# **OUTREACH September 1, 2015**

Thank you for your membership in and work with NAEGA

Please join us in welcoming two new staff members to our office and the NAEGA – NGFA team!

Last week NGFA welcomed **Sarah Gonzalez** as the new Director of Communications and Digital Media. Sarah joins NGFA from the agricultural publication *Agri-pulse* where she gained extensive reporting, writing and video news interview experience focusing on a wide range of agricultural issues.

Next week NAEGA will welcome **Colleen Cook** as a part-time intern working with us for 3 months. Colleen is a graduate of the University of Virginia and is currently pursuing her masters in International Affairs at American University. Collen can be reached via the email address: intern@naega.org

# **Member Opportunities**

- essDocs Americas Grain and Oil Workshop September 9, 2015
- Taiwan Goodwill Mission Reception September 15
- Treasury OFAC Fall Symposium September 22
- NAEGA Seminars
- NAEGA Internships

#### **Action Reports**

- China Grain Law Update
- Mexico Customs Law follow up from the 22<sup>nd</sup> Annual NAEGA-APPAMEX Forum
- IGTC Progress Buenos Aires December 2 and 3 meetings, Geneva Executive Session
- Alternative Security Plan (ASP) accepted by U.S. Coast Guard, Users Notified.
- Portland Industry US Government Workshop
- Comment to USDA-APHIS on new Biotech corn event.

#### **NAEGA Future Actions**

- U.S. Review of Coordinated Biotechnology Framework
- USTR Review of China's Compliance with WTO Commitments
- ITC Review of Economic Impact of Trade Agreements

# **Information for your consideration**

- U.S. Congress back in session Grain Standards Act Re-authorization?
- New Brownsville, TX Rail Link
- Cargo and Vessels Inbound from Tianjin Being Monitored, Could Face Delays
- Cuban Barriers to Trade and Investment Expanded ITC Study

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# **NAEGA Calendar and Member Notices**

• Upcoming Events and Notices for Members

# **Member Opportunities**

## essDocs Americas Grain and Oil Workshop – September 9, 2015

On September 9, 2015 essDocs Americas will be hosting a Grain and Oil DDGS Workshop in Miami, Florida to highlight the benefits of electronic documents and consider the challenges of transitioning to eDocs and how these challenges can be overcome. NAEGA President and CEO Gary Martin will be attending. The agenda currently includes an overview of CargoDocs for agriculture, recent progress in existing trials and progress using industry contracts, including NAEGA's. Christian Dellis from USDA APHIS will be attending as a guest speaker. If you are interested in attending please contact Gary or Ryan.

A finalized agenda can be found here.

#### Taiwan Goodwill Mission Reception - September 15

NAEGA, along with NGFA, U.S. Wheat Associates, U.S. Grains Council, and USSEC, will be hosting a reception for the Taiwan Goodwill Mission, which will travel to the United States starting on September 14. The reception will recognize the agricultural partnership between the U.S. and Taiwan and honor the mission as it begins its trip across the United States.

The reception will take place from 5:00-7:00pm on Tuesday, September 15 at the Marriott Metro Center Junior Ballroom Foyer in Washington, D.C. A formal invitation can be found here.

All NAEGA members are invited to attend. Please register here.

# Treasury OFAC Fall Symposium – September 22

The U.S. Department of the Treasury's Office of Foreign Asset Control will be hosting a fall symposium in Washington, D.C. on Tuesday, September 22. The event will include presentations on OFAC regulations affecting all U.S. persons, as well as targeted reviews of sanctions concerns for new and updated OFAC programs. OFAC staff will also be available to answer questions throughout the day. The event will take place at the Walter E. Washington Convention Center.

For more information and to register please click the link here.

#### **NAEGA Seminars**

The NAEGA Contracts Committee conducts seminars for in-depth and interactive education on contract practices. NAEGA Seminars are conducted in two different ways: first, "Privately" funded and designed for a single member company, and attended by persons invited by that member company; second, "Generally" funded by registration fees, designed to cover the interests

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of many companies, and attended by persons from several companies. In most cases, the Seminars provide intensive review of current developments and practices in international grain trade contracts, and often focus on the NAEGA 2. In-depth examination of regulatory compliance, NAEGA services and policy concerns can also be added content for a Seminar designed to meet your needs. Invitations for General Seminars are sent to all NAEGA member company representatives, and a per person registration fee will be required for attendance.

Our tentative plans for a General Seminar in Kansas City are on hold as we seek a date in near future that can be accommodated. NAEGA members interested in attending a General Seminar should contact Gary (gcmartin@naega.org) or Sam (sbonilla@naega.org). We have several open dates during which Seminars may be conducted. Please let us know, at your convenience, if you would like to discuss options for holding a seminar.

#### **NAEGA Internships**

NAEGA is seeking candidates for interns to work in our Washington DC office during the winter and summer of 2016. NAEGA internships of 2 to 4 months are tailored to meet the available time and interests of the student. Common responsibilities of a NAEGA internship include supporting staff administration and communication related to membership and industry services, national and international policy, international rograms and cooperation, as well as general office administration. NAEGA interns report directly to a Director of Operations and support the work of all NAEGA staff and third party personnel. Work study programs may be incorporated into a NAEGA internship.

Please contact Ryan to discuss – we are now recruiting for interns to start in January or February and May or June of 2016. Your recommendations are welcome!

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

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# **Reports on NAEGA Actions**

## China Grain Law – Update

A committee of volunteers who attended three days of events focused on working with the China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) on August 10-12 is working to complete a report in order to support the development of comments to the WTO on China's draft Administrative Measures for Inspection, Quarantine and Supervision of Inbound and Outbound Grains (Grain Law) by the 4 October 2015 deadline.

Key points and issues that will covered in the report include:

• Background on AQSIQ, their footprint, and structure across China and the evolution over the past 10 years;

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- AQSIQ's strong interest in opportunity to consult with industry and the trade on the draft Grain Law and responding to the comments received via the WTO process;
- The tie between the draft Grain Law, food safety as a legislative priority for China, food quality, and GMO's;
- How the draft Grain Law relates to imports and exports of grain for human consumption and as well as animal feed;
- How the implementation of the Grain Law is "not intended to disrupt trade into China";

The report will take a constructive look at key aspects of the draft Grain Law, including:

- 1. Definitions of Terms;
- 2. Quarantine permits;
- 3. Registration system for grain suppliers (export, storage, and production);
- 4. Registration of approved designated ports in China;
- 5. Risk control/laboratory testing;
- 6. Pest risk analysis;
- 7. Process to respond to distressed shipments (screening at port);
- 8. Implementation plans;

At the invitation of the COFCO Group and China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce & Animal By-Products (CNFA), NAEGA underwrote and organized these very well attended meetings. Gary Martin, acting as President of the International Grain Trade Coalition, Co-Chaired the meetings. NAEGA has a high priority on responding to the "New Grain Law" (copy of the 2015 draft text here).

It is clear that AQSIQ will emphasize responses to the WTO Committee on Sanitary and Phytosanitary measures notice G/SPS/N/CHN/882. Gary's trip report along with details on next steps will be available soon.

#### Mexico Customs Law – follow up from the 22nd Annual NAEGA-APPAMEX Forum

Among the topics identified as a concern at the 22nd Annual NAEGA-APPAMEX Forum was proposed implementation of Customs Law Article 81. On April 20 the Mexican Secretariat of Finance and Public Credit submitted an amended version of the customs law to harmonize terminology and update documentation requirements. The biggest changes in this update occur in Article 81, where significant documentation requirements are added for importers. The new rule would require importers to disclose additional documentation on the valuation of the imported goods. Under the current version, this documentation could include disclosure of the contracts related to the purchasing of the goods.

APPAMEX recently advised that implementation of the revised Article 81 rules has effectively been delayed until 2016. However, NAEGA continues to follow the issue and work closely with APPAMEX to understand and clarify additional requirements. More information on the proposed update can be found here. The revised Article 81 and a related article can be found here and here.

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# **IGTC Progress**

The International Grain Trade Coalition (IGTC) will conduct important meetings in Buenos Aires on December 2 and 3. The IGTC General Assembly and Policy Meeting will follow an International Grains Forum at the Bolsa de Cereales in Buenos Aires, Argentina on December 1. The Forum, which is co-sponsored by the Bolsa and the International Grains Council will include IGTC presentations on key developments impacting the international grain trade and the interests of NAEGA members and IGTC corporate stakeholders

Right after the a successful meeting on China's "New Grain Law" in Beijing in August, NAEGA President and CEO Gary Martin, who is also President of the IGTC, travelled to Geneva to hold and Executive Session of the IGTC Management Council. Gary, joined by IGTC Secretariat Marcel Bruins and IGTC Vice-President Teresa Babuscio, worked to update the IGTC business plan and address IGTC priorities.

Related reports and agendas will be available soon.

#### Alternative Security Plan (ASP) Accepted by the U.S. Coast Guard – Users Notified

Earlier this month NAEGA and NGFA submitted to the US Coast Guard Commandant revisions to the NAEGA – NGFA Alternative Security Program (ASP). On August 17 the USCG Commandant accepted the NAEGA – NGFA revised ASP. The ASP provides for an alternative to Facility Security Plans to meet some security measures required by the Maritime Transportation Security Act (MTSA). The ASP is available to facilities operated by NGFA and NAEGA members in good standing. Users of the ASP, who have exclusive and secure access to program documents, worked with staff over the past several months to complete a review and draft the proposed revisions. NAEGA Senior Advisor Jerry Cotter spearheaded efforts in developing the submitted revisions to the ASP. The ASP is subject to constant review and improvement. The revisions submitted meet the requirement for a complete review and proposal for revision to be conducted once every 5 years. To read the USCG Commandant's approval letter, please click here.

Last week users should have received all documentation related to the 2015 Revised ASP. "Member in Good Standing" letters are available upon request. Users who need a "Member in Good Standing Letter" or who have any other questions about the 2015 revised ASP should contact Ryan.

All NAEGA members in good standing are eligible to participate in the ASP so long as the facilities using the ASP are subscribed. For more information, including information on how to become a subscriber, please contact Ryan.

# Successful NAEGA, NGFA, and PNWGFA Workshop in Portland

On August 27, over 30 attendees at the NGFA, NAEGA, and the Pacific Northwest Grain and Feed Association (PNWGFA) industry-government workshop in Portland, Ore engaged with U.S. government officials to discuss a host of industry issues. The workshop (see agenda here) included these presentations, linked here and here. The workshop was highlighted by the remarks of U.S. Coast Guard Columbia River sector Commander Daniel Travers, who provided an overview of the Thank you for your membership and work with NAEGA. This copyrighted report is intended for the use of NAEGA membership only. The accuracy of the information reported and interpreted is not guaranteed. All contents are subject to correction and revision. In accordance with Federal law and U.S. Department of Agriculture NAEGA does not discriminate on the basis of race, color, national origin, sex, age, religion, or disability. NAEGA is an equal opportunity employer



sector's mission and advised on several issues, including cybersecurity. Other U.S. officials included representatives of USDA, APHIS, and FGIS. APHIS provided updates that included very informative discussions on E-Phytos, China, the IPPC development of an International Standard for Phyto-Sanitary Measures in Grain, and management of Flag Smut. FGIS addressed a long list of the Agencies key initiatives and sought industry input on the services they provide including plans for 2016 implementation of a web based FGISOnline system. FGISOnline is being developed to provide Customers with a single user managed e-portal with "Data Capture Automation" of service requests, work orders, FGIS Certifications, billings, and charges.

#### NAEGA - NGFA Joint Statement on Monsanto Biotech Corn

On August 20 NAEGA and NGFA submitted a joint statement to APHIS regarding the "Preliminary Plant Pest Risk Assessment and Draft Environmental Assessment for Maize Designated as Event MON 87403." This statement builds on additional work done by both agencies to promote economic and scientific based regulatory policies in approving new plant varieties. In addition, the NAEGA-NGFA joint statement reiterates the need for U.S. policy that addresses low-level presence (LLP) of biotech enhanced events. In particular NAEGA – NGFA recommended a two tiered approach when addressing MON 87403 and other related biotech deregulations. First, NAEGA – NGFA pushed APHIS for "conditional deregulation" - deregulation based on standards developed by industry groups. This deregulation could occur while APHIS is conducting appropriate reviews. Furthermore, the NAEGA-NGFA joint statement pushes for a Global LLP policy, a framework long advocated for by NAEGA at national and international levels.

A copy of the joint statement can be found here.

# **NAEGA Future Actions**

NAEGA is considering making comments on the following items. Please contact us with your advice or suggestions:

#### 2015

**U.S. Review of Coordinated Biotechnology Framework** –NAEGA will be engaged in a White House initiative intended to update and improve the U.S. Coordinated Biotechnology Framework. The White House issued a memorandum directing the three Federal agencies that have oversight responsibilities for the products of biotechnology—the Environmental Protection Agency (EPA), the Food and Drug Administration (FDA), and the Department of Agriculture (USDA)—to update the Coordinated Framework, develop a long-term strategy to ensure that the system is prepared for the future products of biotechnology, and commission an expert analysis of the future landscape of biotechnology products to support this effort.

NAEGA looks forward to receiving member input. More information can be found here.

**USTR Review of China's Compliance with WTO Commitments -** The Office of the U.S. Trade Representative (USTR) is preparing its annual report to Congress on China's compliance with its

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World Trade Organizations (WTO) commitments. The report will include an analysis of topics that relate to commitments made under China's 2000 WTO accession, including trading rights, import and export regulation, internal policies like subsidies, intellectual property, services, and the rule of law.

NAEGA looks forward to receiving member input on this issue. Written comments are due on September 23.

For more information, click here.

ITC Review of Economic Impact of Trade Agreements Prompted by a request from Congress, the U.S. International Trade Commission (USITC) has begun an investigation into the economic impacts of U.S. trade agreements since 1984. This investigation will include bilateral and multilateral agreements, including the Uruguay round of negotiations. The investigation will take place over a period of 8 months. Submissions of public statements will be accepted until November 4. A public hearing on the report will be conducted on November 17, and the report will be submitted to Congress on June 29

For more information, click here.

NAEGA Actions on Current Issues are tracked on the Member's Only Section under their relevant committee pages.

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# **Information for your Consideration**

# **Congress Back in Session – May Consider Grain Standards Act**

Congress will return to session Tuesday September 8 following a five week hiatus. The fall work period agenda includes raising the debt ceiling, funding general government operations, and federal highway and transit funding. In addition, Congress will most likely take up reauthorization of the Grain Standards Act, which expires on September 30. Movement on the act could occur as early as next week. The House and the Senate are currently hammering out differences in their versions of the bill, including measures that would address this year's Washington State port shutdown. For more information on reauthorization of the Grain Standards Act, click here.

# New Brownsville, TX Rail Link to Mexico

The U.S. and Mexican governments inaugurated the first new rail link between the two countries in more than 100 years last week. A new rail bridge and crossing between Brownsville, TX and Matamoros, Tamaulipas is the ninth rail crossing between the two countries. The crossing will be equipped with X-ray systems that can scan arriving rail traffic, Border Patrol agents, and sniffer dogs for on-site inspections. With construction beginning in 2010, the link will expand regional

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transportation capacity, improve air quality, and alleviate urban congestion by re-routing rail traffic out of the most populated areas in both border cities.

For more information on the Brownsville-Matamoros link, click here.

# Cargo and Vessels Inbound from Tianjin Being Monitored, Could Face Delays

The U.S. Coast Guard and U.S. Customs and Border Protection are monitoring vessels and cargo departing the port complex in Tianjin, China, on or after Aug. 12 due to concerns that they may be contaminated with potentially hazardous ash, debris or residues from the recent explosions at that facility. Entry may be denied to any vessel determined to present an unacceptable risk. The bulletin can be found here.

The COTP has the authority to deny a vessel entry into a U.S. port or direct vessel movement to a safe location should the COTP determine that the vessel poses an unacceptable risk to the safety of the port or the environment. The bulletin states that while the mere presence of a vessel or cargo in Tianjin on or after Aug. 12 does not necessarily mean it was exposed and has a hazardous condition, COTPs will consider the factors listed above when determining whether a vessel or cargo may constitute a risk and the appropriate course of action.

To help minimize potential shipping delays, representatives of impacted vessels should therefore be prepared to demonstrate to the COTP and CBP authorities the actions they have taken to ensure that no hazardous conditions exist onboard their vessels or with the cargo as a result of the explosions. Federal experts are currently developing guidelines for sample testing to facilitate those efforts and that guidance will be disseminated through COTPs as soon as possible.

# **Cuban Barriers to Trade and Investment - Expanded ITC Study**

The International Trade Commission, acting in response to a request from the Senate Finance Committee, is expected to expand its on-going study in connection with U.S. moves to improve economic relations with Cuba. The ongoing investigation is focused on the effect of the U.S. embargo against Cuba on exports of goods and services to that country, the ITC will also look at the effect of factors inside Cuba itself. Among the factors added we can expect ITC will include a qualitative analysis of existing Cuban non-tariff measures including sanitary and phytosanitary measures, state trading, port facilities, and the storage, transport and distribution of goods.

As a result, the ITC's report is expected to be delayed from September 15 to March 17, 2016. The original ITC press release on this effort can be found here.

If you would like more information, or wish to provide comments on any of these news topics monitored by NAEGA, please contact us.

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#### **NAEGA Calendar & Member Notices**

#### 2015

# September

**9** – Miami, FL – America's DDG Grain and Oils Workshop hosted by essDocs. Gary Martin attending.

**10-26** – London, England – Gary Martin and Jerry Cotter traveling to London. A notice to post can be found here. Agenda:

- Jerry Attending:
  - September 14-18: International Maritime Organization (IMO) Carriage of Cargoes and Containers (CCC) Meeting – Jerry Cotter attending. Jerry will focus on the CCCs proposed amendments and supplements to the International Bulk Supply Code (IBSC).
- Jerry and Gary Attending:
  - September 21: Presentation Chatham House Research Chokepoints and Vulnerabilities in the Global Food Trade. Gary Martin and Jerry Cotter presenting. An agenda for the event can be found here.
- Gary Attending:
  - o September 23 and 24: FAS Europe and EU Cooperator meetings, including meetings with.
  - o September 25: Presentation Canning House Security of global food supply: what role for Latin America's net agricultural exporters? Garry Martin presenting.
  - o Gary Martin will be available for additional meetings on September 22.
- **15** Taiwanese Goodwill Mission meetings and reception. Marriot Metro Center Junior Ballroom Foyer, Washington, D.C. 5:00-7:00pm
- **22** Washington, DC 2015 OFAC Fall Symposia. Walter E. Washington Convention Center, Washington, D.C. 8:00am-4:00pm.

#### October

2 – Vancouver, British Columbia – International Dry Bulk Terminals Group (DBTG) Annual Meeting – Jerry Cotter attending.

# 7 and 8 - Washington, D.C. – International Trade Administration's Advisory Committee on Supply Chain Competitiveness will hold an open meeting

**18** – Budapest, Hungary – Plant Breeding and Innovation Working Group of the International Seed Federation (ISF), Marcel Bruins, For IGTC, attending.

#### November

**16-19** – USAEDC Annual Workshop – Location TBD.

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**17-20** – Amsterdam, The Netherlands – International Genetically Modified Conference on Coexistence (GMCC-15).

30 – Dec. 1 - Buenos Aires Argentina - International Grain Council (IGC) meeting and Forum Bolsa de Buenos Aires. Gary Martin, Marcel Bruins plan to attend.

#### **December**

**2 and 3** – Buenos Aires, Argentina IGTC General Assembly and Meetings – Bolsa de Buenos Aires. Gary Martin, Marcel Bruins plan to attend.ALL NAEGA members / IGTC Corporate Stakeholders welcome!

**9-11** – Geneva, Switzerland – Globally Harmonized System (GHS) Subcommittee meeting – Jerry Cotter attending.

#### 2016

#### January

**11-14** Washington, D.C. – Transportation Research Board (TRB) Agricultural Transportation Committee Annual Meeting. Gary Martin will present on multiple freight transportation modes related to the U.S. grain industry.

#### April

14 – Tentative IGTC Meeting – Winnipeg, Canada

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