



Outreach July 1, 2019

Thank you for your membership in and work with NAEGA

Happy Canada Day & Fourth of July!

To celebrate Canada Day and Independence Day in the U.S., the NAEGA office will be closed on Thursday, July 4th

Welcome to new member Olam Americas!

Olam Americas is an agri-business involved in farming and sourcing, food processing and logistics management and shipping. We are looking forward to Olam's contributions to NAEGA activities and Committees!

Graphic of the week:

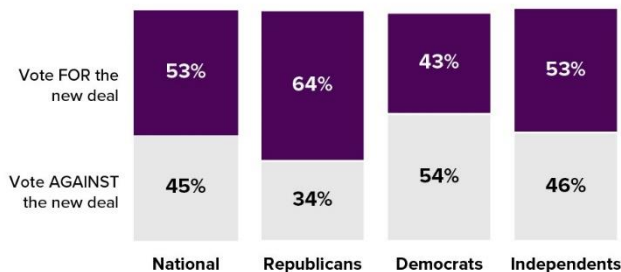
June 26, 2019

New poll shows narrow support for USMCA

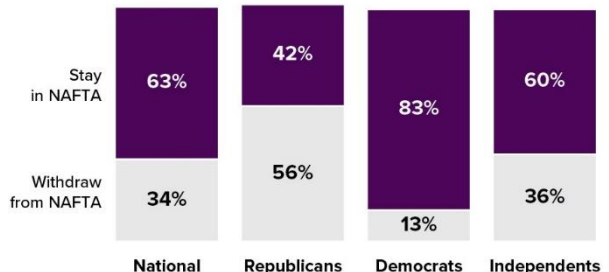
A survey from the University of Maryland, fielded by Nielsen-Scarborough, shows 53 percent of respondents support passage of the United States-Mexico-Canada agreement, while 63 percent support remaining in NAFTA if the agreement does not pass. The survey also asked respondents to assess a range of trade-related arguments, including several arguments for and against USMCA and NAFTA.

ON SUPPORT FOR USMCA AND FOR NAFTA IF CONGRESS DOES NOT APPROVE NEW AGREEMENT

Q: Do you think your representatives in Congress should vote for this new deal or vote against this new deal?



Q: If Congress does not approve this new deal, do you think the president should withdraw from NAFTA or stay in NAFTA?



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Action Reports

Recent Actions:

Unified Export Strategy

On Friday, June 28, NAEGA sent its 2020 Unified Export Strategy (UES) application to the USDA's Foreign Agricultural Service (FAS). The UES sets the framework under which NAEGA will administer its Market Access Program funding in the 2020 program year. The 2020 UES highlights planned initiatives and past success and serves as a blueprint for activities NAEGA intends to engage in over the next year, including efforts to promote the electronic exchange of commercial and official trade documents and efforts to address market access barriers through ongoing trade negotiations. This year's UES includes a funding request for deploying and maintaining the Plant Biotechnology Information Exchange (PBIE).

FAS anticipates that the initial funding selections will be made by the end of October and the initial award dates estimated to be by the end of December 2019. A copy of the 2020 UES can be found on the NAEGA web site. For more information, please contact Patrick at phayden@naega.org.

U.S. Grains Standards Act Policy Priorities

In response to the current effort in the U.S. Congress to renew the U.S. Grains Standards Act (USGSA) in 2019, NAEGA and National Grain & Feed Association (NGFA) committees have developed the following priorities for a USGSA renewal:

- 1. Prohibit the Misuse of U.S. Grain Standards Act (USGSA) Quality Factors for Inappropriate and Misleading Purposes:** The purpose of the USGSA is to establish official marketing standards for the covered commodities. The precedence and practice of using grain standards quality factors as an indicator of plant health for other sanitary and phytosanitary standards is inappropriate and misleading and should be expressly prohibited.
- 2. Change the Length of USGSA Reauthorization to More than 5 Years but No Longer than 10 Years:** Considering the recent successful reorganization and relocation of the Federal Grain Inspection Service (FGIS) into USDA's Agricultural Marketing Service, where it previously had resided, as well as the continued improvement of FGIS operations in providing accurate, reliable, timely and more predictable service, NGFA and NAEGA propose that the reauthorization period be moved to a time period of more than 5 years but no longer than 10 years.
- 3. Review of the Current Geographical Boundaries for Officially Designated Agencies in Domestic Markets:** To determine if the current number of grain handling facilities in operation, the volume of grain and oilseeds being handled and processed, and the volume of official services and testing being provided are adequate, FGIS should review the current geographic boundaries for each officially designated agency.
- 4. Reporting of USGSA Request for Waivers, Exceptions and Specific Services:** FGIS needs to maintain transparency with stakeholders by reporting both requests for waivers and exceptions and specific services and the actions taken subsequently to address both while still preserving confidential business information.
- 5. Reauthorize the USDA Grain Inspection Advisory Committee:** The Advisory Committee is designed to provide advice to the Administrator on the implementation of the USGSA. NGFA and NAEGA continue to believe the Advisory Committee serves a useful function by providing expert advice and assistance to FGIS in fulfilling its core mission of ensuring that official inspections are performed in a reliable, consistent and uninterrupted manner to facilitate the export of U.S. grains and oilseeds to global customers.
- 6. FGIS User Fees Should Be Directed Solely to Official Inspection and Weighing Services:** Approximately, seventy percent of FGIS's budget is based on user fees while the remaining thirty percent is covered through appropriated funds. The industry is concerned that assessing additional user fees to finance activities like compliance/enforcement would increase costs of exporting grain, making U.S. exports less competitive in foreign markets.

7. **USGSA-Related Expenses Should Only Apply to the User Fee Cap:** The additional expenses associated with Agricultural Marketing Act commodities have limited the amount of resources that can be spent on administrative costs to improve grading and inspection services related to the USGSA.
8. **Require Delegated States to Notify Users of Official Inspection or Weighing Services at Least 72 Hours in Advance of Any Intent to Discontinue Service:** This important information is needed to enable affected export port locations and their customers to make alternative arrangements to preserve the uninterrupted flow of U.S. exports, preserve the U.S. reputation as a reliable supplier, address logistical problems and potentially lessen the economic harm to U.S. agricultural producers that has resulted from previous official service disruptions.

The full list of priorities can be [found here](#).

IGTC

On June 20, 2019, the IGTC Management Council approved new policy priorities related to low level presence (LLP) and plant breeding innovation (PBI).

In the new LLP policy, IGTC recommends that that:

1. Governments recognize the economic contribution of the grain trade as a crucial component of global food security.
2. Exporting and importing governments must work together to improve synchronization of genetically modified (GM) regulatory approvals.
3. Where synchronization of regulatory approvals is not possible, importing governments should consider pragmatic and trade-facilitative LLP policies.
4. The Global Level Presence Initiative (GLI) strengthens and expands its membership, in order to forge solutions that have the buy-in of all countries which participate in the grain trade.
5. LLP Policies should entail segments of the value chain to be fully responsible for the commercial activities under their respective remit.
6. Regulatory approval of GM events is a critical component to LLP policy and implementation.

The Management Council also approved principals for PBI information-sharing that include the following:

1. Frequency of Information-Sharing
 - Initial Consultation - Information-sharing dialogue be initiated as early as possible during the pre-market development and well in advance of the anticipated commercial product launch
 - Subsequent Consultation - Ongoing consultations should occur as developments warrant.
2. Opportunities for Joint Collaboration

- Identify opportunities to engage jointly with national governments, as appropriate
 - Jointly discuss plant breeding innovation at the national and regional levels with consumer groups and food and feed manufacturers and processors to identify information needs and foster consumer acceptance.
3. Facilitation of Information-Sharing Between IGTC and ISF - IGTC members, as well as other relevant organizations and companies with which they have working relationships) are encouraged to convey information obtained during national and regional information sharing exchanges in a timely manner with the IGTC Secretariat. to share information with the grain trade globally.

The IGTC Management Council will hold a call on July 25, 2019 to discuss IGTC governance.

Pending Actions:

IPPC ePhyto Case Studies

The International Grain Trade Coalition (IGTC) and the International Plant Protection Convention (IPPC) are seeking industry contributions to “case studies” on the roll out of the IPPC’s ePhyto Solution. In particular, the IPPC is seeking participation from destination countries participating in the hub. Moving forward, the IPPC is seeking, through these case studies, to answer questions such as:

- How did the importing plant protection and quarantine (PPQ) get in contact with the exporter?
- How was the customer made aware of the existence of the ePhyto?
- How did the customer clear customs and who was part of the chain?

If you are interested in participating in a case study, please contact the IGTC secretariat at secretariat@igtglobal.org.

Contracts and Best Practices Seminars – Your advice requested

The NAEGA Contracts Committee is seeking your advice on the location, timing and curriculum of this year’s Contracts and Best Practices Seminars. Please let us know if you are interested in attending or hosting a seminar, and what topics we should focus on. This year, the committee is considering contract seminars in the following locations:

- Vancouver, British Columbia
- St. Louis, MO
- Tokyo, Japan
- Winnipeg, Manitoba

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.

NAEGA conducts both public and private seminars, and curriculum can be tailored to your needs. Please contact Patrick 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!

Upcoming Actions:

Contracts Committee Sponsored Training for Arbitrators

NAEGA is happy to announce that AAA ICDR is planning a series of training seminars on ICDR case management. The seminar, titled *ICDR International Symposia in Advanced Case Management Issues* is intended to inform participants on AAA ICDR rules and procedures for arbitration panels and provide guidance on managing cases for chairpersons. This seminar fulfills the training requirement for NAEGA arbitrators who are interested in serving as Special Grain Arbitrators and chairpersons on arbitration panels.

This year, ICDR is planning on holding three training seminars, two in North American and one in Europe. While a European seminar was held in May, ICDR has not yet announced dates for the North American events. We will notify Members when the dates are posted, and more information on upcoming trainings will be shared with arbitrators as it becomes available.

In order to meet our Board of Directors mandated goal of increasing the number of qualified Special Grain Arbitrators, NAEGA is offering financial assistance of up to \$1,000 to arbitrators who are interested in attending this ICDR training or the proposed ICDR trainings in North America. Financial assistance can be used to cover registration fees, airfare or lodging to attend a training seminar. If you are interested in learning more about this opportunity to attend an ICDR training and receive financial assistance, please contact phayden@naega.org.

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News:

EU and MERCOSUR Reach Trade Agreement

The EU and MERCOSUR have come to an “agreement in principle” on a trade agreement. The agreement was announced on Friday, June 28 and on Monday July 1, the European Commission released the text of the agreement, which [can be found here](#).

The EU is the first major partner with which MERCOSUR has agreed to a trade agreement. Under the agreement, the EU will get tariff reductions on goods such as cars and wine and increase access for its companies making industrial products. MERCOSUR hopes to see an increase in exports of farm products with tariff reductions and quotas on beef, sugar and poultry.

The full and final text of the agreement still needs to be drafted and approved.

U.S. and China Agree to Restart Trade Talks

[The U.S. and China have agreed to restart trade talks](#) and the Trump administration will hold off on imposing tariffs on the remaining \$325 billion worth of Chinese goods imported to the U.S. The trade truce was announced by U.S. President Donald Trump after an 80-minute meeting

with Chinese President Xi Jinping at the Group of 20 summit in Osaka, Japan. While the truce has temporarily alleviated the threat of additional tariffs, the Trump administration is still charging 25 percent tariffs on \$250 billion worth of Chinese goods imported into the U.S.

Mexico Becomes First Country to Ratify the USMCA

On June 19, 2019, [Mexico's Senate ratified the USMCA](#), being the first country to do so in the North American trade pact. Mexico's Senate ratified it in a 114-4 vote with three lawmakers abstaining from voting.

Canada has introduced an implementation bill in the country's Parliament. However, Canadian officials have expressed a desire to approve the deal at roughly the same time as any final votes are held in the U.S. Congress. The Trump administration will attempt to push for the U.S. Congress to approve the USMCA this summer.

The U.S. Trade Representative, Robert Lighthizer, [congratulated](#) Mexican President López Obrador and the Mexican Senate on the feat.

New MERCOSUR LLP Policy

On June 6, 2019, MERCOSUR approved a new Low-Level Presence (LLP) policy entitled "Mechanism To Decrease the Occurrence of Low Level Presence LLP of Genetically Modified Organisms (GMOs) in Member States".

The policy includes regional risk assessment sharing and regional recommendation of LLP threshold levels, with a goal of reducing the risk of trade disruptions in the region. A copy of the [policy can be found here](#).

Standards and Trade Development Facility Releases 2018 Annual Report

On June 7, 2019 [the Standards and Trade Development Facility \(STDF\) 2018 Annual Report was published](#). The publication highlights how investing in safe trade, from food safety to animal and plant health, opens up opportunities for small-scale farmers, processors, traders and governments in developing countries to meet international standards and secure local livelihoods. STDF's 2018 report, as well as a database of past reports, can be [found through this link](#).

Sept. 30 Deadline to Request Exclusions from 25% Tariff on China List 3 Goods

[In a notice published on June 24, 2019](#), the U.S. Trade Representative announced that the Office of the U.S. Trade Representative would establish a process by which U.S. stakeholders may request exclusions of particular products classified within a tariff subheading covered by the September 2018 action. The USTR will open an electronic portal for submission of exclusion requests on June 30, 2019 at noon EDT.

The deadline for submitting exclusion requests will be on September 30, 2019.

Genetically Engineered Wheat Plants Discovered in Washington State

On June 7, 2019, [the U.S. Department of Agriculture confirmed the discovery of genetically engineered \(GE\) wheat plants](#) growing in an unplanted agricultural field in Washington State. The GE wheat in question is resistant to glyphosate.

There has been no evidence that the GE wheat found in Washington State has entered the food supply. The USDA is collaborating with state, industry and trading partners and are committed to providing timely and transparent information about their findings.

USDA Announces Grain Inspection Advisory Committee Appointments

On June 14, 2019, [the U.S. Department of Agriculture announced the appointment of seven members](#) to serve on the Agricultural Marketing Service's Grain Inspection Advisory Committee beginning July 1, 2019. The Advisory Committee serves to represent the interests of all segments of the U.S. grain industry from producer to exporter.

Members appointed for a three-year term are:

- David L. Ayers – Champaign, IL
- Chad J. Chambers – Corpus Christi, TX
- Matthew W. Kerrigan – Vancouver, WA
- Ryan M. Kuhl – Grand Forks, ND
- Tom R. Tunnell – Bradenton, FL

Members selected as alternate to serve one-year terms are:

- Michael D. Landry – Norco, LA
- Todd E. Russom – Imperial, MO

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Member Opportunities:

USAEDC Attaché Seminar and Workshop – Arlington, VA – July 10-11

NAEGA members are invited to join Gary and Patrick at the U.S. Agriculture Export Development Council's (USAEDC) annual Attaché Seminar and Workshop on July 10-11 at the Westin Arlington Gateway in Arlington, VA. This year's seminar and workshop will feature a high-level U.S. Government panel and panels concerning Japan, USMCA, the EU, Cuba, Sustainability, Trade Facilitation, among other topics. Participants will hear from U.S. Foreign Agricultural Service (FAS) Administrator, Ken Isley, about the transformation and re-organization of the Agency and the agenda will include a program update from Deputy Administrator, Mark Slupek. USAEDC will also again be hosting its "speed dating" session between cooperators and US FAS attaches.

Please contact Patrick at phayden@naega.org for registration information and the most current agenda.

2019 PNWER Annual Summit – Saskatoon, Canada – July 21-25, 2019

Registration is now open for the 2019 Pacific Northwest Economic Region annual summit in Saskatoon, Saskatchewan. Over 500 regional business leaders, legislators, and key decision makers attend the Annual Summit to explore shared challenges in the region, discuss best practices, promote regional relationships, and develop an action plan to address challenges in the coming year. More information and registration instructions in available [here](#).

USDA FAS Indo Pacific CSSF Strategic Workshop

NAEGA members are invited to attend the USDA Foreign Agricultural Service (FAS) Indo Pacific Country Strategy Support Fund (CSSF) Strategic Marketing Workshop from September 18-19 in Bangkok, Thailand. The location has yet to be determined, however, the first day will be FAS only and dedicated to FAS topics, and the second day will be focused on marketing and Cooperators.

The FAS workshop provides opportunities to get one-on-one with a large number of posts represented by FAS Officers and the locally employed staff. There will be ten FAS Washington Staff from ten FAS posts around the Asia region.

The workshops assist in helping to understand the FAS plan to grow U.S. agricultural exports and discussions with Cooperators on how to develop these markets. Most importantly, it allows the FAS to discuss how the FAS and Cooperators can advance U.S. agricultural interests regionally.

The schedule can be seen [here](#).

Asia-Pacific Policy Teams

With 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. A policy team focused on the Asia-Pacific Market is already established. Over the next few months the team 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 2019 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](#), and if you know of anyone with an interest, please have them contact Patrick at phayden@naega.org

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

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Calendar & Member Notices
Click [here](#) for a copy of the IGTC Calendar

2019

July

- 10-11** – USAEDC Attaché Seminar and Workshop – Arlington, VA
- 21-25** – PNWER Annual Summit
- 22** – NAEGA meeting with JFMA and JFTA on corn quality
- 25** – IGTC Extraordinary Management Council Meeting & Call – Geneva, Switzerland

September

- 6** – IGC Market Conditions Committee – London, UK\
- 11** – NAEGA Board of Directors Meeting (Tentative) – Arlington, VA
- 18-19** – USDA FAS Indo Pacific CSSF Strategy Workshop – Bangkok, Thailand

October

- 14-17** – USDA FAS Trade Mission – Ho Chi Minh City, Vietnam
- 28-31** – USDA FAS Trade Mission - Nairobi, Kenya

November

- 5-8** - USDA FAS Trade Mission – Mexico City, Mexico
- 6-8** – IGTC General Assembly – Sao Paulo, Brazil

December

- 2-4** – NGFA Country Elevator Conference – Indianapolis, IN
- 3** – International Grains Council’s 50th Session – London, UK

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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