for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization (FAO) of the United Nations released their Agriculture Outlook for 2015 through 2024. Notable findings in this report include: strong crop yields, higher productivity and slower growth in global demand, which will contribute to a gradual decline in real prices for agricultural products over the coming decade, yet remain above levels in the early 2000’s.

According to the report, major changes in demand are expected in developing countries, where population growth, rising per capita incomes and urbanization will increase demand for food. Rising incomes will prompt consumers to continue diversifying their diets, notably by increasing their consumption of animal protein relative to starches. As a result, the prices of meat and dairy products are expected to be high relative to crop prices. Among crops, the prices of coarse grains and oilseeds, used for animal feed, should rise relative to the prices of food staples.

You may read the entire report and view interactive data comparisons [here](#).

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### **Trade Promotion Authority (TPA) and Trade Adjustment Assistance (TAA)**

On Monday, June 29, President Obama signed into law Trade Promotion Authority (TPA), or fast track. This measure will become essential as he negotiates the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP). TPA will be in force for three years, with the option of an additional three year extension.

Additionally, the president signed into law the Trade Adjustment Assistance (TAA) bill that passed the House on Thursday, June 25, in a 286-138 vote. This worker entitlement program passed with overwhelming support from Democrats, who reversed themselves on the legislation after losing the battle with the White House and GOP over TPA. TAA legislation also featured extensions to the African Growth and Opportunity Act (AGOA), the Generalized System of Preferences (GSP), and the HOPE Act, a preference program for Haiti.

More information can be found [here](#).

### **U.S. Embassy in Cuba**

President Obama just announced intent to open a US Embassy in Havana. This requires a 15 day notification process to Congress. Later this summer Secretary John Kerry will head to Cuba to raise the American flag above the embassy. This is an important step in the process of ending the isolation of Cuba. This process began last December when President Obama said that they would end this outdated approach, and by May, had Cuba removed from the list of state sponsors of terrorism.

The U.S. Agriculture Coalition for Cuba (USACC) released this statement: “Farmers, ranchers and agribusinesses across the nation welcome this continued progress toward normalized relations with Cuba. Not only are embassies critical to strengthening commercial ties – affording diplomatic status suggests a willingness to engage constructively on many important matters. We’re hopeful today’s announcement will ultimately lead to an end to the embargo and increased economic opportunity for agriculture in both our nations. USACC will continue our work with members of Congress from both sides of the aisle who have expressed support for ending the embargo.”

### **Export-Import Bank Charter Expires**

On June 30<sup>th</sup> the charter for the Export-Import Bank expired. The bank provides export credit and insurance for qualifying exporters. Renewal of the bank’s charter has become controversial as of late, and Congressional Republicans effectively delayed renewal of the bank for the first time since its inception. Some analyst estimate that another vote on renewal could come up during reauthorization of the Highway Trust Fund by the end of July.

For more information, click [here](#).

***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**

### **2015**

#### **July**

**12-16** – Big Sky, Montana – 2015 Pacific Northwest Economic Region (PNWER) [Annual Summit](#).

**14-15** – Arlington, VA U.S. Agriculture Export Development Council (USAEDC) 2015 USDA Attaché Seminar – Westin Arlington Gateway.

**22** – Chicago, USSEC Industry Advisory Council and Members Meeting, Gary attending.

**29-30** - Montreal, Quebec - US Biotech Crops Alliance Technology meeting

#### **August**

**10-12** – Beijing, China – New Grain Law meetings

**13-15** – Puerto Vallarta, Mexico – 2015 APPAMEX-NAEGA Forum – [Hyatt Ziva Hotel](#).

**27** – Portland, Oregon - Government and Industry Workshop hosted by NAEGA, NGFA and PNWGFA. Agenda forthcoming.

**30 – September 2** – Mérida, Mexico – Global LLP Initiative Meeting – TENTATIVE

#### **September**

**14-18** – London, United Kingdom – International Maritime Organization (IMO) Carriage of Cargoes and Containers (CCC) Meeting – Jerry Cotter attending.

**21** - London, England - Chatham House expert workshop on Chokepoints and Vulnerabilities in the Global Food Trade. This meeting forms part of a Chatham House research project which seeks to map chokepoints, vulnerabilities and disruptive risks onto major production hubs and global trade routes for coarse grains, soybeans and fertilizers. It will identify supply chain nodes – including producing regions, inland transport networks, ports in exporting and importing countries, and maritime corridors – that are particularly exposed to disruption. Jerry Cotter and Gary Martin attending and representing NAEGA and IGTC. Jerry will present on the major challenges facing grain and fertilizer trade in the US, with a particular focus on the resilience and capacity of inland transportation and port infrastructure. Gary will focus on a more global view on market structure and access.

**22** – Washington, DC – 2015 OFAC Fall Symposia.

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**30 – October 2** – Vancouver, British Columbia – International Dry Bulk Terminals Group (DBTG) Annual Meeting – Jerry Cotter attending.

### **November**

**16-19** – USADEC Annual Workshop – Location TBD.

**17-20** – Amsterdam, The Netherlands – International Genetically Modified Conference on Coexistence (GMCC-15).

### **December**

**2** – Tentative IGTC Meeting – Buenos Aires, Argentina

**9-11** – Geneva, Switzerland – Globally Harmonized System (GHS) Subcommittee meeting – Jerry Cotter attending.

### **2016**

#### **April**

**14** – Tentative IGTC Meeting – Winnipeg, Canada

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