

Outreach August 20, 2019

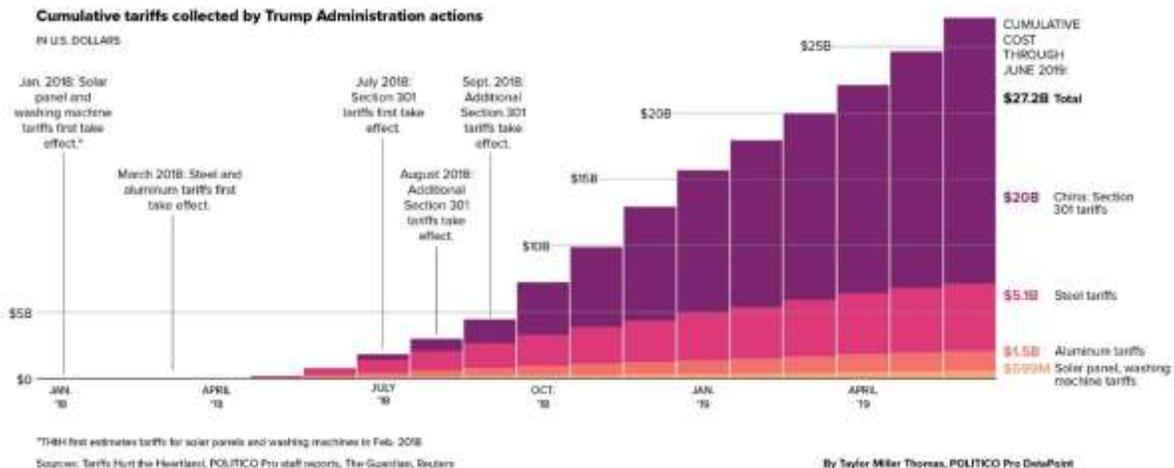
Thank you for your membership in and work with NAEGA

Graphic of the Week

Impact of U.S. Tariffs on Chinese Goods

Tariffs cost \$27B through June 2019

Data from the free trade organization Tariffs Hurt the Heartland shows that tariffs on Chinese goods have cost a cumulative \$20 billion since they were first enacted in July 2018. These tariffs have cost more than the other trade actions taken by President Donald Trump's administration, including the steel and aluminum tariffs and the solar panel and washing machine tariffs. In total, the U.S. has collected about \$27 billion in tariffs levied on steel and aluminum, certain solar panels and washing machines, and certain goods from China — all stemming from Trump administration actions. President Trump in early August announced the U.S. would set an additional 10 percent tariff on \$300 billion in goods from China, but partially backed off the threat. Tariffs on about half the list of goods will be delayed until December 15. Tariffs will go into effect on the remaining goods on September 1. President Trump has said that China has been paying the increased costs due to the tariffs, but said tariffs were delayed on certain goods "just in case some of the tariffs would have an impact on U.S. customers" in advance of holiday shopping.



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News:

Tom Medd, 1944-2019

NAEGA is saddened to report that Tom Medd, former member of the NAEGA Contracts Committee, [passed away on August 10](#). A veteran of the Vietnam War, Tom worked in the grain industry for over 45 years, starting as manager of the family-owned Norway Spur Grain Company in Oakes, ND and retiring as Senior Vice President of Corporate Risk Management at CHS, Inc. After retirement, Tom continued to work in the industry as a NAEGA arbitration panelist. His family has asked that any memorials be donated to [St. John in the Wilderness Church in White Bear Lake, MN](#) or [North Oaks Children's Hospital Guild II](#).

NAEGA offers its condolences to Tom's family.

U.S. Delays Implementation of Some China Tariffs

The Office of the U.S. Trade Representative (USTR) [has announced that](#) a new 10 percent import duty on cellphones, laptops and many other consumers goods made in China will be delayed until December 15, 2019 instead of taking effect on September 1 as originally planned.

The delayed items, which also include video game consoles, toys, computer monitors and footwear and clothing account for more than half of the \$300 billion worth of Chinese imports that are part of the latest round of U.S. tariffs. U.S. President Donald Trump announced that the reason for the delay was to avoid punishing U.S. consumers before the winter holiday shopping

season. [Items that will still face a 10 percent tariff](#) on September include beef, pork and other food and agricultural items.

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Action Reports

Recent Actions:

NAEGA SIG On Peru CVD/AD Case

The NAEGA Special Interest Group (SIG) on the Peru's self-initiation of a countervailing duty case against U.S. origin yellow corn case received an update on the case on Friday, August 16. U.S. Grains Council (USGC) counsel Deen Kaplan provided the SIG with a discussion of recent developments. USGC will coordinate the next call for Wednesday, August 28, which will feature an update from U.S. government.

NAEGA is coordinating the Special Interest Group (SIG) in order to facilitate a coordinated industry response. If you are interested in joining the SIG, please contact Gary or Patrick.

Vietnam Canadian Thistle Policy

On August 15, 2019, NAEGA and other industry partners received an update on discussions with Vietnam on the Canadian Thistle issue for the Office of the U.S. Trade Representative (USTR). Earlier this year, Vietnam's Plant Protection Department (PPD) began enforcing a zero tolerance for Canadian Thistle seeds, causing most U.S. exporters to stop pursuing soybean and wheat contracts with Vietnam due of the risk of Canadian Thistle detection. NAEGA and other industry partners have urged the U.S. government to work with Vietnam's PPD to find a solution that allows for U.S. industry to alleviate PPD's concerns. USTR briefed industry on developments on the Canadian Thistle issues and other discussion with Vietnam.

U.S. Grain Standards Act Hearing

NAEGA has responded to written questions from members of the U.S. Senate Committee on Agriculture, Nutrition, and Forestry, following the July 31, 2019 testimony of NAEGA Grades and Inspection Committee Chair Nick Friant at a hearing on "Perspectives on Reauthorization of the U.S. Grain Standards Act". The questions, and answers, will be submitted into the official record of the hearing and can [be found here](#).

Pending Actions:

APEC Workshop in Chile

Vijay Harrell, CEO of NAEGA member Tradelanes, has volunteered to represent NAEGA in Puerto Varas, Chile at in a number of events and activities around the Ninth Meeting of the APEC Alliance for Supply Chain Connectivity (A2C2), which will be held on the margins of the Third APEC Senior Officials Meeting (SOM 3). Vijay will be working with the U.S. Foreign Agriculture Service on a presentation on the future of trade facilitation. Vijay will be discussing digitalization of trade documents including the IPPC e-Phyto Solution and representing NAEGA at the following events:

- APEC Alliance for Supply Chain Connectivity (A2C2) Workshop
- Workshop on Promoting Transparency through the Improvement of Information submitted in the Sanitary and Phytosanitary (SPS) Notification
- 3rd Joint Meeting of the Agricultural Technical Cooperation Working Group (ATCWG), High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB), Oceans and Fisheries Working Group (OFWG) and the Policy Partnership on Food Security (PPFS)

More details on the A2C2 and APEC activities in Chile [can be found here](#). Vijay will provide a report to NAEGA when he returns.

USDA Federal Grain Inspection Service Survey on Communications

As part of a 2019 Strategic Initiative, the U.S. Department of Agriculture's Federal Grain Inspection Service (FGIS) is evaluating the effectiveness of communication through the use of instructions materials such as handbooks, directives, and program notices. FGIS' Field Management Division (FMD) is seeking feedback on the current status of their instructions and has developed a short survey to assist them in their evaluation. The survey will accept responses until August 30, 2019 and can be [found through this link](#).

IPPC Draft ISPMs

The International Plant Protection Convention (IPPC) is seeking comments on a number of draft International Standards for Phytosanitary Measures (ISPMs). The IPPC has released a list of draft ISPMs that have been approved by the IPPC Standards Committee (SC) for consultation, starting July 1, 2019. The consultation period ends on September 30, 2019.

The draft ISPMs can be [accessed through this link](#).

The Grades and Inspections Committee has addressed several aspects of IPPC standards in the past and is considering submitting comments on these drafts. Members who are interested in contributing to these comments should contact Patrick or Gary.

APEC Workshop on Non-Tariff Measures

NAEGA is addressing an Australian-government funded [Asia Pacific Economic Cooperation \(APEC\) Workshop](#) to identify future work on non-tariff measures (NTMs) affecting grain trade. Several governments plan to participate in the Workshop. NAEGA has engaged with international colleague associations and the U.S. government, and outlined plans to support the Workshop in its 2020 Unified Export Strategy application. NTMs targeted at the workshop will be used as a basis for future specific APEC projects to develop principles, guidance and or frameworks to support APEC economies.

Several NAEGA Committees are likely to be engaged in the Workshop planning and execution. NAEGA is actively providing the U.S. and other governments with advice and feedback on the Workshop. If you would like more information, please contact Staff.

IPPC ePhyto Case Studies

The International Grain Trade Coalition (IGTC) and the International Plant Protection Convention (IPPC) are seeking industry contributions to "case studies" on the roll out of the IPPC's ePhyto Solution. In particular, the IPPC is seeking participation from destination

countries participating in the hub. Moving forward, the IPPC is seeking, through these case studies, to answer questions such as:

- How did the importing plant protection and quarantine (PPQ) get in contact with the exporter?
- How was the customer made aware of the existence of the ePhyto?
- How did the customer clear customs and who was part of the chain?

If you are interested in participating in a case study, please contact NAEGA staff.

Contracts and Best Practices Seminars – Your advice requested

The NAEGA Contracts Committee is seeking your advice on the location, timing and curriculum of this year's Contracts and Best Practices Seminars. We have scheduled a seminar in Tokyo for November 22.

Please let us know if you are interested in attending or hosting a seminar, and what topics we should focus on. The Committee is now considering contract seminars in the following locations:

- Vancouver, British Columbia
- St. Louis, MO
- Winnipeg, Manitoba

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.

NAEGA conducts both public and private seminars, and curriculum can be tailored to your needs. Please contact Patrick 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!

Upcoming Actions:

Board of Directors Meeting – Arlington, VA – September 11, 2019

The next meeting of the NAEGA Board of Directors will be held from 9:00am-3:00pm on Wednesday, September 11, 2019 at NAEGA's office in Arlington, VA. More details and the meeting agenda will follow in the coming weeks.

Contracts Committee Sponsored Training for Arbitrators

In 2019, the American Arbitration Association's (AAA) International Centre for Dispute Resolution (ICDR) is planning a series of training seminars on ICDR case management, including two in North America. The seminar, titled *ICDR International Symposia in Advanced Case Management Issues* is intended to inform participants on AAA ICDR rules and procedures for arbitration panels and provide guidance on managing cases for chairpersons. This seminar fulfills the training requirement for NAEGA arbitrators who are interested in serving as Special Grain Arbitrators and chairpersons on arbitration panels.

In order to meet our Board of Directors mandated goal of increasing the number of qualified Special Grain Arbitrators, NAEGA is offering financial assistance of up to \$1,000 to arbitrators who are interested in attending this ICDR training or the proposed ICDR trainings in North America. Financial assistance can be used to cover registration fees, airfare or lodging to attend a training seminar. ICDR has not yet announced dates for the North American events and we will notify Members when the dates are posted, and more information is available. If you are interested in learning more about this opportunity to attend an ICDR training and receive financial assistance, please contact phayden@naega.org.

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Member Opportunities:

2019 OFAC Symposium

The U.S. Treasury Department's Office of Foreign Asset Control (OFAC) will hold its 2019 Fall Symposium at the Walter E. Washington Convention Center in Washington, DC on Tuesday, November 12, 2019. OFAC's annual symposium provides a comprehensive review of OFAC and current U.S. economic sanctions. The event includes presentations on OFAC regulations as well as targeted reviews of sanctions concerns for new and updated OFAC programs. In addition to formal presentations, OFAC staff will be available throughout the day to answer questions on issues unique to a number of regulated industries.

An agenda and registration information [is available here](#).

Tokyo NAEGA Contract Seminar and Reception – Invitations to follow!

NAEGA has confirmed a date and location for our 2019 Tokyo Contract & Best Practices Seminar. The Seminar, which will be followed by a reception, will take place at the **TKP Shinbashi Conference Center in Tokyo, Japan on November 22, 2019**. We would like to thank our colleagues at the Japan Feed Trade Association (JFTA) for their assistance in securing a venue and agreeing to partner with us for the Seminar again this year. NAEGA President & CEO Gary Martin, Director of Operations Patrick Hayden and Senior Advisors Sam Bonilla and Andrew Marting are currently scheduled to attend. Invitations will be sent out soon. Mark your calendars now and we look forward to seeing you in Tokyo!

Asia-Pacific Policy Teams

With 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. A policy team focused on the Asia-Pacific Market is already established. Over the next few months the team will be focused on U.S. trade relations with China, Japan, Korea and the Trans Pacific environment more generally.

Full Details on Upcoming Events can be found in the Meetings & Events Section of the [NAEGA Member's Only Page](#).

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Calendar & Member Notices

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

2019

August

22 - Ninth Meeting of the APEC Alliance for Supply Chain Connectivity (A2C2) – in Puerto Varas, Chile

September

6 – IGC Market Conditions Committee – London, UK

11 – NAEGA Board of Directors Meeting – Arlington, VA

16-17 – USDA FAS Indo Pacific CSSF Strategic Workshop – Bangkok, Thailand

October

9-11 – International Dry Bulk Terminals Group Operational and Technical Seminar – Southampton, UK.

15 - Agriculture & Horticulture Development Board Grain Market Outlook Conference – London, UK

November

6-8 – IGTC General Assembly – Sao Paulo, Brazil

12 – 2019 OFAC Symposium – Washington, DC

22 – NAEGA Contract & Best Practices Seminar – Tokyo, Japan

December

3 – International Grains Council's 50th Session – London, UK

8-10 – 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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