



North American Export Grain Association

## Outreach September 27, 2018

### Image of the Week

<b>WTO reform proposals</b>		
Both the EU's and Canada's proposals cover three major functions, but Canada's proposals are broader while the EU gives more direct and actionable recommendations		
<b>Improving monitoring and transparency</b>		
EU specific	Commonalities	Canada specific
Promote subsidy notification, imposing sanctions for repeated noncompliance	Improve subsidy notifications via incentives, technical assistance and counter-notifications	Review notification requirements to assess whether they are overly burdensome
Increase market access by establishing requirements and a timeframe for replies prior to litigation	Increase frequency of regular body deliberations	Increase deliberation concerning specific trade concerns
Adjust rulebook incrementally and downsize ineffective committees		
<b>Modernizing trade rules</b>		
EU specific	Commonalities	Canada specific
Focus future special and differential treatment on a case-by-case basis	Recognize a need for flexible treatment of developing states	Create categories for developing countries, looking at need and length of time
Extend measures to level the playing field, including increasing the list of prohibited subsidies	Modernize rules to address forced technology transfer, SOEs, digital trade, sustainability and investment	Gives less detailed reforms, instead focusing on need to find common priorities
	Promote negotiations on a multilateral and plurilateral basis	
<b>Ensuring the longevity of the dispute settlement system</b>		
EU	Commonalities	Canada
Codify rule 15 (transitional rules for outgoing Appellate Body members)	Focus adjudication only on areas necessary to resolve dispute	Divert from adjudication via mediation
Establishes longer, but singular, AB terms to insure impartiality	Clarify meaning of municipal law to a focus on factual findings	Streamline the process
Enforce a 90-day deadline for case proceedings, unless the parties agree otherwise	Promote additional channels of communication	Include minority views in reports



### Action Reports

**Recent Actions:**

- NGFA-NAEGA Joint Statement on U.S. Trade following Senate Ag Committee Hearing
- NAEGA Contracts Committee
- U.S. Food & Agriculture Dialogue for Trade

### *Upcoming Actions*

- **MEMBER FEEDBACK NEEDED: U.S. FGIS soybean, corn and canola standards**

### *Pending Actions*

- Korea's Temporary MRL List
- Khapra Beetle Comments
- Codex SPS Standard-Setting Activities
- Licensing of U.S. Agricultural Shipments to Cuba
- U.S. National Trade Estimate Report

### **Member Opportunities**

- DBTG Technical and Operations Seminar – Baltimore, MD – October 3-5
- Upcoming Contracts and Best Practices Seminar – October 9 in NOLA
- U.S. APHIS' BRS Annual Stakeholder Meeting – November 7
- Annual Hwy H<sub>2</sub>O Conference – Toronto, Canada – November 13-15
- Board of Directors Meeting - Miami, FL – January 29, 2019
- U.S. Barge Trade Digitization Project
- NAFTA and Asia-Pacific Policy Teams
- Internship Open with NAEGA

### **News**

- U.S., Korea Sign Revised Trade Agreement
- Trump's \$200 Billion in Tariffs on China take Effect
- U.S., Japan to Begin Trade Negotiations

### **NAEGA Calendar and Member Notices**

- Upcoming events and notices to members

## **Action Reports**

### ***Recent Actions:***

#### **NGFA-NAEGA Joint Statement on U.S. Trade following Senate Agriculture Committee Hearing**

On September 19, NAEGA and NGFA submitted a joint statement to the U.S. Senate Agriculture Committee as a follow up to the Committee's September 13 hearing concerning perspectives on U.S. agricultural trade. The statement provided information on the performance of U.S. trade with respect to the grain, feed, grain and oilseed processing, and export sectors. The statement goes into detail about agricultural trade with current trade agreement partners, the European Union, Japan, and China, and warns of the harm that lost market share can inflict on U.S. exporters.

Read the full statement [here](#).

### **NAEGA Contracts Committee**

The NAEGA Contracts Committee met on Thursday, September 20. Committee members discussed the status of the new NAEGA 2 contract's adoption, was provided an update on Subcommittee action regarding differing interpretations of Addendum 1, Clause 6b, and also informed the Committee of an upcoming training on the rules of arbitration conducted by the American Arbitration Association, designed with NAEGA Special Grain Arbitrators in mind.

### **U.S. Food & Agriculture Dialogue for Trade**

On Thursday, September 20 Gary Martin chaired a meeting of the U.S. Food and Agriculture Dialogue for Trade at the American Farm Bureau Federation. Dialogue guests Roger Wentzel, Deputy Assistant U.S. Trade Representative for Agricultural Affairs and Jeffrey Jones, Senior Policy Advisor at the USDA's Foreign Agricultural Service (FAS) provided off the record comments on the status of trade agreement talks with various nations, particularly potential free trade agreements with the European Union, the United Kingdom, and the Philippines.). Following a robust session with the guests, Asia-Pacific and North American Market Working Group chairs provided updates and plans for Dialogue meetings on October 18 and November 20 were preliminarily set.

### ***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 were due August 28, 2018. However, NAEGA and NGFA have confirmed that AMS will be announcing an extension shortly.

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.

### ***Pending Actions:***

#### **Korea Temporary MRL List**

South Korea recently released a list of temporary maximum residue limits (MRLs) that will be effective before the end of this year and maintained through the end of 2021. Please review the [list of temporary MRLs](#) and send feedback on critical missing MRLs to [plantdivision@fas.usda.gov](mailto:plantdivision@fas.usda.gov), [julie.chao@fas.usda.gov](mailto:julie.chao@fas.usda.gov), and [loren.lapointe@fas.usda.gov](mailto:loren.lapointe@fas.usda.gov) by **September 28, 2018**. The final list of temporary MRLs, including import tolerances, is scheduled to be released by mid-October.

#### **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.

Final comments are due to NAPPO on **September 30, 2018**.

#### **Codex SPS Standard-Setting Activities**

The USDA's Office of Trade and Foreign Agriculture Affairs (TFAA) is requesting public comments on the sanitary and phytosanitary (SPS) standard-setting activities of the Codex Alimentarius Commission (Codex). TFAA seeks comments on SPS standards under consideration and recommendations for new standards.

The official notice in the Federal Register can be found [here](#) and additional information [here](#).

#### **Licensing of U.S. Agricultural Shipments to Cuba**

The U.S. Commerce Department's Bureau of Industry and Security (BIS) is requesting public comments on the effectiveness of its licensing procedures for exports of agricultural commodities to Cuba. BIS will include a description of these comments in the biennial report it is required to submit to Congress under the Trade Sanctions Reform and Export Enhancement Act of 2000.

In particular, BIS is seeking comments on the following areas:

- A. The number and types of licenses applied for and approved.
- B. The average amount of time from the date of filing an application until the date of its approval.
- C. The extent to which the licensing procedures were effectively implemented.

For more information, see the [Federal Register notice](#). Comments are due by **October 17, 2018**.

## **U.S. National Trade Estimate Report**

NAEGA members are invited to participate in comments to the Office of the U.S. Trade Representative (USTR) regarding the publication of the annual National Trade Estimate Report on Foreign Trade Barriers (NTE Report). USTR is requesting written comments to assist them in identifying significant barriers to U.S. exports of goods and services, U.S. foreign direct investment, and the protection and enforcement of intellectual property rights for inclusion in the NTE Report. USTR will also consider responses to this notice as part of the annual review of the operation and effectiveness of all U.S. trade agreements regarding telecommunications products and services that are in force with respect to the United States.

The official notice in the Federal Register can be found [here](#) and additional information [here](#).

Comments should be submitted through [regulations.gov](http://regulations.gov). The deadline to submit comments is **October 30, 2018**.

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## **Member Opportunities**

### **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](#).

### **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. Our next seminars are:

- October 9 in New Orleans, LA – [REGISTER NOW](#)
- October 15 in Portland, OR. – [REGISTER NOW](#)

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!

### **U.S. APHIS' BRS Annual Stakeholder Meeting – November 7**

The U.S. Department of Agriculture's Animal and Plant Health Inspection Service's (APHIS) Biotechnology Regulatory Services (BRS) will hold its annual stakeholder meeting on Wednesday, November 7, 2018 at the USDA Center in Riverdale, MD. This meeting can be attended in-person or virtually. To ensure BRS identifies the full range of interests, BRS is seeking input on topics to be discussed at the meeting. Please submit comments or suggestions on potential topics of interest by October 9, 2018, to [BRS.Stakeholders@aphis.usda.gov](mailto:BRS.Stakeholders@aphis.usda.gov).

### **HWY H<sub>2</sub>O Conference – Toronto, Canada – November 13-15**

NAEGA members are invited to attend the St. Lawrence Seaway Development Authority's HWY H<sub>2</sub>O Conference in Toronto, Canada. HWY H<sub>2</sub>O 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](#).

### **Board of Directors Meeting – Miami, FL – January 29, 2019**

The next meeting of the NAEGA Board of Directors will be held from 12:00pm-4:00pm on Tuesday, January 29, 2019 at the Miami Beach Edition Hotel in Miami, FL. The meeting will occur alongside the Commodity Markets Council's (CMC) State of the Industry conference, which will take place on January 27-29 at the same hotel. All board members are invited to attend the CMC conference, and NAEGA is currently negotiating a discounted group rate.

Those looking to make early travel arrangements can book their hotel room under the CMC group rate by following this [link](#).

More details and the meeting agendas will follow in the coming weeks.

### **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](mailto:Julie_Detlefsen@cargill.com)) or Charlie Delacruz ([cdelacruz@ngfa.org](mailto: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**

### **U.S., Korea Sign Revised Trade Agreement**

On Monday, September 24 U.S. President Donald Trump and South Korean President Moon Jae- [issued a joint statement](#) regarding the conclusion of the negotiations to revise KORUS, the Korea-United States free trade agreement.

The updated KORUS agreement includes several small changes that could result in improved Korean market access for U.S. automakers, an extension of U.S. tariffs on Korean pickup trucks until 2041, and Korean steelmakers being subject to a quota of about 2.68 million tons of steel exports that will be exempt from the new tariffs. This is 70 percent of the annual average Korean steel exports to the United States between 2015-2017.

### **U.S. Imposes \$200 Billion in Tariffs on China; China Retaliates**

On Monday, September 24 the Trump Administration began implementing tariffs on a list of products announced on September 17. This latest set of tariffs are set at 10 percent on \$200 billion worth of imports from China. These tariffs come on top of the \$50 billion worth of tariffs already imposed earlier this year, meaning nearly half of all Chinese imports into the United States will soon face levies. The tariffs will remain at 10 percent until the end of the year, and if China does not make adequate concessions, these new tariffs will then increase to 25 percent on January 1, 2019.

The United States Trade Representative (USTR) [published a list](#) of the wide range of products that will be affected.

In response, the Chinese government announced retaliatory tariffs of 5 to 10 percent on \$60 billion of imports from the United States. Items effected range from meat to wheat to aircraft and took effect on September 24.

### **U.S., Japan to Begin Trade Negotiations**

On Wednesday, September 26 U.S. President Donald Trump and Japanese Prime Minister Shinzo Abe issued a joint statement announcing that the United States and Japan will enter into trade negotiations for a United States-Japan Trade Agreement. The agreement will encompass goods as well as services, and both countries are also willing to discuss other trade and investment issues.

In the statement, the United States and Japan emphasized that this agreement will respect the positions of both governments on sensitive trade topics, including automobiles and agriculture.

Read the full statement [here](#).

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### **Calendar & Member Notices**

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

**2018**

#### **September**

**30** – Khapra Beetle comments due to NAPPO

#### **October**

**1** – U.S. FDA begins issuing new export certifications

**1-5** – FAO Committee on Agriculture (COAG) – Rome, Italy

**3-5** – DBTG Operational and Technical Workshop – Baltimore, MD

**9** - NAEGA Contracts and Best Practices Seminar – New Orleans, LA

**15** – NAEGA Contracts and Best Practices Seminar – Portland, OR

**16-19** – NAPPO Annual Meeting – Merida, Mexico

**17** – U.S. BIS Comments on Licensing of Agricultural Shipments to Cuba due

**30** - USTR Comments for National Trade Estimate Report on Foreign Trade Barriers  
due

**31-November 1** – WTO SPS Committee – Geneva, Switzerland

#### **November**

**5-8** – USDA Trade Mission to South Korea

**7** – APHIS' BRS Annual Stakeholder Meeting

**12-18** – APEC Leaders Summit



- 13-15** – HWY H<sub>2</sub>O 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 40<sup>th</sup> Session – London, UK
- 14** – IGTC Management Council - Virtual
- TBD** – Biosafety Protocol COP 14 – Egypt

### ***2019***

#### **January**

- 9** – Peru CVD investigation on U.S. corn imports evidentiary period ends
- 15** – USDA Market Facilitation Program applications close
- 29** – NAEGA Board of Directors Meeting - Miami, FL

#### **February**

- 8** – Peru CVD investigation on U.S. corn imports essential facts issues

#### **March**

- 17-19** – NGFA Annual Convention – Amelia Island, FL
- 25** – Peru CVD investigation on U.S. corn imports 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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