



## OUTREACH --- July 9, 2012

Working Together to Make Trade Work – Thank you for your membership in and work with NAEGA

### **Member Action Opportunities:**

Upcoming Events Open to NAEGA Member Participation;  
U.S.-Canada Grain Marketing Task Group – Member Input Requested;  
NAEGA Container Logistics Task Force Issue Update - FMC Extends Comment Period on  
Container Freight Indices for U.S. Agricultural Exports;  
The new NAEGA.org

### **Tracking NAEGA Actions:**

Canada, Comments to U.S. OMB on End Use Certificates; U.S., Joint Letter on Biotech Policy  
in Farm Bill; NAEGA MAP Trip Report Posted

### **Calendar and Website:**

Upcoming events and Website News

### **Member Action Opportunities:**

*The Following Events are open to NAEGA Member Participation. Full Details on Each Event can be found in the Meetings & Events Section of the [NAEGA Member's Only Page](#) and the [Personal Pages Website](#)*

**Alexandria, Virginia – 2012 U.S. Agricultural Export Development Council  
FAS Attaché Meetings & Seminar – July 10-11, 2012**

**Portland, Oregon – NAEGA Board of Directors Meeting – August 20 – 1 -5  
PM.**

**Portland, Oregon – NAEGA/NGFA-FGIS Regional Workshop – August 21,  
2012**

**Puerto Vallarta, Mexico – 2012 APPAMEX-NAEGA Forum – August 30  
September 1, 2012**

**Amman, Jordan – Potential U.S. Grain Industry Seminar with Iraq  
Ministry of Trade – November 13-14, 2012**

**U.S.-Canada Grain Marketing Task Group - Member Input Requested** – Working in conjunction with Canada Grains Council to lead the U.S.-Canada Grain Marketing Task Group (which includes U.S. and Canadian government as well as the American Seed Trade Association, the Canadian Seed Trade Association, the Canadian National Millers Association, the Canadian International Grains Institute, Grain Farmers of Ontario, Grain Growers of Canada, the Flax Council of Canada, Montana Wheat and Barley Committee, the National Association of Wheat Growers, the National Grain and Feed Association, the North American Millers Association, North Dakota Wheat Commission, U.S. Wheat Associates, Western Wheat Growers and the Western Grain Exporters Association) we are proceeding to develop content for the launch of the communications effort related to the impending changes in North American grain marketing. NAEGA member input into this process is requested and welcome.

Producer concerns will be the priority at the launch of initial communication. Communication professionals from the Task Group organization will work on a website to house the information and a feedback mechanism. NAEGA will create, manage and host the website.

An initial draft of content for the website in the form of questions and answers (Q&As) has been developed. The draft of Q&As related to Producer concerns is available for [download here](#). NAEGA member comment and suggestions for changes to this draft are requested by close of business Wednesday July 11, 2012.

The objective of the communication is primarily to provide producers and merchants, to the best of the Task Group's ability, information on relevant commercial and regulatory processes and practices in the marketing, transport and sales of wheat and barley on both sides of the Canada – U.S. border. A secondary objective is provide for background information and feedback from the targeted audience to facilitate consideration of recommendations for improvement of the policy and practices involved in the Canada – U.S. trade of grains, oilseeds and other agri-bulks.

NAEGA members who wish to be part of the task group and would like to participate directly in the Task Group work should contact the NAEGA office as soon as possible.

**NAEGA Container Logistics Task Force Issue Update - FMC Extends Comment Period on Container Freight Indices for U.S. Agricultural Exports** – In the May 28, 2012 edition of OUTREACH, we reported that the Federal Maritime Commission (FMC) had issued a request for public comments on the possible development of FMC container freight indices for U.S. agricultural exports, and that the comments were due no later than July 9, 2012. FMC has issued a new notice, extending the comment period to no later than August 8, 2012. NAEGA's Container Logistics Task Force plans to develop a response to this request and will be scheduling a conference call soon to address the issue.

In the request, FMC reports that it has received informal requests from several large U.S. agricultural shippers, intermediaries and derivative brokers to consider issuing an index based on service contracts filed with FMC because they have the available indices for U.S. export routes are not at the level of market intelligence they need for adjusting rates in contracts or for hedging freight rate risk. Some exporters have said that a properly constructed index would help them increase exports by allowing them to use contracting and hedging strategies to increase the certainty of their transportation costs. Exporters and derivative brokers have also said that the lack of a reliable container rate index for export grain shipments in particular disadvantages

container shipping relative to bulk shipping because of the superior pricing transparency of the latter.

In response, FMC has conducted initial testing on the technical feasibility of using service contract data to develop a container rate index for a few targeted major U.S. export commodities such as grains, cotton, hay and frozen meat. FMC is therefore seeking input from U.S. exporters, intermediaries, ocean carriers and any other interested parties on the following issues:

- whether and to what extent the shipping public would find targeted U.S. export rate indices beneficial
- whether the FMC should extract rate information from service contracts or whether suitable alternatives exist
- the positive and negative influences on the export commodities and ocean transportation marketplaces of the greater transparency such indices might provide
- whether these indices, if developed, should be commodity-specific for different prescribed routes or whether more broadly based indices would meet U.S. exporters' needs

The Federal Register notice announcing the extension of the comment period is [available here](#). The original notice containing information on how to comment is has been posted the Container Logistics Task Force Issue Tracking Page on the [NAEGA Personal Pages website](#) and is available [through this link](#). If you would like to be part of the NAEGA Container Logistics Task Force or have any suggestions for how NAEGA should respond, please contact the NAEGA office.

**The New NAEGA.org** – NAEGA's public website at [www.NAEGA.org](http://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.

## **Tracking NAEGA Actions:**

*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.*

**Canada, Comments to U.S. OMB on End-Use Certificates** – NAEGA has joined with the National Grain & Feed Association (NGFA) in submitting joint comments to the U.S. Office of Management and Budget (OMB) urging the discontinuation, effective August 1, 2012, of the End-Use Certificate Program administered by the U.S. Department of Agriculture's Farm Service Agency.

The comments note that effective August 1, 2012, the Canadian Wheat Board (CWB) no longer will issue export licenses for shipments of Canadian wheat and barley, including their derived

products, exported from Canada to the United States and other foreign countries. This policy change results from legislation passed by the Canadian Government in December 2011, the Canadian Wheat Board (*Interim Operations*) Act, which stated that all types of export licenses currently managed by the CWB will no longer be issued by the CWB. In addition, NGFA and NAEGA have been informed by Canadian authorities that the Canadian government intends to notify their U.S. government counterparts that it will discontinue its end-use certificate requirements for U.S. wheat exported to Canada on or about August 1, 2012. Existing U.S. regulations [7 C.F.R. Part 782 Section 782.11] obligate the United States to suspend its end-use certificate requirement within 30 calendar days following the date Canada eliminates its end-use certificate requirement on imports of U.S. commodities.

The comments also point out that the end-use certificate requirement is unnecessary and redundant as U.S. Customs and Border Protection's (CBP) harmonized schedule of customs declarations, which already require Canadian exporters to declare and provide information on wheat and barley exported to the United States among other similar information collecting practices. The comments urge the United States to discontinue "this unnecessary, burdensome and costly information-collection." The full comments have been posted to the [NAEGA Public Website under "News & Press Releases"](#).

**U.S., Joint Letter on Biotech Policy in Farm Bill** – In the July 2, 2012 edition of OUTREACH, NAEGA reported on the planned inclusion of language in the 2012 farm bill designed to expedite regulatory review of biotechnology-enhanced traits by the USDA's Animal and Plant Health Inspection Service (APHIS), while mitigating the plethora of litigation that has surrounded the deregulation of such traits by the agency. In response to this development, NAEGA has joined industry partners in the Value Added Biotech Coalition (VABC) in submitting a letter to House Agriculture Committee Chairman Frank Lucas and Ranking Member Colin Peterson expressing opposition to including that language in the bill.

The letter notes that while the VABC empathizes with the problem that the legislative language attempts to address, there are three areas that cause the VABC to oppose the included language in the Chairman's Mark of the House Agriculture Committee's version of the bill:

1. It is ill-timed, bringing biotechnology regulation reforms forward when an adverse legal climate, failed consumer acceptance and market consequences may prevail;
2. It would have the effect of imitating U.S. agriculture's ability to take full advantage of biotech's capacity to meet the growing demand for a safe, abundant and high-quality food, feed, fiber and energy supply for U.S. and world consumers by facilitating the introduction of more and new technology in the absence of necessary and parallel improvements in the U.S. global regulatory environment.
3. There are other issues that should be addressed in conjunction with the kind of regulatory changes proposed in the current draft of the bill: the scope of the language does not go far enough to improve transparency and allocate risk responsibilities in a manner that is appropriate and fair to all significant stakeholders in the technology development and distribution marketplace nor does the current language address absolutely necessary improvements concerning how crop biotechnology is managed to avoid the costly and far-reaching disruption of the integrity of the domestic and export supply chain if biotech-enhanced events are commingled with their traditional plant or plant product counterparts.

The full text of the letter has been posted to the [NAEGA Public Website under “News & Press Releases”](#).

**NAEGA MAP Trip Report Posted** – The Market Access Program (MAP) trip report for the recent NAEGA mission to Tokyo, Japan and Seoul, Korea by NAEGA President Gary Martin and NAEGA Senior Advisors Sam Bonilla, Jerry Cotter, Arvid Hawk and Kirk Miller has been submitted to USDA/FAS and is now available for NAEGA members to view. 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](#).

## **Calendar & Website:**

### **Official Comments Calendar**

#### **July**

**9** – Comments due to USDA on the public release time of the World Agricultural Supply and Demand Estimates, Acreage, Cattle, Cattle on Feed, Crop Production, Grain Stocks, Prospective Plantings, Quarterly Hogs and Pigs, and Small Grain Summary.

<http://www.gpo.gov/fdsys/pkg/FR-2012-06-08/pdf/2012-13951.pdf>

#### **August**

**8** – Comments due to the Federal Maritime Commission on the possible development of FMC container freight indices for U.S. agricultural exports.

<https://www.federalregister.gov/articles/2012/05/24/2012-12666/notice-of-inquiry-solicitation-of-views-on-requests-to-develop-and-release-container-freight-rate>

**24** - Comments due to USDA on Proposed Rule requiring weekly export sales reporting from exporters of DDGs and Pork:

<https://www.federalregister.gov/articles/2012/06/25/2012-15437/export-sales-reporting-requirements>

### **Activities Calendar**

#### **July**

**10-11** – Alexandria, VA – U.S. Agricultural Export Development Council USDA FAS Attaché Meetings & Seminar – NAEGA Staff to attend, Members invited.

**15-19** – Saskatoon, Saskatchewan, Canada – Agriculture Working Group meeting and Cross Border Livestock Health Conference at the Pacific North West Economic Region Annual Summit, [www.pnwer.org](http://www.pnwer.org) – Dave Fairfield, Vice President of Feed Services from NAEGA affiliate NGFA will represent us at the Summit.

#### **August**

**7** – Washington, DC – U.S. Coast Guard Alternate Security Program Workshop – Jerry Cotter Attending

**20** – Portland, OR – NAEGA Board of Directors Meeting

**21** - Portland, OR - NAEGA/NGFA-FGIS Regional Workshop

**30-September 1** – Puerto Vallarta, Mexico – 2012 APPAMEX-NAEGA Forum – Vallarta Palace Hotel

## **September**

**10-11** – Santa Fe, New Mexico – NGFA Board of Directors Meeting

**17-19** – New Orleans, Louisiana – 2012 Soy & Grain Trade Summit

<http://www.cvent.com/events/soy-and-grain-trade-summit-2012/event-summary-e825f86219fe423296fd676fcca69a70.aspx>

## **October**

**1-5** – Hyderabad, India – COP/MOP 6 to the Cartagena Protocol on Biosafety

**2** – Rome, Italy - Agricultural Market Information System (AMIS) Roundtable Meeting

<http://www.amis-outlook.org/> – NAEGA invited to attend

**4-12** – Edinburgh, Scotland, United Kingdom - 52nd European Commodities Exchange

<http://www.ece-edinburgh2012.com/>

**15-18** – Louisville, Kentucky – 2012 North American Plant Protection Organization (NAPPO)

Meeting: <http://www.nappo.org/en/>

## **November**

**6-7** – London, United Kingdom – CropWorld 2012 Grains Congress – NAEGA invited to attend and present

**13-14** – Amman, Jordan – Proposed Meeting with Iraq Minister of Trade

## **December**

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

## **2013**

### **March**

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

**TBD** - San Francisco, California – NAEGA Annual Meetings

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