



## Outreach September 5, 2019

Thank you for your membership in and work with NAEGA

### New NAEGA Employee

NAEGA is pleased to announce that we have hired a new, full-time employee. Sydnie Sousa, a recent graduate of Georgetown University and former Vice President of the California Association of Future Farmers of America has joined NAEGA as an Associate. Please join us in welcoming Sydnie to the NAEGA team!

### Graphic of the Week

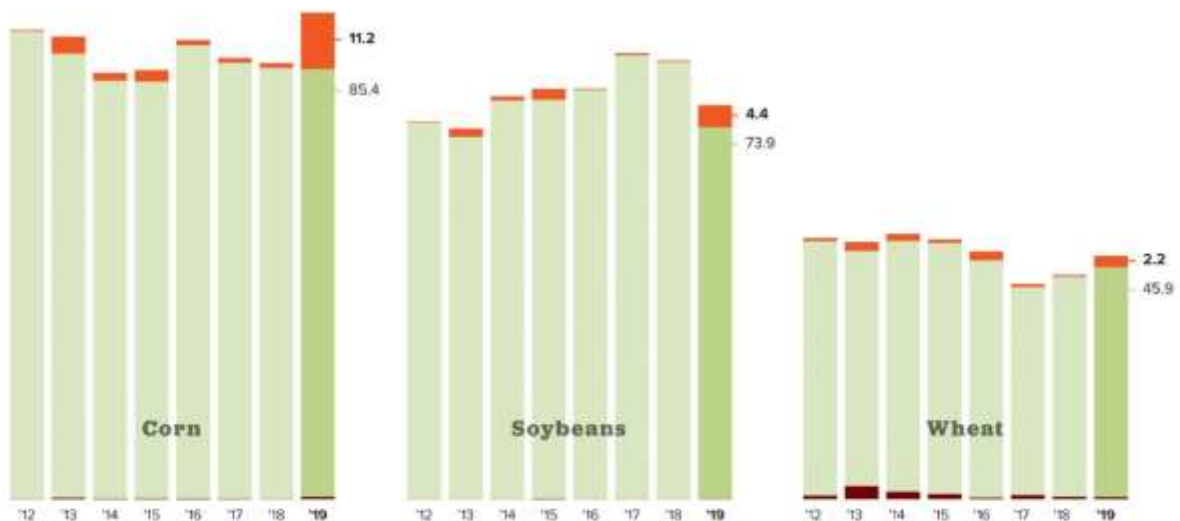
#### Impact of Flooding on U.S. Crop Planting

##### Heavy rains and flooding prevented planting of millions of acres

Torrential rains and inundated flood plains have thwarted plans to plant 19.4 million acres of crops, mostly in 12 Midwestern states. However, U.S. farmers have successfully planted about as many acres of corn as they did last year. Some analysts have suggested farmers planted additional crops despite the weather conditions to qualify for greater compensation from USDA's trade relief program, according to The Wall Street Journal.

##### Farmers were unable to plant 19.4 million acres of crops, but are still on track for corn and wheat

IN MILLIONS OF ACRES, as of Aug. 1 ■ Planting succeeded ■ Planting prevented ■ Planting failed



Source: USDA Farm Service Agency, POLITICO staff reports

By Paterson Clark, POLITICO Pro DataPoint

### News:

- USDA Increases Trade Aid to Farmers
- China-U.S. Trade Developments
- USTR Seeking Input on Foreign Trade Barriers
- Germany Moves to Ban Glyphosate
- Columbia Corn Issue
- OFAC Publishes New FAQ on Iran Sanctions

### Action Reports

#### *Recent Actions:*

- Comments to APEC on Non-Tariff Barriers
- Geneva MAP Trip Report
- NAEGA SIG On Peru CVD/AD Case
- APEC Workshop in Chile

#### *Pending Actions*

- USDA Federal Grain Inspection Service Survey on Communications
- IPPC Draft ISPMs
- IPPC ePhyto Case Studies
- Contracts and Best Practices Seminars – Your advice requested

#### *Upcoming Actions*

- Board of Directors Meeting – Arlington, VA – September 11, 2019
- Contracts Committee Sponsored Travel for Arbitrators

### Member Opportunities

- 2019 U.S. OFAC Symposium
- Portland NAEGA Contract Seminar – October 27, 2019
- Tokyo NAEGA Contract Seminar and Reception – Invitations to follow!
- Asia-Pacific Policy Teams

### NAEGA Calendar and Member Notices

- Upcoming events and notices to members

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### **News:**

#### **USDA Increases Trade Aid to Farmers**

The U.S. Department of Agriculture (USDA) has issued \$2.5 billion in trade assistance to farmers so far this year. USDA expects to spend \$10.7 billion in direct subsidies on trade aid payments for 2018 and 2019. To date, over 175,000 producers are seeking payments for 2019 under the USDA's [second trade relief program](#), to which \$14.5 billion has been allocated. This number is predicted to rise, as the first relief plan drew more than 1 million applicants.

### **China- U.S. Trade Developments**

The trade dispute between China and the United States has escalated following the U.S. decision to impose a 15% tariff on a variety of Chinese goods. China retaliated by imposing new duties on U.S. crude oil and announced plans to increase tariffs on 5,078 U.S. items worth approximately \$75 billion. Additionally, China plans to impose tariffs of 25% on imports of U.S. automobiles beginning December 15th.

Arguing that the United States' latest tariff actions violated the consensus reached by the two countries at a recent meeting in Osaka, China has decided to take [legal action](#) at the World Trade Organization (WTO). The lawsuit is the third Beijing has brought to challenge U.S. President Donald Trump's China-specific tariffs at the WTO. The two sides have agreed to new face to face trade talks in October.

### **USTR requests input on Foreign Trade Barriers**

The Office of the United States Trade Representative (USTR) is seeking comments for the National Trade Estimate Report on Foreign Trade Barriers (NTE Report). USTR is inviting interested persons to submit written comments to assist in identifying significant barriers to U.S. exports of goods and services. Comments related to the following categories of foreign trade barriers are encouraged: Import policies, shortcomings in trade facilitation, subsidies, intellectual property protection, services barriers, barriers to digital trade and e-commerce, investment barriers, competition, sanitary and phytosanitary measures, technical barriers to trade, and government procurement restrictions.

Of particular interest are practices that violate U.S. trade agreements, new or updated information on the barriers covered in the [2019 report](#), or information on new barriers. USTR will use this information to prepare their 2020 report. The deadline to submit comments is October 31, 2019. The link detailing submission can be found [here](#).

### **Germany Moves to Ban Glyphosate**

Germany [has announced plans to phase out the use of the herbicide glyphosate](#). The German federal government will initiate limitations next year and completely ban the herbicide by 2023 as part of measures configured for insect protection by the country's ministry of the environment.

Not only is Germany one of the EU's greatest consumers of glyphosate, but also current European legislation licenses the use of glyphosate in the 28-country bloc until the end of 2022. The renewal process for the EU license will start at the end of 2019, well before the 2022 expiry, which will be led by the Netherlands, France, Hungary, and Sweden.

### **Columbia Corn Issue**

In 2017 Colombia commissioned a study intended to analyze the implementation of the United States-Colombia Trade Promotion Agreement (CTPA) on corn. The Colombian cereals growers association (FENALCE), attempted to use the study to show that U.S. corn imports had been mistakenly classified under an HS code that did not correspond with the prescribed quality specifications that imported U.S. corn should be considered contraband and required to pay import tariffs. actions by the Free Trade Commission of the CTPA clarified the issue in favor of U.S. Corn.

FENALCE has recently taken additional action using the same study to attempt to disqualify the decision of the Free Trade Commission by adding misleading information relating to the presence of aflatoxins in U.S. corn. A request has been submitted to the office of the Attorney General of Colombia for a conciliation between FENALCE, the Ministry of Commerce, the taxes and customs agency and 24 importers of U.S. corn. They argue that their actions caused damages to the domestic industry. The office of the Attorney General has granted the request and scheduled the conciliation hearing for October 1. NAEGA will be monitoring this issue.

### **OFAC Publishes New FAQ on Iran Sanctions**

The U.S. Treasury Department Office of Foreign Assets Control (OFAC) is updating existing and [publishing new FAQs](#) regarding the bunkering of non-Iranian and Iranian vessels carrying goods to or from Iran. These FAQ's lay out the penalties for companies doing business with Iran or purchasing Iranian products. The FAQs are [available here](#).

[Click here to return to Index](#)

## **Action Reports**

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

#### **APEC Workshop on Non-Tariff Measures**

As previously reported in Outreach, NAEGA has begun addressing an Australian-government funded [Asia Pacific Economic Cooperation \(APEC\) Workshop](#) to identify future work on non-tariff measures (NTMs) affecting grain trade. On Friday, August 30, NAEGA submitted a response to a request from the Australian government for input on a "Survey to identify future work on NTMs affecting grain trade in the APEC region". NAEGA's response [can be found here](#).

Additionally, we have received details on the date and location of the first Workshop meeting, which will be held in Beijing, China from October 31-November 1. NAEGA is actively providing the U.S. and other governments with advice and feedback on the Workshop. If you would like more information, please contact Staff.

#### **Geneva MAP Trip Report**

NAEGA has completed and submitted to USDA/FAS a Market Access Program (MAP) trip report for Gary Martin and NAEGA Contractor Jeffries Briginshaw's travel to Geneva for meetings of the IGTC from July 22-26, 2019. As reported in the July 30, 2019 edition of OUTREACH, in Geneva, Gary, Jeffries and Katy Lee, Secretariat of the IGTC met with IGTC corporate stakeholders, professional services providers and international organizations to further the IGTC Policies and Business Plan.

The trip report for this mission can [be found here](#).

#### **NAEGA SIG On Peru CVD/AD Case**

The NAEGA Special Interest Group (SIG) on the Peru's self-initiation of a countervailing duty case against U.S. origin yellow corn case received an update on the case on Tuesday, September 3. U.S. Grains Council (USGC) counsel Deen Kaplan provided the SIG with a discussion of recent developments.

NAEGA is coordinating the Special Interest Group (SIG) in order to facilitate a coordinated industry response. If you are interested in joining the SIG, please contact Gary or Patrick.

### **APEC Workshop in Chile**

Vijay Harrell, CEO of NAEGA member Tradelanes, represented NAEGA in a volunteer capacity in Puerto Varas, Chile at a number of events and activities around the Ninth Meeting of the APEC Alliance for Supply Chain Connectivity (A2C2), held on the margins of the Third APEC Senior Officials Meeting (SOM 3) on August 21-24, 2019. Vijay worked with the U.S. Foreign Agriculture Service on a presentation on the future of trade facilitation and discussed digitalization of trade documents including the IPPC e-Phyto Solution and representing NAEGA at the following events:

- APEC Alliance for Supply Chain Connectivity (A2C2) Workshop
- Workshop on Promoting Transparency through the Improvement of Information submitted in the Sanitary and Phytosanitary (SPS) Notification
- 3<sup>rd</sup> Joint Meeting of the Agricultural Technical Cooperation Working Group (ATCWG), High Level Policy Dialogue on Agricultural Biotechnology (HLPDAB), Oceans and Fisheries Working Group (OFWG) and the Policy Partnership on Food Security (PPFS)

More details on the A2C2 and APEC activities in Chile [can be found here](#).

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

#### **IPPC Draft ISPMs**

The International Plant Protection Convention (IPPC) is seeking comments on a number of draft International Standards for Phytosanitary Measures (ISPMs). The IPPC has released a list of draft ISPMs that have been approved by the IPPC Standards Committee (SC) for consultation, starting July 1, 2019. The consultation period ends on September 30, 2019.

The draft ISPMs can be [accessed through this link](#).

The Grades and Inspections Committee has addressed several aspects of IPPC standards in the past and is considering submitting comments on these drafts. Members who are interested in contributing to these comments should contact Patrick or Gary.

#### **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 NAEGA staff.

### **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. We have scheduled seminars in Portland, Oregon for October 25 and Tokyo for November 22.

Please let us know if you are interested in attending or hosting a seminar, and what topics we should focus on. The Committee is now considering contract seminars in the following locations:

- Vancouver, British Columbia
- St. Louis, MO
- 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:***

#### **Board of Directors Meeting – Arlington, VA – September 11, 2019**

The next meeting of the NAEGA Board of Directors will be held from 9:00am-3:00pm on Wednesday, September 11, 2019 at NAEGA's office in Arlington, VA. The Board will hear reports from NAEGA Staff, Committee Chairs and Board officers.

#### **Contracts Committee Sponsored Training for Arbitrators**

In 2019, the American Arbitration Association's (AAA) International Centre for Dispute Resolution (ICDR) is planning a series of training seminars on ICDR case management, including two in North America. 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.

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. ICDR has not yet announced dates for the North American events and we will notify Members when the dates are posted, and more information is available. If you are interested in learning more about this opportunity to attend an ICDR training and receive financial assistance, please contact [phayden@naega.org](mailto:phayden@naega.org).

[Click here to return to Index](#)

## **Member Opportunities:**

### **2019 OFAC Symposium**

The U.S. Treasury Department's Office of Foreign Asset Control (OFAC) will hold its 2019 Fall Symposium at the Walter E. Washington Convention Center in Washington, DC on Tuesday, November 12, 2019. OFAC's annual symposium provides a comprehensive review of OFAC and current U.S. economic sanctions. The event includes presentations on OFAC regulations as well as targeted reviews of sanctions concerns for new and updated OFAC programs. In addition to formal presentations, OFAC staff will be available throughout the day to answer questions on issues unique to a number of regulated industries.

An agenda and registration information [is available here](#).

### **Portland NAEGA Contract Seminar – October 24, 2019**

NAEGA will hold a Contract Training Seminar on Thursday, October 24, 2019 at the Wheat Marketing Center in Portland, OR. the seminar will featured a broad review of NAEGA 2 Model Contracting terms, the recent revisions to the contract, exercises on laytime and a review of the global contracting environment.

If you are interested in attending the Portland Seminar please contact Patrick.

### **Tokyo NAEGA Contract Seminar and Reception – Invitations to follow!**

NAEGA has confirmed a date and location for our 2019 Tokyo Contract & Best Practices Seminar. The Seminar, which will be followed by a reception, will take place at the **TKP Shinbashi Conference Center in Tokyo, Japan on November 22, 2019**. We would like to thank our colleagues at the Japan Feed Trade Association (JFTA) for their assistance in securing a venue and agreeing to partner with us for the Seminar again this year. NAEGA President & CEO Gary Martin, Director of Operations Patrick Hayden and Senior Advisors Sam Bonilla and Andrew Marting are currently scheduled to attend. Invitations will be sent out soon. Mark your calendars now and we look forward to seeing you in Tokyo!

**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.

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

[Click here to return to Index](#)

### **Calendar & Member Notices**

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

#### **2019**

#### **September**

- 6** – IGC Market Conditions Committee – London, UK
- 11** – NAEGA Board of Directors Meeting – Arlington, VA
- 16-17** – USDA FAS Indo Pacific CSSF Strategic Workshop – Bangkok, Thailand

#### **October**

- 9-11** – International Dry Bulk Terminals Group Operational and Technical Seminar – Southampton, UK.
- 15** - Agriculture & Horticulture Development Board Grain Market Outlook Conference – London, UK
- 24-25** – FGIS-Industry Workshop and Member Meet and Greet w/FGIS Administrator – Portland, OR
- 25** – NAEGA Contract Training Seminar – Portland, OR
- 31-Nov 1** – APEC Workshop on Non-Tariff Barriers – Beijing, China

#### **November**

- 6-8** – IGTC General Assembly – Sao Paulo, Brazil
- 12** – 2019 OFAC Symposium – Washington, DC
- 22** – NAEGA Contract & Best Practices Seminar – Tokyo, Japan

#### **December**

- 3** – International Grains Council's 50<sup>th</sup> Session – London, UK
- 8-10** – 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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**[Click here to return to Index](#)**