



North American Export Grain Association

## Outreach August 10, 2018

Thank you for your membership in and work with NAEGA

### Image of the Week

**USDA Secretary Sonny Purdue and Canadian Ag Minister Lawrence MacAulay are returning from the G20 Agriculture Ministerial Meeting in Argentina**  
*In Argentina G20 Ministers pledged WTO reforms and stressed the importance of a sustainable food future*

**2 billion**  
**people**  
are micronutrient deficient. Global hunger affects **815 million**.

G20 Agriculture Ministers represent:

**60%** of all agricultural land

**80%** of world trade in agricultural products

**... and environmental protections, healthy soils and food waste reduction.**

**Agriculture Ministers are concerned about over-deforestation for agriculture.**

- Agriculture remains the leading cause of deforestation in the world

**They are also concerned about pesticide use.**

- The overuse of pesticides can hurt human health, contaminate water & harm non-target organisms

**Another issue is maintaining soil health.**

- Key areas of improvement for soil health include preventing soil erosion and crop diversity

**Key benefits of reducing food waste:**

Increasing food security

Improving income of farmers

Alleviating overuse of water

Reducing pressure on climate



**The U.S. government has raised concerns about food sustainability according to the G20 Agriculture Ministers**

**Increase in retaliatory tariffs is a major concern**

The ministers believe that proposed aid for **U.S. farmers will be insufficient.**

Farmers are facing broader issues related to **larger structural factors such as trade climate change, and retaliatory tariffs.**



The US decisions to leave the Paris Climate Accord and promote protectionist policies raise concerns.

Consensus on international agricultural and climate policy

**reduces price volatility** and enhances food security.

### Action Reports

#### **Recent Actions:**

- U.S. Corn - Peru CVD Investigation

### *Upcoming Actions*

- **MEMBER FEEDBACK NEEDED: FGIS soybean, corn and canola standards**
- IMO CCC5 – September 10-15 – London, UK

### *Pending Actions*

- Khapra Beetle Comments
- Proposed additional U.S. Tariffs on imports from China - \$200 billion of goods at 25 percent

### **Member Opportunities**

- Upcoming Contracts and Best Practices Seminars – August 14 in Minneapolis and October in NOLA
- NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico – August 23-25
- Board of Directors Meeting – Arlington, VA – October 2
- DBTG Technical and Operations Seminar – Baltimore, MD – October 3-5
- USDA Trade Mission to South Korea – November 5-8
- Annual Hwy H<sub>2</sub>O Conference – Toronto, Canada – November 13-15
- U.S. Barge Trade Digitization Project Underway
- NAFTA and Asia-Pacific Policy Teams
- NAEGA Internships

### **News**

- New China Tariffs
- TWIC Reader Implementation Delayed
- Biotech Safety Certificates – Web Portal changes hands

### **NAEGA Calendar and Member Notices**

- Upcoming Events and Notices for Members

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## **Action Reports**

### ***Recent Actions:***

#### **U.S. Corn - Peru CVD Investigation**

This week NAEGA has been gathering and conveying information to interested members regarding Peru's recent self-initiation of a counter-vailing duty case against U.S. origin yellow corn. On July 24 Peru initiated an investigation into U.S. yellow corn imports under the WTO Subsidy and Countervailing Measures agreement and Peruvian law. Currently, the U.S. Trade Representative, along with the U.S. Department of Commerce (DOC), International Trade Commission (ITC) and Department of Agriculture (USDA) are coordinating a joint U.S. government (USG) response. NAEGA is closely coordinating with this USTR led team.

According to the USDA's [March 2018 Peru Grain and Feed Annual](#), the CVD case was initiated as a result of protests by domestic producers regarding low domestic corn prices:

“In February-March 2018, Peruvian corn producers protested low market prices for corn. They argued that imported corn is undercutting local corn prices, and are demanding that the government purchase local corn at above the market prices. The protesters were trying to repeat similar negotiations by potato producers in early 2018. These protests reveal the challenges that the government faces in adequately addressing social and production issues faced by smallholder farmers.”

USTR is anticipating that the current legal process will follow the below schedule:

- [USTR schedule for Peru yellow corn CVD case.](#)

On August 6 U.S. government and industry received the following questionnaires regarding Peru's investigation into U.S. subsidy programs.

- [U.S. Government CVD Questionnaire](#)
- [U.S. Producer CVD Questionnaire](#)

Both questionnaires are due in Spanish on September 12.

NAEGA is currently considering options for a joint response in this case. If you are interested in participating in a joint response, please contact Gary and Ryan.

### ***Upcoming Actions:***

#### **U.S. FGIS soybean, corn and canola standards**

The NAEGA Grades and Inspections Committee is coordinating with the National Grain and Feed Association's Grades and Weights Committee to respond to U.S. Agricultural Marketing Service (AMS) request for public comment on current Federal Grain Inspection Service (FGIS) standards for canola, corn and soybeans as follows:

- [Request for comments on corn standards can be found here.](#)
- [Request for comments on soybeans standards can be found here.](#)
- [Request for comments on canola standards can be found here.](#)

Responses to all three requests are due **August 28, 2018.**

The Agency reports that the purpose of these requests for comments is to ensure that standards and official grading practices remain relevant and effective. While the standards and grading practices for all three commodities are relevant to NAEGA interests the soybean standards likely will need and attract the most attention given the ongoing issues with China, and in particular the Animal and Plant Health Inspection Service's inappropriate use of FM (a grain quality factor) on phytosanitary certificates (reserved for plant disease or plant pest matters). We anticipate that soybean producer and marketing organizations will focus heavily on the definition and measurement of foreign material in the U.S. soybean standards. There also may be consideration

given to changing soybean FM to differentiate and account for soybean pieces and hulls, thereby more closely mirroring the BCFM factor in the corn standards.

Please let us know your views.

### **IMO CCC5 – September 10-15 – London, UK**

On September 10-15 Ryan will travel to London, United Kingdom to attend the fifth meeting of the International Maritime Organization's (IMO) Sub-committee on the Carriage of Cargoes and Containers (CCC) as a member of the International Bulk Terminals Association (IBTA) delegation. Over the past few years NAEGA has worked closely with the IBTA to monitor developments at the CCC and weigh in on the CCC's regulatory initiatives as they impact the bulk grain trade. During this meeting of the CCC, NAEGA and the IBTA will be following changes to the classifications of Distillers Dry Grains and Solubles to ensure that they are trade facilitating. NAEGA will also be monitoring the actions by member states to ensure that past efforts to re-open regulations under the International Grain Code are not revisited. A notice to post for this upcoming travel will be available soon.

### ***Pending Actions:***

#### **Khapra Beetle Comments**

The NAEGA Grades and Inspections Committee is considering a response to the North American Plant Protection Organization, which [is seeking public comment](#) on developing a harmonized North American approach to preventing the introduction, establishment and spread of khapra beetle in various pathways. As part of this consultation, the U.S. Animal and Plant Health Inspection Service is accepting comments on the following discussion documents:

- [APHIS Khapra Beetle Discussion Document](#)
- [Khapra Beetle Discussion Document Table](#)

Comments are due to APHIS by August 31, 2018. Final comments are due to NAPPO on September 30, 2018.

### **Proposed additional U.S. import tariffs on imports from China - \$200 billion of goods at 25 percent**

The U.S. Trade Representative (USTR) is seeking public comment on the announcement of new tariffs on Chinese goods related to its Section 301 investigation into Chinese intellectual property practices. In response to China retaliatory tariffs responding to the U.S. government's implementation of an initial tranche of 25 percent tariffs on \$34 billion, the U.S. Trade Representative is seeking comments on an additional 25 percent tariff on \$200 billion in Chinese goods. The list of products to be affected can be found [here](#). Public comments regarding this proposed additional action are welcome and will be received according to the following schedule:

*August 13, 2018:* Due date for filing requests to appear and a summary of expected testimony at the public hearing, and for filing pre-hearing submissions.

*August 17, 2018:* Due date for submission of written comments.

*August 20–23, 2018:* The Section 301 Committee will convene a public hearing in the main hearing room of the U.S. International Trade Commission.

*September 5, 2018:* Due date for submission of post-hearing rebuttal comments.

Comments should be submitted via regulations.gov by **August 17, 2018**.

NAEGA members interested in contributing to these comments should contact Gary or Ryan.

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## Member Opportunities

### Upcoming Contracts and Best Practices Seminars

Make plans now for attending a NAEGA Contract and Best Practice Seminar. Right now we are planning for two NAEGA seminars:

- Minneapolis, MN: August 14 – [Register here](#)
- New Orleans, LA: Week of October 8

With the release of the revised NAEGA 2 contract on March 30, NAEGA is planning for educational seminars to communicate these revisions and educate on the contract and industry best practices

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. A general agenda includes:

- Open dialogue on current contracting practices as they relate to trade risks.
- A “Road Map” of the NAEGA II Model Contract
- Review of the 2018 revisions to the NAEGA II Model Contract.
- Perspectives on the global contracting environment in GAFTA, FOSFA and other contract models and practices.
- Case study exercises on:
  - Calculating laytime, dispatch and demurrage.
  - Contract terms.
- Arbitration and other alternatives for dispute resolution.

In addition to the public seminars listed above, NAEGA also conducts company specific private seminars. 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!

**NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico – August 23-25**

Please make plans now for the next NAEGA-APPAMEX Forum in Puerto Vallarta, Mexico on August 23-25. The forum will take place at the Hard Rock Hotel Vallarta at Paseo de los Cocoteros No. 19, Villa 8 Nuevo Vallarta, Bahía de Banderas, Riviera Nayarit, México C.P. 63732

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

All NAEGA members are invited to attend. If you are interested in attending please complete the attached registration form [here](#). Hotel bookings at the Hard Rock can be made by contacting the hotel directly using the following email address: [nfuentes@rcdhotels.com](mailto:nfuentes@rcdhotels.com).

Please contact [Ryan](#) for more information.

### **Board of Directors Meeting – Arlington, VA – October 2**

The next meeting of the NAEGA Board of Directors will be held from 9:00am-2:00pm on Tuesday, October 2 at NAEGA's office in Arlington, VA. More details and the meeting agenda will follow in the coming weeks.

### **DBTG Technical and Operational Seminar – Baltimore, MD – October 3-5**

You are welcome to join NAEGA staff for the Dry Bulk Terminals Group's (DBTG) fall Technical and Operational seminar. This fall's seminar will take place at the Sheraton Inner Harbor Hotel in Baltimore, MD on October 3-5.

### **USDA Trade Mission to South Korea – November 5-8**

Interested in expanding your business in the United States' sixth-largest agricultural export market? Join the USDA on a trade mission to Seoul this November to participate in personalized business-to-business meetings arranged by local staff from USDA's Foreign Agricultural Service, learn the cultural and regulatory expectations of the Korean market as well as consumer tastes, and build relationships through site visits and briefings.

The application can be found [here](#) and should be submitted to [trademission@fas.usda.gov](mailto:trademission@fas.usda.gov) by **August 13, 2018**.

### **HWY H<sub>2</sub>O Conference – Toronto, Canada – November 13-15**

NAEGA members are invited to attend the St. Lawrence Seaway Development Authority's HWY H<sub>2</sub>O Conference in Toronto, Canada. HWY H<sub>2</sub>O is a convergence of industry thought leaders and experienced marine specialists in maritime commerce and shipping focused on the Great Lakes and St. Lawrence Seaway. This year's conference will focus on technology and innovation as a key component in developing new opportunities, streamlining costs and remaining a competitive logistic system.

Register or find more information about the conference [here](#).

### **U.S. Barge Trade Digitization Project**

A task force of member company representatives involved in Mississippi River barge trade is examining approaches to undertake for a new digital data exchange system. The task force is



seeking input from other industry participants on the core requirements of a new system and any other feedback they should consider. Broad adoption by the industry is critical to achieving the maximum potential cost savings associated with the new system.

*All inquiries and feedback are welcome.* Please contact Julie Detlefsen ([Julie\\_Detlefsen@cargill.com](mailto:Julie_Detlefsen@cargill.com)) or Charlie Delacruz ([cdelacruz@ngfa.org](mailto:cdelacruz@ngfa.org)) with any questions or comments.

### **NAFTA and Asia-Pacific Policy Teams**

With NAFTA negotiations underway and 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. Teams focused on the North American Free Trade Agreement and the Asia-Pacific Market are already established. The **NAFTA Policy Team** will be heavily engaged over the next three months to support NAEGA work with the U.S. Food and Ag. Dialogue for Trade, The Pacific Northwest Economic Region, the Canada U.S. Grain and Seed Trade Task Group and the NAEGA committees and Board of Directors to address NAFTA. A similar effort will soon start with an **Asia-Pacific Policy Team** that 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 fall of 2018 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](#).*

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## **News**

### **New China Tariffs**

On Tuesday August 6, the U.S. Trade Representative announced a finalized list of \$16 billion worth of Chinese products that will be affected by the latest set of 25 percent tariffs, beginning August 23. The final list of goods can be found [here](#), and includes a range of chemical and industrial goods such as semiconductor products, chemicals, batteries and plastics. Several consumer items like television remote controls, guitar pedals and selfie sticks also made the list.

China's Ministry of Commerce recently announced that it will match these tariffs with 25 percent tariffs on \$16 billion of American goods. In its latest set of tariffs, China is targeting goods ranging from steel products and crude oil to medical equipment and autos.

### **TWIC Reader Implementation Delayed**

On August 2, President Trump signed the [Transportation Worker Identification Credential \(TWIC\) Accountability Act of 2018](#) into law. The TWIC Accountability Act prohibits the Coast Guard from implementing the TWIC “reader rule”, which would require high-risk ports to install biometric readers for employees with Transportation Worker Identification Credentials. Currently, the implementation of the rule will remain delayed until after the Department of Homeland Security has submitted an assessment of the TWIC program to Congress confirming the effectiveness of the credentialing requirements for enhancing security.

### **Biotech Safety Certificates – Web Portal changes hands**

Last week, Bayer announced that it will be transitioning its Trade Certificate Web Portal (TCWP) to BASF as part of the ongoing merger. Currently the only Safety Certificates available are for the People's Republic of China. Users should expect the TCWP transition to be completed by August 1, 2018. At that time, the URL for the TCWP will change, but all username and password information will stay the same. The new URL for the TCWP is <https://tradecertificates.seeds-excellence.com>

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### **Calendar & Member Notices**

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

#### **2018**

#### **August**

- 13** – Deadline to apply for USDA Trade Mission to South Korea
- 14** - NAEGA Contracts and Best Practices Seminar – Minneapolis, MN
- 16** – Comments on NAPPO khapra beetle prevention due
- 23-25** – NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico
- 28** – Comments on FGIS standards for canola, corn and soybeans due
- 31** – Khapra Beetle comments due to U.S. APHIS

#### **September**

- 7** – International Grains Council Market Condition Committee Meeting – London, UK
- 10-14** – IMO CCC5 – London, UK
- 12** – Peru CVD Questionnaires Due
- 14** – IGTC Management Council – Virtual
- 26-27** – WTO Agriculture Committee – Geneva, Switzerland

#### **October**

- 1-5** – FAO Committee on Agriculture (COAG) – Rome, Italy
- 2** – NAEGA Board of Directors Meeting
- 3-5** – DBTG Operational and Technical Workshop – Baltimore, MD



**Week of October 8** - NAEGA Contracts and Best Practices Seminar – New Orleans, LA

**16-19** – NAPPO Annual Meeting – Merida, Mexico

**31-November 1** – WTO SPS Committee – Geneva, Switzerland

#### **November**

**5-8** – USDA Trade Mission to South Korea

**12-18** – APEC Leaders Summit

**13-15** – HWY H<sub>2</sub>O Conference – Toronto, Canada

**19-23** – IPPC Standards Committee – Rome, Italy

**21-22** – WTO Agriculture Committee – Geneva, Switzerland

**10-22** – COP 14 – Egypt

**27-29** – IGTC General Assembly 2018 – Beijing, China

#### **December**

**1** – New Mexican Administration takes office

**TBD** – U.S. APHIS and China AQSIQ bilateral on soybean phytosanitary requirements

**2-4** – NGFA Country Elevator Conference – St. Louis, MO

**4** – IGC 40<sup>th</sup> Session – London, UK

**14** – IGTC Management Council - Virtual

**TBD** – Biosafety Protocol COP 14 – Egypt

### ***2019***

#### **January**

**9** – Peru CVD Evidentiary Period Ends

#### **February**

**8** – Peru CVD essential facts issues

#### **March**

**17-19** – NGFA Annual Convention – Amelia Island, FL

**25** – Peru CVD definitive resolution issued

#### **December**

**2-4** – NGFA Country Elevator Conference – Indianapolis, IN

### ***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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