



North American Export Grain Association

Outreach August 20, 2018

Thank you for your membership in and work with NAEGA

Image of the Week

Trump administration announces \$12B in aid for farmers



- On July 24, the Trump administration announced it would allocate \$12 billion in emergency aid to help U.S. farmers harmed by the current trade war
- The aid package would have three elements: direct payments to farmers, the expansion of a program that buys food surpluses and distributes them to food banks, and the promotion of U.S. goods abroad
- China, which bought \$14 billion worth of oilseeds from the U.S. last year, has imposed retaliatory tariffs on \$45 billion worth of U.S. goods, including agricultural products like soybeans, pork, corn and wheat

What are key government officials saying about the proposal?



"While we need strong trade enforcement when countries like China break the rules, this administration's approach to trade is creating unintended consequences for agriculture. ... I am concerned that this proposal will not fully and equitably address the administration's self-inflicted damage to agriculture, which supports one in four Michigan jobs."

—Debbie Stabenow (D-MI), ranking member on Senate Agriculture Committee



"Our president stood up to a bully; now he's standing up for rural America. This is the right fight to have, but in the meantime, our producers have got to . . . live, while this fight's going on."

— Rep. K. Michael Conaway (R-TX11), chair of the House Agriculture Committee



"If tariffs punish farmers, the answer is not welfare for farmers. The answer is remove the tariffs."

— Sen. Rand Paul (R-KY)



"Unfortunately, America's agricultural producers had been treated unfairly by illegal trading practices by China and, as I said, other nations ... I hope this is a clear signal that China cannot bully our farmers in order to coerce Americans caving in politically."

— Sonny Perdue, secretary of agriculture

Sources: Damian Paletta and Caitlin Dewey, "White House reads plan for \$12 billion in emergency aid to farmers caught in Trump's escalating trade war," *The Washington Post*, July 25, 2018; Natalina Sents, "Perdue Says Trump is 'Delivering on a Promise,' with \$12 Billion in Farm Aid," *Successful Farming*, July 30, 2018; Charles S. Cook, "How USDA Will Bypass Congress to Give Farmers \$12 Billion in Emergency Aid," *Government Executive*, July 26, 2018.

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- Contracts and Best Practices Seminar
- IGTC and IGC Meetings
- USDA FAS Presentation

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- U.S. Corn – Peru CVD Investigation

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- Khapra Beetle Comments

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- APHIS Virtual Seminar on Biotechnology Regulations – September 20
- Board of Directors Meeting – Arlington, VA – October 2
- Upcoming Contracts and Best Practices Seminar – Week of October 8 in NOLA
- DBTG Technical and Operations Seminar – Baltimore, MD – October 3-5
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Action Reports

Recent Actions:

NAFTA Seasonal Produce Letter

On August 15, NAEGA joined 28 other food and agricultural organizations in a letter to U.S. Trade Representative Robert Lighthizer regarding the potential for a seasonal produce provision in an upcoming NAFTA deal. The provision would allow the U.S. to place seasonal tariffs on various fruits and vegetables by redefining domestic industry. In the letter, the undersigned organizations reiterated their opposition to the inclusion of the seasonal produce provision, which would not only impede trade in U.S. produce, but create the risk of retaliatory action against a broad swath of U.S. agricultural products. In particular, once established, this new rule will make it easier for Mexico and Canada to impose anti-dumping duties on imports of produce from the United States and undermine support for the agreement from producers in Canadian and Mexican markets.

Read a copy of the letter [here](#).

Contracts and Best Practices Seminar

On Tuesday, August 14 NAEGA held a successful Contracts and Best Practices Seminar in Minneapolis, MN. Attended by over 15 participants from member companies, the seminar featured a broad review of NAEGA 2 Model Contracting terms, the recent revisions to the contract, exercises on laytime and a review of the global contracting environment.

Interesting in attending at contracts seminar or hosting a private seminar for your company? Contact [Ryan](#).

IGTC and IGC Meetings

A trip report is now available for Gary and Katy's mission to London for meetings with IGTC members and corporate stakeholders and to attend the IGC Grains Conference.

In London, Gary and Katy led and executed IGTC meetings with 26 global grain trade leaders, governments and international institutions. The overarching objective was to achieve a market and regulatory environment supportive of trade that avoids disruptions in the international trade of grain, oilseeds, pulses and derived products. Specific activities to support UES objectives for GRNOS included:

- *Organization and administration of the IGTC's Strategy Session (June 18):* Contribution to the implementation of the IGTC Business Plan through the enhancement of IGTC Policy Teams, Working Groups and operations. Increased engagement of IGTC participants at national and regional level.
- *Leadership of IGTC in-person Management Council meeting (June 18)*
- *Representation of grain trade interests at the International Grain Council's (IGC) 46th Session (June 18):* Support for work to implement "expanded external information exchange" with partners as per the IGTC Business Plan.
- *Organization of a grain-trade specific panel session at the IGC annual conference (June 19-20):* Provision of representation and sharing of expertise on the commercial requirements and economics of the world's food, feed and processing industries as per the IGTC Business Plan.

A copy of the trip report can be found [here](#).

USDA FAS Presentation

On Friday, August 17 Gary and Ryan presented before a group of 25 U.S. Department of Agriculture Foreign Agricultural Service (USDA FAS) locally employed staff. Locally employed staff are foreign nationals who assist FAS employees in executing their missions around the world. During the presentation, Gary and Ryan described NAEGA mission, goals and the successful cooperative relationship enjoyed between NAEGA and USDA FAS.

A copy of their presentation is available [here](#).

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.

U.S. Corn - Peru CVD Investigation

NAEGA continues to gather and convey 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.

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.

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Member Opportunities

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.

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

U.S. Food and Agriculture Dialogue for Trade

The U.S. Food and Agriculture Dialogue for Trade will hold a meeting at 10am on Tuesday, August 30 at the American Farm Bureau Federation. Ray Starling, Chief of Staff to U.S. Agriculture Secretary Sonny Perdue will speak to dialogue members about USDA initiatives and the Trump Administration's trade policies.

A tentative agenda and registration link will be available in the coming days.

APHIS Webinar on Biotechnology Regulations – September 20

APHIS' Biotechnology Regulatory Services' Biotechnology Quality Management Support program is hosting a free webinar on monitoring or volunteers on Thursday, September 20 from 1:00pm-3:00pm. The webinar will provide details and supporting examples on the relationship between volunteer monitoring activities and compliance with APHIS' biotechnology regulations.

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

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.

Upcoming Contracts and Best Practices Seminars

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. Are next seminar will take place on October 8 in New Orleans, LA.

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!

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.

A preliminary schedule of events is available [here](#).

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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News

Arvid Hawk retires

Senior Advisor Arvid Hawk announced his retirement from NAEGA earlier this month, marking the end of a long and distinguished career in the industry.

Arvid Hawk began his career with Cargill, Inc. as a Research Engineer. In this capacity, he conducted research in grain drying, aeration, dust control, grain dust explosions, mold testing, aflatoxin testing, sampling and grain inspection methods. During this period, he became active in liaison work with various trade associations and became interested in and familiar with The Federal Grain Inspection standards and procedures. He also became Cargill's in-house expert on international phytosanitary rules and regulations. In 1980, he took over the position of Grain Handling Coordinator for the North American Grain Division of Cargill. His responsibilities in this job were to give technical advice to plant superintendents, managers, merchants and traders in all of the technical areas mentioned above.

Before his retirement from Cargill, he served as Chairman of NAEGA's Grades and Inspections Committee and was awarded NAEGA's Amstutz Award in 2006 for exhibiting exceptional accomplishments in promoting export grain and oilseed trade from the United States. Currently, Arvid is a consultant on agricultural issues for Global Agricultural Consulting, LLC.

We are extremely grateful for the many years of work and expertise Arvid has contributed to NAEGA initiatives and wish him the best in his future endeavors.

OFAC Updates Sanctions List

The U.S. Treasury's Office of Foreign Asset Control (OFAC) recently updated its Specially Designated Nationals (SDN) list. The SDN list is a list of individuals and companies owned, controlled by, or acting for or on behalf of targeted countries. Also included on the list are non-country-specific individuals, groups and entities such as terrorist organizations. Any person or entity included on the SDN list has their assets blocked and U.S. citizens are prohibited from engaging with them.

Newest additions to the list include Qassim Abdullah Ali Ahmed following his designation as a terrorist; Profinet, a Russian shipping agency found to be supplying bunkers to North Korean vessels at Russian ports; and the National Iranian Oil Company. A number of Iranian entities have been re-sanctioned in connection with the U.S. withdrawing from the Joint Comprehensive Plan of Action (JCPOA) in May.

Find the latest version of the SDN list [here](#).

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Calendar & Member Notices

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

2018

August

- 23-25** – NAEGA-APPAMEX Forum – Puerto Vallarta, Mexico
- 28** – Comments on FGIS standards for canola, corn and soybeans due
- 30** – U.S. Food and Agriculture Dialogue for Trade – Washington, D.C.
- 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
- 20** – APHIS Biotechnology Regulations Webinar - 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 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

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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