

Outreach August 6, 2019

Thank you for your membership in and work with NAEGA

Graphic of the Week



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News:

China - U.S Trade Dispute

On August 1, 2019, U.S. President Donald Trump [announced new tariffs](#) on Chinese goods would come into effect on September 1st. The tariffs would be levied at an initial rate of 10 percent on the remaining \$300 billion of Chinese goods that had not been included in the previous rounds of tariffs.

On August 5th, China retaliated by instructing their companies to suspend purchases of U.S. agricultural goods. Simultaneously, the Chinese renminbi breached a price level not seen since 2008. This event prompted the U.S. Department of Treasury to [formally declare](#) China a currency manipulator, further escalating tensions between the two nations.

Despite the actions taken by both countries, President Trump described the latest round of talks, held in Beijing the week of July 29, as “constructive”. Additionally, U.S. and Chinese trade negotiators are still expected to meet for a new round of talks in September.

U.S. Anti-Dumping Duties on Mexican Tomatoes

On July 26, 2019, the U.S. Commerce Department set a [preliminary anti-dumping duty of 25.28 percent](#) on imports of close to \$2 billion worth of Mexican tomatoes. The action came as the department is engaged in talks with Mexican growers on a new agreement that would suspend the duties in exchange for voluntary restrictions on the tomato trade. The Department has also proposed 100 percent inspections of incoming shipments of imported tomatoes from Mexico.

Mexican tomato growers, unhappy with the U.S.'s actions, are now calling on the Mexican government to begin [inspecting all imports of U.S.](#) farm goods. Mexican Secretary of Agriculture and Rural Development Victor Villalobos has raised the possibility of increasing inspections of U.S. agricultural products entering Mexico unless the U.S. drops its proposal requiring inspections of all Mexican tomatoes coming into the United States.

The U.S. Department of Commerce is expected to issue its final anti-dumping duty determination by Sept. 19 unless the two sides have agreed on a new suspension agreement.

U.S. -EU Agreement on Beef Exports

On August 2, 2019, the U.S. and the European Union [signed a deal](#) to allow more American beef into the EU. The agreement was approved by EU countries earlier this month and gives U.S. importers a larger share of the 45,000 tons of beef allowed into the EU every year.

Once the deal is fully implemented, duty-free American beef exports to the EU are expected to rise from \$150 million annually to \$420 million, according to data released by the U.S. trade office.

Correction to July 30, 2019 Edition of OUTREACH

The article entitled "Potential Change in European Union Phytosanitary Regulations" in the July 30, 2019 edition of OUTREACH incorrectly identified the [European Union's new Phytosanitary Regulations](#) as "Potential Changes". The changes are confirmed and should be referred to as "Upcoming Changes". NAEGA regrets the error.

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Action Reports

Recent Actions:

USDA APHIS Part 340

On August 6, 2019, thanks to the leadership of the National Grain & Feed Association NAEGA and several colleague trade associations submitted comments in response to the U.S. Department of Agriculture Animal and Plant Health Inspection Service's (APHIS) proposed revisions to regulations under 7 CFR Part 340 applicable to the movement of certain genetically engineered organisms. The comment noted significant deficiencies and major recommendations to assist in improving Part 340:

Deficiencies:

1. Inadequate transparency and implications for the credibility and integrity of U.S. biotechnology review process.
2. Flawed concept and questionable acceptability of “confirmation letters”.
3. Implications for disruptions of field trials.
4. Lack of international acceptance or recognition of APHIS’s regulatory approach.
5. Need for coordinated action by U.S. Government agencies in promulgating rules and guidance on genome editing and other forms of plant breeding innovation.

Major recommendations:

1. APHIS is urged to amend its Part 340 proposed rule to require *all* technology providers to notify the agency in advance before introducing gene-edited or other plant breeding innovation traits for commercialization – even those within APHIS’s expressly exempted categories – so that the agency can issue an *official* approval letter for all traits that do not present a plant pest risk.
2. APHIS should secure international recognition or acceptance of its regulatory approach toward assessing plant pest risk *before* proceeding to finalize its Part 340 rule.
3. Third, APHIS should *not* proceed to issue a final rule on Part 340 until its sister agencies – the U.S. Food & Drug Administration and the U.S. Environmental Protection Agency – develop and issue guidance and/or rules on how they plan to address genome editing and other plant breeding innovation technologies within their respective areas of jurisdiction under the Coordinated Framework.

Text of the comments [can be found here](#).

U.S. Grain Standards Act Hearing

On July 31, 2019, NAEGA Grades and Inspection Committee Chair Nick Friant testified at a U.S. Senate Committee on Agriculture, Nutrition, and Forestry hearing titled “Perspectives on Reauthorization of the U.S. Grain Standards Act.” in Washington, D.C. Nick’s testimony was coordinated with the NGFA and focussed on aspects of the NAEGA / NGFA ’s policy recommendations for the reauthorization of the U. Act.

More information, including Nick’s written testimony and a link to watch the entire hearing can be found through [this link](#).

Pending Actions:

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

- Vancouver, British Columbia
- St. Louis, MO

- Tokyo, Japan
- 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:

Internship Opening at NAEGA

NAEGA is actively recruiting for an open, paid intern position starting in the fall of 2019. The internship would run through the end of 2019 and be located out of the NAEGA office at 1400 Crystal Drive, Arlington, VA 22202. NAEGA internships are tailored to meet each intern's

available time and interests. Details on the internship and how to apply can be found [here](#). If you know of anyone with an interest, please have them contact Patrick at phayden@naega.org

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

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

December

8-10 – NGFA Country Elevator Conference – Indianapolis, IN

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

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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