



North American Export Grain Association

Outreach August 2, 2018

Thank you for your membership in and work with NAEGA

Image of the Week

Comprehensive Economic and Trade Agreement (CETA) Ratifications Continue

Nearly a third of member states have already ratified the EU-Canada Free Trade Agreement, despite Italy's recent indication that they will not

Key provisions of CETA



Trade in goods

Abolishes 98% of tariffs between the EU and Canada immediately



Public procurement

Allows EU companies to participate in the bidding process for public contracts in Canada



Trade in services

Opens up the Canadian market in financial services, telecommunications, transportation, and postal and courier services



Intellectual property

Improves protection in Canada of intellectual property owned by EU companies



Investment

Promotes investment between the EU and Canada



Sustainable development

Sets out strong, legally binding commitments on environment protection

Current status of CETA – provisionally applied



Member Opportunities

- Meeting with USTR on Peru CVD Investigation – Washington, D.C. – August 7
- 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

- Annual Hwy H₂O Conference – Toronto, Canada – November 13-15
- U.S. Barge Trade Digitization Project Underway
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- OECD Business and Industry Advisory Committee
- Meeting with Senate Ag on China
- Peru CVD Investigation

Upcoming Actions

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

Pending Actions

- Proposed additional U.S. Tariffs on imports from China - \$200 billion of goods at 10 percent
- **MEMBER FEEDBACK NEEDED: FGIS soybean, corn and canola standards**

News

- Trump Administration Increase Potential China Tariffs
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NAEGA Calendar and Member Notices

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Member Opportunities

Meeting with USTR on Peru CVD Investigation – Washington, D.C. – August 7

Interested NAEGA members are invited to two meetings related to industry and U.S. government response to Peru's countervailing duty investigation into U.S. origin corn. On August 7 at 11:00am NAEGA will host a pre-meeting and lunch at its offices in Arlington, VA. During the pre-meeting NAEGA members are invited to discuss an industry response to the CVD investigation and coordination with the U.S. government.

Following the pre-meeting interested members are also invited to attend an inter-agency meeting hosted by the U.S. Trade Representative to discuss the U.S. government's response to the investigation. This meeting will take place on 1:30pm on August 7 at the Office of the U.S. Trade Representative (USTR) in Washington, D.C.

If you are interested in participating in either meeting please contact Ryan or Gary. **If you or another representative from your company would like to attend, please notify Gary or Ryan by close of business tomorrow (August 2).**

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 “save the date” 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.

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.

HWY H₂O Conference – Toronto, Canada – November 13-15

NAEGA members are invited to attend the St. Lawrence Seaway Development Authority's HWY H₂O Conference in Toronto, Canada. HWY H₂O 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) or Charlie Delacruz (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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Action Reports

Recent Actions:

IGTC Newsletter

The latest IGTC newsletter is now available! This edition covers Gary and Katy's outreach tour in Geneva and Rome, the newly elected chair of the UN Food and Agriculture Organization's ePhyto Industry Advisory Group, and information on several upcoming events such as the IGTC's General Assembly in Beijing in November.

For more details, read the IGTC newsletter [here](#) or visit the IGTC website at www.igtglobal.org.

OECD Business and Industry Advisory Committee

Katy is back from Paris, France where she attended the Organization for Economic Cooperation and Development's (OECD) Annual Forum and Business and Industry Advisory Committee (BIAC) General Assembly. These events included reports from several BIAC policy groups such as the digital economy committee, the findings of the BIAC Economic Policy Survey, and G20 and G7 related activities. The IGTC is currently conducting a cost-benefit analysis of joining the OECD.

Read the full trip report [here](#).

Meeting with Senate Ag on China

On Wednesday, August 1 Gary and Ryan met with members of the Senate Committee on Agriculture, Nutrition and Forestry to update Committee members on the China trade and NAEGA's ongoing efforts to mitigate the effects of the foreign material designation on phytos of U.S. origin soybeans. As reported in last week's outreach, NAEGA is continuing its focus on the U.S. China trade environment armed with new analysis and action plans.

Recent analysis includes:

1. An examination of the Grain Standards Act to provide for an understanding that grade quality factors, like Foreign Material (F.M.), are inappropriate and misleading as health and safety designations like APHIS is using on phytosanitary certificates for U.S. Soybeans to China. In addition, the application of factors in this way is having a detrimental impact on competition and price. The U.S. Grain Standards Act makes it clear that non-grade factors are not to be used in a misleading fashion. Regarding the "Use of official grade designations required" and "false or misleading grade designations

for grain shipped out of the United States,” the act states that “(b) No person shall, in any sale, offer for sale, or consignment for sale, of any grain which involves the shipment of such grain from the United States to any place outside thereof, knowingly describe such grain by any official grade designation, or other description, which is false or misleading.”

2. Informa Study on the impact of the APHIS imposition of the Additional Declaration
3. NGFA Study on price impact of imposition of the additional declaration

Moving forward, NAEGA is:

1. Responding to the USDA FGIS request for input on Standard for Soybeans, Canola and Corn. Timing of this consideration changes to the Official U.S. Grain Standards is excellent given the misleading use of the Standard’s soybean grade factor on Phytos for China.
2. Working with FAS Trade Promotion Program authority to provide for a “Global Broad-based Initiative” (GBI) to address the China NTB dilemma. China has broadly articulated some of its needs in the form of its Decree 177 Import and Export measures for grain which suggest exporter nations present “protocols” to provide for compliance. But China has provided insufficient details and has demonstrated a lack of appreciation for sound science and due process in its regulatory measures as well a very limited understand of safe, innovative and competitive capacity of the U.S. production and marketing system. The USDA APHIS is attempting to deploy a systems approach related to one concern of Chinese regulators related weed seeds. If successful, the APHIS weed seed solution could be incorporated into the GBI. The GBI will provide for studies and development of an aligned strategy to achieve the goal of mitigating China’s Non-tariff barriers to grains and oilseeds by providing for information to demonstrate how the U.S. and China value chain meets China’s import requirements. This could be undertaken for multiple crops or start with soybeans. Via a contract with capable and respected third-party project consultancy the follow steps will be integral to the GBI and include the following steps:
 - a. Conduct a thorough review of all relevant studies and surveys already conducted.
 - b. Establish and conduct a robust analysis of the respective outcomes related to China’s concerns to more completely understand the entire system. For example, the APHIS systems approach includes an effort to measure and understand weed seeds and foreign material is now being contemplated and includes sampling and testing along the U.S. supply chain.
 - c. Document all aspects of the production, trade and consumption of the respective grain or oilseeds being addressed, including but not limited to, regulatory measures as well as commercial practices that are employed throughout to production and marketing value chain through to Chinese processing and use.
 - d. Provide for a report and recommendations on how to provide for an aligned strategy to mitigate China’s non-tariff barriers to grains and oilseeds.
3. Finally, we are working with colleagues to communicate the negative impact of both tariffs and non-tariff measures in reaction the current geopolitical environment that includes aggressive use of increased tariffs

We continue to request your advice and questions.

Peru CVD Investigation

NAEGA is gathering information and responding to a recent notification that Peru has begun a Countervailing Duty investigation into U.S. origin corn. On Wednesday, July 25 NAEGA was informed that Peru's National Institution for the Defense of Competition and the Protection of Intellectual Property (INDECOPI) initiated an investigation into alleged subsidies for yellow corn originating from the United States. According to documents issued by INDECOPI, the Peruvian government plans to investigate U.S. yellow corn producers during the period of January – December of 2017 for actionable subsidies under World Trade Organization rules.

At this time NAEGA's actions are limited to gathering relevant information and sharing it with members. Please see the below information on the case provided by the U.S. Trade Representative and USDA FAS Post.

- [Tentative Schedule](#)
- [Peru National Register Notification](#)
- [Unofficial Translation – Peru National Register Notification](#)

NAEGA also invites members to participate in a U.S. government inter-agency meeting between the U.S. Trade Representative, the USDA and other officials to discuss the official U.S. response. The meeting will take place on Tuesday, August 7 in Washington, D.C.

Upcoming Actions:

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:

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](https://www.regulations.gov) by **August 17, 2018**.

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

U.S. FGIS soybean, corn and canola standards

The U.S. Agricultural Marketing Service (AMS) has announced that it is seeking public comment on current Federal Grain Inspection Service (FGIS) standards for canola, corn and soybeans. The purpose of these requests for comments is to ensure that standards and official grading practices remain relevant and effective.

- [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.](#)

All comments are due **August 28, 2018**.

NAEGA's Grades and Inspections Committee will be engaged in drafting a response. Please let us know your views.

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News

Trump Administration Increase Potential China Tariffs

On Wednesday, August 1 the U.S. Trade Representative announced an increase in the proposed tariff rate against Chinese goods related to its investigation into China's intellectual property practices. Originally, the USTR had announced proposed tariffs of 10 percent on \$200 billion in Chinese goods through a notice and comment process which began on July 10. According to U.S. Trade Representative Ambassador Robert Lighthizer, "the increase in the possible rate of the additional duty is intended to provide the Administration with additional options to encourage China to change its harmful policies and behavior and adopt policies that will lead to fairer markets

and prosperity for all of our citizens.” The USTR will hear comment on this potential duty until September 5.

OFAC Delays Sanctions for RUSAL, Others

On Tuesday, July 31 the Department of the Treasury’s Office of Foreign Assets Control (OFAC) extended a general license for investors in three companies linked to Russian billionaire Oleg Deripaska. In its announcement, OFAC extended its general license for activities for EN+ Group PLC, GAZ Group and United Company RUSAL PLC. The extension of this general license allows further time for investors covered under U.S. sanctions against Russia to divest their shares. Over the past few months Treasury has provided leeway to these companies so that they can maintain business operations.

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Calendar & Member Notices

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

2018

July

1-September 30 – IPPC ISPM Consultation – Virtual

August

7 – NAEGA meetings regarding Peru CVD investigation – Arlington VA and Washington, D.C.

14 - NAEGA Contracts and Best Practices Seminar – Minneapolis, MN

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

28 – Comments on FGIS standards for canola, corn and soybeans due

September

7 – International Grains Council Market Condition Committee Meeting – London, UK

10-14 – IMO CCC5 – London, UK

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

12-18 – APEC Leaders Summit

13-15 – HWY H₂O 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 40th Session – London, UK
14 – IGTC Management Council - Virtual
TBD – Biosafety Protocol COP 14 – Egypt

2019

March

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

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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