



*“Working Together to Make Trade Work”*

## **OUTREACH September 17, 2012**

**Thank you for your membership in and work with NAEGA**

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### **The following events are open to NAEGA member participation**

**NAPPO Annual Meeting** – The 2012 North American Plant Protection Organization (NAPPO) Annual meeting is in Louisville, Kentucky from October 15-18, 2012. We plan to attend are assembling sponsorship for a dinner or reception during the meetings.

NAPPO has been a key part of the discussion on setting standards on the International Movement of Grain, and recommendations from the [Vancouver Workshop where NAEGA presented the U.S. position](#) on the standards will be presented. This and several specific phytosanitary pest management issues impacting trade of agricultural products are likely to be discussed at this meeting of government officials from Canada, Mexico and the United States.

NAEGA members are welcome to join NAEGA staff at the meeting in Louisville, Kentucky from October 15-18, 2012. The invitation and draft agenda are posted to the Upcoming Events section of the NAEGA Member's Only Site and the NAEGA Personal Pages website. More and

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updated information can be [found at the meeting website](#). Please let NAEGA know if you plan to attend.

**Seminar and Networking with Iraq Grain Board and Trade Ministry** – Planning is underway for a November 13-14, 2012 seminar with members of the Iraq Grain Board in Amman, Jordan. NAEGA is joining with U.S. Wheat Associates and USA Rice Federation to host the Iraqi Trade Ministry and Grain Board in this opportunity to network and expand understanding of grain trade and US supply. A provisional agenda [is available here](#).

*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](#)*

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## Current reports on NAEGA actions

**World, Member Input Requested on AMIS Questions** – On October 2, 2012 NAEGA will participate in the "Second meeting of the Global Food Market Information Group" of the Agricultural Market Information System (AMIS) in Rome, Italy. AMIS was created by G-20 countries in 2011 in response to a call for better coordinated data systems on grains and oilseeds to address food security, market volatility, data accuracy and transparency. NAEGA will provide formal comments during a roundtable discussion between AMIS and private sector representatives on strengthening the relations of AMIS with trade and commodity associations. You can find more information on AMIS [from this executive summary](#).

There are three ways you can help us:

1. Answer questions in the form of a web survey that you [can access through this link](#).
2. Send your answers questions to a survey to NAEGA. If you have not received the survey, please request one.
3. Call us to discuss the AMIS and related questions.

Your input on this matter is greatly appreciated. We will report to you on the meeting and with revisions of formal comments.

**Biotech, Comments to USDA/APHIS on Petitions for Biotech Deregulation** – NAEGA and the National Grain & Feed Association (NGFA) issued comments this week to USDA’s Animal & Plant Health Inspection Service on petitions from multiple parties for nonregulated status for ten biotech events. The events include:

- Glyphosate Tolerant Canola (Pioneer)
- Imidazolinone Tolerant Soybean (BASF)
- Glyphosate Tolerant Canola (Monsanto)
- High-Yield Soybean (Monsanto)
- Hybridization System Corn (Monsanto)

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- 2,4-D, Glyphosate, and Glufosinate Tolerant Soybean (Dow)
- Glyphosate Tolerant Corn (Genective)
- Dicamba Tolerant Soybean (Monsanto)
- Glyphosate and Isoxaflutole Tolerant Soybean (Bayer)
- Rootworm-Resistant Corn (Syngenta)

If the submitted comments, NAEGA and NGFA note they strongly support agricultural biotechnology and other scientific and technological innovations that contribute to agricultural production efficiencies. However, the two organizations believe biotechnology providers have several corporate responsibilities associated with the commercial introduction of biotechnology events they intend to introduce into the U.S. commodity system. Chief among them are:

- **Risk Assessment:** The biotechnology provider should be required to determine a threshold level, if any, at which it is inappropriate for such traits to be present in the general commodity stream because of potential adverse market access and/or food/feed functionality economic impacts. Such threshold levels and the assessment and factual basis on which they were determined should be part of the public rulemaking record.
- **Risk Management:** Based upon the results of the risk assessment, the biotechnology provider should be required to develop, implement and enforce binding stewardship programs and supply chain management with which the technology provider is obligated to comply in a manner that is: 1) appropriate for the given biotech-enhanced trait; and 2) sufficient to prevent it from becoming present above established threshold levels in the commodity stream.
- **Risk Responsibility:** Biotechnology providers should be required to accept liability to compensate parties for economic damage resulting from a failure to adequately implement and enforce binding risk-management (stewardship) and supply chain management plans deemed sufficient and effective in preventing biotech events from becoming present above established threshold levels.

The comments note that none of the companies petitioning for deregulation of their biotech events have been successful in obtaining sufficient international authorizations for import of their events. Failing to do so in such key grain and oilseed importing markets as Canada, China, the European Union, Japan, Mexico, Philippines, South Korea and Taiwan would create a risk of significant economic losses to U.S. grain and oilseed producers and markets if this event becomes present in shipments intended for such countries.

The comments encourage APHIS to take into full account each company’s commercialization plans for each event prior to granting the petitions for deregulation. All ten comments can be found on the “Recent News & Press Releases” page of the [NAEGA Public website](#).

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

### **September**

**21** – Comments due to USTR on U.S.’s request for consultation with Argentina on import requirements: <http://www.gpo.gov/fdsys/pkg/FR-2012-09-04/pdf/2012-21729.pdf>

**28** – Comments due to USTR on the U.S. WTO Complaint against Argentina’s restrictive trade measures: <http://www.gpo.gov/fdsys/pkg/FR-2012-09-04/pdf/2012-21729.pdf>

### **October**

**9** – Comments due to the Bureau of Industry and Security (BIS) on whether the foreign policy-based export controls in the Export Administration Regulations should be modified, rescinded or extended for another year:

<https://www.federalregister.gov/articles/2012/09/07/2012-21571/effects-of-foreign-policy-based-export-controls>

**9** – Comments due to the Bureau of Industry and Security (BIS) on the effectiveness of its licensing procedures for exports of agricultural commodities to Cuba:

<https://www.federalregister.gov/articles/2012/09/07/2012-21523/effectiveness-of-licensing-procedures-for-agricultural-commodities-to-cuba>

**9** – Comments due to the Canadian Food Inspection Agency (CFIA) on their new draft directive D-12-01 on Weed Seeds, describing the phytosanitary requirements to prevent the introduction of plants regulated as pests in Canada:

[http://members.wto.org/crnattachments/2012/sps/CAN/12\\_1695\\_00\\_e.pdf](http://members.wto.org/crnattachments/2012/sps/CAN/12_1695_00_e.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**

**Trade Costs Projected to Rise Without More Investment in Infrastructure** – The American Society of Civil Engineers (ASCE) has released a report that concludes that without more investment in domestic infrastructure for marine ports, inland waterways and airports, “transporting goods will become costlier, prices will rise, and the United States will become less competitive in the global market.”

The report states that investments in inland waterways and marine port systems are vital to the ability to compete effectively in global markets as the demand for U.S.-produced goods,

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commodities and services grows. The report finds that the infrastructure situation in these areas is deteriorating. According to ASCE, inland waterways have suffered from chronic underfunding, which affects the ability to export key commodities like grains, energy and specialized manufactured goods and provides competing countries with an opening to capture market share. The report also states that the marine port system is in danger of being non-competitive at several key ports in the Southeast and Gulf port ranges due to the slow and complex process of project delivery for critical dredging projects, especially those that will allow key ports to participate in offering services that depend on serving the larger bulk and container vessels that will call on U.S. ports once the expanded Panama Canal opens in 2015. In addition, moving goods to and from inland markets and airports continues to pose a significant challenge in some of the more congested metropolitan regions, typically those where the largest airports and marine ports are located.

The report asserts that investment needs in these areas between now and 2020 total \$144 billion but that planned expenditures only come to \$109 billion. The report states, an additional investment of \$15.8 billion in ports and waterways could protect \$270 billion in exports, \$697 billion in gross domestic product and 738,000 jobs annually. In addition, ASCE believes that \$2.1 billion more per year invested in air transportation infrastructure could protect \$54 billion in exports, \$313 billion in GDP and 350,000 jobs. The full report [can be found here](#).

**CBP to Conduct Assessment of Entry of Containers with Cargo Residue** - U.S. Customs and Border Protection (CBP) is planning to move forward in the near future on a proposed requirement for containers with any amount of cargo residue to be manifested and entered.

In July 2009 CBP proposed to modify all contrary rulings to provide that re-imported instruments of international trade (containers) made of any material that have residues of any type of cargo may not be entered or manifested as empty and that the cargo residue contained, regardless of the amount, must be classified, entered and manifested. Since then, CBP had delayed enforcement indefinitely.

CBP is now planning to conduct an assessment to help gauge the amount of residual cargo currently not being reported by rail and truck carriers along the northern and southern borders. The results of these controlled examinations, which will use large scale non-intrusive inspection equipment, will be compared against the manifests submitted by carriers and then shared with the trade community to help clarify CBP standards on properly reporting and entering IIT with residue.

CBP will publish in the coming months a Federal Register notice concerning a pilot test that will provide new procedures and guidance on how to manifest IIT that may or may not contain residual cargo and provide entry procedures as necessary. The pilot test will introduce the following new manifesting categories for Instruments of International Trade (IIT):

- IIT Empty/Clean – signifies that the IIT has been cleaned and would be allowed to enter under current processes for empty IIT

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- IIT Empty/Residue – No Commercial Value – signifies that the residue contained inside the IIT will either be cleaned with the residue destroyed or refilled without cleaning for export
- IIT Empty/Residue – Commercial Value – signifies that the residue contained inside the IIT has value and an informal or formal entry, based on the value, would be required

**CBP Releases Updated Overview of Simplified Entry Pilot Program**– On September 5, 2012, U.S. Customs and Border Protection (CBP) published a Simplified Entry Overview document, which provides specific information on how the Simplified Entry Pilot (SEP) flows, and goes over the pilot benefits, participant requirements, current pilot status and the upcoming changes.

The SEP project permits qualified importers to submit entry data on cargo well in advance of its arrival at U.S. ports, at which point Customs can release the goods. Simplified entry combines elements of the Importer Security Filing (ISF) rule with the entry document itself, effectively eliminating one step in the traditional process. Customs began enforcing the ISF rule, also known as 10+2, in 2010. It requires importers to report 10 data elements and carriers to report two elements about the cargo no later than 24 hours before it leaves a foreign port.

In the document, CBP provides four key parts to the Simplified Entry process:

- Submission of streamlined data
- Information is provided in advance
- Data can be updated for accuracy
- Information and messages will be received while the goods are still overseas

The full Simplified Entry Overview document is available online at [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**

### **September**

**17-22** – Rosario, Argentina – Global LLP Initiative Industry Day meeting – Gary Martin attending and presenting

**20** – Washington, DC – Industry Biotech Roundtable at USDA

**26-28** – New Orleans, Louisiana – Dry Bulk Terminal Group Annual meeting – Westin Hotel New Orleans, NAEGA invited to attend

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## **October**

**1-5** – Hyderabad, India – COP/MOP 6 to the Cartagena Protocol on Biosafety. Member volunteers Paul Green and Diana Felner will join the International Grain Trade Coalition (IGTC) effort at the meetings.

**2-4** – Rome, Italy - Agricultural Market Information System (AMIS) Roundtable meeting <http://www.amis-outlook.org/> – NAEGA planning to attend

**3** – Washington, DC – Annual Inter-agency Trade Policy Staff Committee hearing on China WTO Compliance

**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 Gary C. Martin to attend and present. <http://www.cropworld-global.com/page.cfm/Link=12/t=m/goSection=4>

**13-14** – Amman, Jordan – Seminar with Iraq Minister of Trade - [Current agenda available here](#)

## **December**

**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

## **2013**

### **March**

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

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

## **Member Notices**

**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.

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