



“Working Together to Make Trade Work”

OUTREACH December 3, 2012

Thank you for your membership in and work with NAEGA

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NAEGA member participation requested:

Urgent ! --- Appeal to U.S. Administration for immediate action to maintain navigation on the Mississippi River between St. Louis, MO, and Cairo, IL.

As part of our ongoing efforts to respond to drought related restrictions of river transportation, NAEGA is working with the National Grain and Feed Association (NGFA) and a broad multiple industry effort led by the Waterways Council (WCI) and The American Waterways Operators (AWO) to encourage immediate action by the Obama administration to use its authority to immediately declare an emergency and direct the U.S. Army Corps of Engineers to take specific actions maintain navigation on the Mississippi River between St. Louis, MO, and Cairo, IL.

As you are aware, navigation on the strategic 200-mile stretch of the Mississippi River will be severely impaired – and barge transportation may well cease altogether – by mid-December. 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

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unless the administration takes emergency action to ensure the statutorily authorized 9-foot draft needed to maintain commercial navigation. Since such a disruption would occur during one of the busiest and most critical periods of the year for U.S. agriculture’s use of barge transportation, an agriculture industry focus has been added to the campaign.

Your support and additional outreach to anyone who might help encourage action by the Obama Administration. Please share the agriculture coalition letter, [available here](#), we are sending this week and other material [provided by WCI](#). Ultimately, please help urge that the U.S. Administration:

1. Release measured, but sufficient, flows from Missouri River reservoirs dams to maintain a 9-foot navigation channel on the Mississippi River to sustain commercial navigation in exchange for potential releases of less water during the spring navigation season if winter rains and snows do not adequately replenish these reservoirs. We are aware of recent government weather projections that indicate the Southern Oscillation Index used to predict and assess El Nino and La Nina conditions has been in a neutral mode for the past two months, which would indicate a trend toward more normal rainfall patterns this spring.
2. Waive federal acquisition rules to expedite the agency’s contract-award procedures, and order that it take immediate action to remove the rock pinnacles near Grand Tower and Thebes, IL. Combined with reduced water levels, these rock formations – remnants from earlier blasting to clear the channel – present significant hazards to navigation. Without such direction, the Corps has indicated that work would not begin until February 2013, and would take up to 60 days to complete – a totally unacceptable outcome given what is at stake. It is important to emphasize that while removal of these rocks should be helpful, this action in-and-of-itself is not expected to fully alleviate the need for Missouri River flows to maintain navigation.

We are tracking this issue on the [NAEGA Member’s Only Site](#) and on the [NAEGA Personal Pages](#) site. We appreciate your work and support on this important issue.

Inter-market Survey of Official Inspection – NAEGA members are encouraged to participate in an Inter-Market Monitoring Survey of Official Inspections developed by NAEGA in cooperation with the USDA’s Grain Inspection, Packers & Stockyards Administration (GIPSA). The goal of the survey is to test U.S. sampling methods for both the import and export of grains & oilseeds to provide a quicker response time to any grading differences between the origin and export system. A description of the Survey method is [available through this link](#). NAEGA launched the survey earlier in 2012, though delays in starting the project prevented the collection of enough data to be useful at that time.

In August, NAEGA Senior Advisor Arvid Hawk communicated to the Grades & Inspections Committee that they should have their companies begin work on the project as soon as possible. So far, GIPSA reports that they have only received a handful of samples, none complete, from just two participants.

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For the project to be successful, greater participation and a large data sample is needed. NAEGA members who have already agreed to participate in the project are asked to check with their companies to check on the status of the project. NAEGA members who are not already participating are encouraged to take part. Please contact Arvid Hawk at ahawk@naega.org if you would like to take part of if you have an update on your company’s participation status.

Rapid Response Mechanism and SPS TBT Enforcement - NAEGA policy papers posted for your consideration and use – NAEGA has recently updated policy papers to improve the predictability and efficiency of trade:

1. A briefing paper urging the inclusion of a Rapid Response Mechanism (RRM) in trade agreements. RRM would provide a commercially-meaningful method by which to resolve trade disputes related to plant quarantine and other risk management measures deployed by importing governments. The paper is [available through this link](#).
2. Second is a comprehensive set of recommendations for Sanitary & Phytosanitary (SPS) measures and Technical Barriers to Trade (TBT) enforcement for inclusion in the Trans Pacific Partnership. The paper is [available through this link](#).

Your review and assistance in communicating these policies is requested.

Full Details on Upcoming Events can be found in the Meetings & Events Section of the [NAEGA Member’s Only Page](#) and the [Personal Pages Website](#)

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Reports on NAEGA actions

Canada, Comment Period Extended Indefinitely on New Phyto Requirements – In the November 19, 2012 edition of OUTREACH, NAEGA reported that the Canada Food Inspection Agency (CFIA), had issued a notice extending the comment period to February 15, 2013 on two proposed import policies: D-12-04 - *Phytosanitary import requirements for grain of field crops including pulses, oilseeds, cereals (other than barley, oat, rye, triticale, and wheat), forages and other special crops from all origins except the continental United States*, and D-12-05 - *Phytosanitary import requirements for grain of field crops including pulses, oilseeds, cereals (other than barley, oats, rye, triticale, and wheat), forages, and other special crops from the continental United States*.

NAEGA, working with the Canada Grains Council and in collaboration with the Canada-U.S. Grain and Seed Trade task group encouraged a delay in implementation of the new import policies. This week and following meetings NAEGA attended on November 21 in Ottawa, Canada CFIA determined that the comment period will remain open beyond February 15, 2013.

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During this time, the CFIA plans to consult specifically with stakeholders to ensure better understanding and potential impacts of the draft policies. CFIA will also be providing more detailed explanations of its proposed risk-based approach and will be seeking additional comments. A closing date for the comment period as well as an implementation date will be announced at a later date based on comments received by CFIA.

To complete the proposed risk-based approach, CFIA has also indicated their intentions to modify the CFIA directive D- 99-01: Barley, Oats, Rye, Triticale and Wheat - Phytosanitary Requirements on Import, Transshipped, In-Transit and Domestic Movement, as well as other directives.

The draft plant health directives related to grain and oilseeds will be posted on CFIA's website in the coming weeks. If you are interested to receive notifications from the CFIA on grains and oilseeds plant health directives, we encourage you to subscribe to the list serve by following the link: <http://inspection.gc.ca/english/util/listserv/listbsube.shtml>

We are pleased that CFIA has extended the comment period and NAEGA will continue to place a priority on addressing these precedent setting changes to Canada’s phyto-sanitary risk management. We are tracking this issue on the [Grades Committee Website](#) and the [NAEGA Personal Pages](#) site.

Canada, Grain & Seed Trade Task Group Update – NAEGA and the Canada Grains Council continue to co-chair the coalition of industry and producer trade associations to facilitate new trade opportunities between Canada and the United States arising from the passage of the Canada’s Marketing Freedom for Grain Farmers Act. The Task Group met to discuss further actions and immediate steps to work with the Canadian Food Inspection Agency (CFIA) on the proposed phytosanitary risk management import policies like D-12-04 and D-12-05.

To support responses to the CFIA proposals (see article above) NAEGA Senior Advisor Kendall Keith is coordinating with the Task Group to draft a Project Proposal for “Assessment of Commodity Flows, U.S. Origins to Canada Destinations, and Sample Survey of Destination Users Regarding Processing Methods and Refuse Disposal”.

Industry Task Group Members are now considering policy issues in addition to the CFIA directives. Suggestions will include suggestions on how the Task Group might address the subject policy as well as relevant background information. Suggestions are due on or before Monday, December 17th to enable circulation before the next conference call of industry members.

The first project of the Task Group, the website <http://www.Canada-USGrainandSeed.info>, has been very successful and endorsed by both U.S. and Canadian governments. The website and related communication provide for information to help U.S. & Canadian producers and sellers understand the similarities and differences between the two systems to help avoid issues in marketing and delivering their grain and seed across the border. Information for grain producers

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and those in the seed trade are now posted to the website. A commercial grain trade section, is now in development.

We are continuing to track the work of the Task Group issues on the [Grades Committee Website](#) and the [NAEGA Personal Pages](#) site.

U.S., Export Credit Guarantee Program – In October, NAEGA, along with the other members of the Export Credit Working Group (ECWG), submitted a letter to U.S. Secretary of Agriculture Tom Vilsack, requesting that USDA announce initial GSM-102 program availability, including individual country program levels along with any revised fee schedule that might be necessary, as a number of pending trade transactions were stalled waiting for an announcement on availability of the GSM-102. That letter [is available here](#).

We have received a response from Secretary Vilsack. In his letter he notes that initial allocations for the GSM-102 program amounting to \$2.5 billion were announced on October 18. He thanked the ECWG for its input and advice on the program, and he noted how important the GSM-102 program is for export opportunities for U.S. agriculture. The letter can be found on the NAEGA Public website under [“Public Comments & Policy Statements”](#).

U.S., USAEDC Annual Workshop – NAEGA Director of Operations Patrick Hayden attended the 2012 U.S. Agricultural Export Development Council (USAEDC) Annual Workshop in Baltimore, Maryland. USAEDC is a non-profit trade association of U.S. commodity trade associations, farmer cooperatives and state regional trade groups. The approximately 80 members expect USAEDC to assist them in their export promotion efforts, specifically those in conjunction with the U.S. Department of Agriculture Foreign Agricultural Service (FAS). NAEGA, because of our use of the Market Access Program (MAP) is a member of USAEDC.

This year’s workshop featured presentations from Administration leaders. Key takeaways included:

1. Since neither the new Farm Bill nor an extension of the expiring Farm Bill have been passed, there is no allocated funding for the MAP program in 2013. The MAP program is a key part of NAEGA’s international outreach efforts.
2. If the “Fiscal Cliff” issues are not resolved and sequestration goes into effect on January 1, 2013, even with a new or extended Farm Bill, FAS is preparing for a cut in total of 8-15% in its budget.
3. USDA’s trade priorities for 2013 are on completion of the Trans Pacific Partnership (TPP) and continued negotiations with the European Union through the US-EU High Level Working Group on Jobs & Growth on a US-EU Free Trade Agreement (FTA). NAEGA is playing very significant role in and is tracking both the TPP & the EU FTA.

World, NAEGA MAP Documents Posted – The Market Access Program (MAP) trip report for the recent NAEGA mission to Hyderabad, India by NAEGA Member Volunteers Paul Green of Mitsui & Diana Felner of Bunge have been submitted to USDA/FAS and is now available for NAEGA members to view.

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Additionally, a report prepared by World Perspectives, Inc. on the Global Impact of the EU’s Common Agricultural Policy has been completed and is available for download by NAEGA members as well. All MAP activity is tracked under the MAP committee and the trip reports are available on the [NAEGA personal pages](#) site and the [MAP Committee Website](#).

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

2013

January

9 – Comments due to BIS on proposed 180-day Deadline to Complete Voluntary Self-Disclosures: http://www.ofr.gov/OFRUpload/OFRData/2012-27206_PI.pdf

28 – Comments due to BIS on Proposed Changes to Clarify Commerce Control list: http://www.ofr.gov/OFRUpload/OFRData/2012-28363_PI.pdf

February

TBD – Comments to the Canadian Food Inspection Agency (CFIA) on draft directives D-12-05 & D-12-05: http://www.naega.org/images/pdf/CFIA_Draft_D-12-05.pdf

NAEGA Actions on Current Issues are tracked on both the Member’s Only Section under their relevant committee pages and the on the Personal Page’s site. Updates to tracked issues are posted in this section.

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New Issues & Opportunities for NAEGA Consideration

USDA Grain Inspection Advisory Committee Appointment – NAEGA wishes to congratulate Contracts Committee member Maria Reinitz of Gavilon on her appointment to the USDA’s Grain Inspection, Packers & Stockyards Administration (GIPSA) Grain Inspection Advisory Committee. As a member of the Advisory Committee, Maria will advise GIPSA on the programs and services it delivers under the U.S. Grain Standards Act, making recommendation for GIPSA to better meet the needs of its customers. NAEGA supported Maria’s appointment and we are confident that she will be a valuable addition to the committee. Congratulations Maria!

BIS Proposes Changes to Clarify Commerce Control List – The Commerce Department’s Bureau of Industry and Security (BIS) is inviting public comments on a proposed rule that would implement numerous changes designed to make the Commerce Control List (CCL) clearer. BIS notes that while this rule would only implement changes that can be made without requiring changes to multilateral export control regime guidelines or lists, it has also identified changes

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that would require a decision of a multilateral regime to implement and is developing some of those into proposals for consideration by regime members.

According to BIS, the proposed changes include:

- **Existing Controls.** BIS is proposing a number of clarifications to existing CCL controls, including by providing clearer definitions of the terms “parts” and “components” and adding or revising “related controls” paragraphs. Most of these changes would amend the CCL without changing the scope of the controls and serve only to provide additional regulatory guidance to those classifying items subject to the Export Administration Regulations (EAR).
- **Multilateral Regimes:** Several changes would conform the CCL to the multilateral export control regime control lists and previous amendments to the EAR. These include adopting a standardized list of 36 countries for which the use of license exception is limited with respect to nine specified Export Control Classification Numbers (ECCNs).
- **Structural Changes:** The proposed rule includes various structural changes to improve the clarity of the CCL. For example, the license exceptions section heading would be revised to add greater specificity, the license exception paragraph in the license exceptions section of 49 ECCNs would be removed, and a new section heading called “Reporting Requirements” would be added to certain ECCNs.

Comments are due to BIS by January 28, 2013. The full rule, including instructions on how to comment, is available [through this link](#).

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

December

4 – Washington, DC – Public Meeting of the Advisory Committee on Commercial Operations (COAC) of U.S. Customs and Border Protection

6 – London, United Kingdom – IGC "Roundtable Discussion the trade issues caused by GMO/LLP issues"

9-11 – Omaha, Nebraska – NGFA 2012 Country Elevator Conference & Trade Show

12-18 – Dubai, UAE – 2012 USSEC Middle East Regional Meeting & Select Customer Meetings

2013

January

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6-9 – Guangzhou, China – USSEC North Asia Regional Meeting & Select Customer Meetings

11-12 – Jakarta, Indonesia - 2013 USSEC Southeast Asia Regional Meeting & Select Customer Meetings

24 – St. Cloud, Minnesota – Minnesota Grain and Feed Association Annual Meeting – Gary Martin Invited to attend & present

February

20 – Washington, DC – U.S. Coast Guard ASP User’s Meeting – Hosted by NAEGA at the NAEGA offices

March

17-19 – San Francisco, California – NGFA Annual Convention

TBD - San Francisco, California – NAEGA Annual Meetings

November

12-15 – Lisbon, Portugal - 6th International Conference on Coexistence between Genetically Modified (GM) and non-GM based Agricultural Supply Chains: www.gmcc13.org

Member Notices

The New NAEGA.org – NAEGA’s public website at www.NAEGA.org has been redesigned and launched as of June 18, 2012. The new NAEGA.org features a more user-friendly interface, a better search engine, and integration with the NAEGA Personal Pages website. The new site also features social media tools for sharing public NAEGA actions on a wider scale. NAEGA accounts have been established at LinkedIn and Twitter, and stories on the public site can be shared on Google Plus. NAEGA members and staff should take the opportunity to enhance their experience with a NAEGA Members Personal Page. NAEGA Director of Operations Patrick Hayden is will assist you to setup and maintain your NAEGA Personal Page.

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