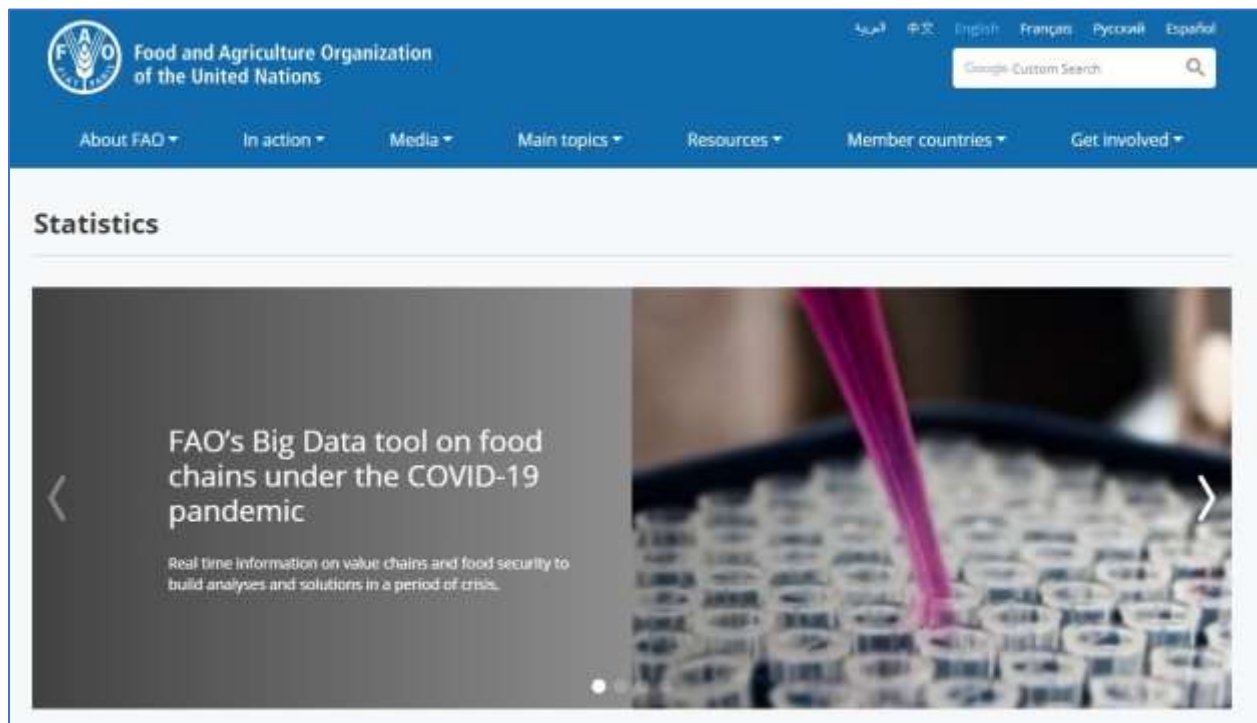


Outreach

April 28, 2020

Thank you for your membership in and work with NAEGA

Image of the Week:
Food & Agriculture Organization Data Tool on Value Chains and Food Security



This Free Tool Uses Public Data to Track Where the Need for Food Security is Greatest

Source: <http://www.fao.org/statistics/en/>

Recent Actions:

- Advancing Virtual Communication
- COVID-19 Response
- Sharon Bomer Lauritsen Retirement
- GOMAI – Request for Member Input

News:

- U.S.-Mexico-Canada Agreement Implementation

- U.S.-China Phase One
- Economic Impact of COVID-19 on China
- Global Report on Food Crises
- COVID-19 Impact on Shipping
- OFAC Guidance on Humanitarian Aid during COVID-19

Current Opportunities & Actions:

- Thailand Bans on Chlorpyrifos and Paraquat
- Japan Phyto Requirements
- Contracts and Best Practices Seminars – Your advice requested

Ongoing Opportunities & Actions:

- U.S. ITC Investigation of MRL Impacts on Trade
- Impact of U.S. Sanctions Compliance
- Policy Teams

Recent Actions:

Advancing Virtual Communication

We continue to increase use of new tools to provide for improved communication. One key tool is the Microsoft Teams platform for virtual meetings. NAEGA-hosted meetings will be taking place via Teams and we are encouraging members to [review this 5-minute video tutorial](#) that provides an introduction to using Microsoft Teams for virtual meetings. If you have had trouble using Teams and would like additional assistance, please contact Patrick Hayden at phayden@naega.org.

COVID-19 Response

The Global Pandemic continues to be the priority for Association action. In the March 23, 2020 edition of Outreach we described NAEGA's message on the war against COVID-19 and our information sharing plans related to COVID 19 response and mitigation. We greatly appreciate your advice and information. The Contracts Committee has taken under consideration how to improve and enhance this effort. Your advice and comment are welcome.

Recent related actions include:

The Food and Agriculture Sector Coordinating Council (FASCC) of the Department of Homeland Security's Cybersecurity & Infrastructure Security Agency (CISA) [has released an Excel spreadsheet list](#) containing contact information for 42 distributors that have, or soon will have, significant supplies of non-medical-grade personal protection equipment (PPE), such as cloth face masks available for use by workers within the Food and Agriculture Sector. If you have an immediate or near-term need for PPE please contact these distributors.

NAEGA has been participating in conference calls hosted by the CISA and the Federal Emergency Management Agency (FEMA) each week. CISA is asking for information on any PPE-seizures from companies that are part of the critical infrastructure, including food & agriculture companies.

If you have had an issue with PPE being seized by federal or local officials, please let us know so we can report the issues to CISA.

CISA has also released an updated version of their [Guidance on the Critical Infrastructure Workforce](#), answers to frequently asked questions and question submission information on the Federal COVID-19 response on their website, <https://www.cisa.gov/>.

NAEGA and the National Grain & Feed Association (NGFA) have received a donation of KN-95 respirator masks from the China National Association of Grain Sector (CNAGS). CNAGS is a colleague association in China that represents the grain sector including entities involved in food production, processing, manufacturing, trading, logistics and safety management. Masks were sent to the New Orleans area where NAEGA member Bluewater Shipping has distributed them to essential workers on behalf of CNAGS. In the Washington, DC area, NGFA distributed masks to the Capitol Area Food Bank. We would like to thank CNAGS for their thoughtful donation during this time of crisis.

NGFA continues to update its webpage to provide employers and workers with current information on COVID-19, including links to important material on the CDC and OSHA webpages regarding the use of PPE - ngfa.org/covid-19.

The International Grain Trade Coalition (IGTC) is providing intelligence on developments in trade and supply chains around the world related to COVID-19. IGTC has provided updates from industry and governments, including: Argentina, Australia, Bangladesh, Brazil, the East African Grain Council, Egypt, El Salvador, the EU, the FAO, India, the International Grains Council, Iraq, Kazakhstan, Madagascar, Malaysia, Mexico, Myanmar, Nigeria, Philippines, Russia, Ukraine, United States, Vietnam and more.

IGTC is convening weekly MS Teams meeting to facilitate information. The next scheduled meeting is on Thursday, April 30, 2020. If you would like more details on IGTC's reporting, please contact NAEGA staff.

Our ongoing thoughts are with everyone affected by the coronavirus outbreak, particularly those on the front lines helping to battle this disease and ensure agricultural products continue to move to markets around the world. We continue to monitor the impact of the pandemic on our industry and are updating entities who value and bear the risk for transboundary movements of grain, oilseeds and other agri-bulks with relevant information as it becomes available.

We have implemented a new and temporary policy in light of COVID-19 to minimize the contagion and the support public health. We have a robust telework system and while we are often working remotely, we are prepared to help through these extraordinary times. Thank you for your understanding and use of email to contact us. We know you share our hope that we can get back to more normal operations soon.

Sharon Bomer Lauritsen Retirement

Sharon Bomer Lauritsen, most recently Assistant U.S. Trade Representative for Agricultural Affairs and Commodity Policy, retired from that position on Friday, April 24. NAEGA has signed

a letter circulated by the U.S. Food & Agriculture Dialogue for Trade to congratulate her on her retirement and to thank her for her service and her work on behalf of the U.S. food & agriculture sector. The letter was conveyed April 24 and [can be found here](#).

GOMAI – Request for Member Input

The April 21, 2020 edition of Outreach reported that we have contracted with a 3rd party to update the Grain & Oilseed Market Access Indexes (GOMAI). The GOMAI is a collaborative effort between NAEGA and the U.S. Soybean Export Council (USSEC) to document and quantify tariff and non-tariff barriers to U.S. grain and oilseed products in international markets. We use this information and analysis to draft comments, set advocacy strategy and inform thought and decision leaders. These reports are integral to our annual Unified Export Strategy (UES) application for U.S. Department of Agriculture Market Access Program (MAP) funding.

We are asking members to assist with the development of this year’s GOMAI by reviewing, completing, and returning to NAEGA a Country Market Access Scoresheet to assess market access conditions in 31 priority countries. The Scoresheet is an excel file, [which you can download here](#). Instructions on filling out the Scoresheet and how to score these countries [can be found here](#). Please do not be concerned with developing a company-wide or group score – we want as many personal scores as we can get. If you fill out the Scoresheet, please return it to Patrick Hayden at phayden@naega.org by the end of the day on Wednesday, May 6, 2020. You can also send Patrick any questions you might have. We thank you in advance for helping us on this project!

News

U.S.-Mexico-Canada Agreement Implementation

U.S. Trade Representative Robert Lighthizer [has notified the U.S. Congress](#) that Canada and Mexico have taken measures necessary to comply with their commitments under the United States–Mexico–Canada Agreement (USMCA), and that the Agreement will enter into force on July 1, 2020. Following that notification to Congress, the U.S. became the third and final country to notify the other Parties that it had completed its domestic procedures to implement the agreement, the final step necessary for USMCA to enter into force. The July 1 date is just one month later than the June 1 date initially proposed.

U.S. - China Phase One

We continue to monitor developments in the implementation of the U.S.-China Phase One trade agreement.

On Monday, April 27, the U.S.-China Economic and Security Review Commission held a virtual public roundtable discussion on “A ‘China Model?’ Beijing’s Promotion of Alternative Global Norms and Standards”. This roundtable, which was scheduled after a full public hearing was postponed due to COVID-19, [addressed questions submitted by participants in the planned hearing](#) and assessed the intentions behind China’s efforts to revise international governance institutions, norms, and values. It also examined Beijing’s vision for a revised global order, attempt to identify whether a distinguishable “China model” exists, and assess the extent to which Beijing is seeking to export such a model to other countries. The full video of the roundtable as well as details on participants, [can be found here](#).

We are providing leadership, advice and coordination across the value chain. **NAEGA Member input remains critical and needed** to identify practices to support a more efficient trade. Please contact us as soon as possible with your advice and questions on practices to support a more efficient trade with China.

Economic Impact of COVID-19 on China

The [U.S.-China Economic and Security Review Commission](#) has released a report entitled “Cascading Economic Impacts of the COVID-19 Outbreak in China.” The report details that, in addition to the human cost, COVID-19’s extensive human toll, the outbreak and China’s response to it brought their economic activity to a standstill, resulting in a 6.8 percent contraction in first quarter GDP growth in 2020 and the lowest expected annual GDP growth in China since 1976. The report also covers China’s economic response to the virus and how and the economic impacted on China radiated across the world economy and impacted the United States. The report [can be found here](#).

Global Report on Food Crises

[The Global Network Against Food Crises \(GNAFC\)](#) has released the [2020 Global Report on Food Crises \(GRFC\)](#). Founded by the European Commission for International Cooperation and Development the Food & Agriculture Organization of the United Nations and the World Food Program in 2016, the GNAFC is an alliance of 16 “humanitarian and development actors united by a commitment to tackle the root causes of food crises” The 2020 GRFC is a joint, consensus-based assessment of acute food insecurity situations around the world.

The report indicates that at the end of 2019, 135 million people across 55 countries and territories experienced acute food insecurity. According to GNFAC, this is the highest level of acute food insecurity and malnutrition they have documented since the first edition of the GRFC was published in 2017. The full 2020 GRFC [can be found here](#).

COVID-19 Impact on Shipping

The [North of England Protecting and Indemnity Association \(NEPIA\)](#) has set up a resource page of public notices from a number of countries, ports and organizations that have published details of the measures that they are putting in place to deal with COVID-19 that have the potential to impact global shipping. While not an authoritative guide, it can serve as a useful reference guide to the types of measures that are being implemented worldwide. NEPIA’s site can be found here: <https://www.nepia.com/industry-news/coronavirus-outbreak-impact-on-shipping/>.

OFAC Guidance on Humanitarian Aid during COVID-19

The U.S. Treasury Department’s Office of Foreign Asset Control (OFAC) has issues a fact sheet regarding the “Provision of Humanitarian Assistance and Trade to Combat COVID-19”, highlighting relevant exemptions, exceptions, and authorizations for humanitarian assistance and trade to countries currently under sanction, including [Iran](#), [Venezuela](#), [North Korea](#), [Syria](#), [Cuba](#),

Ukraine & Russia. The factsheet also outlines specific guidance for OFAC-administered sanctions programs related to agricultural goods, personal protective equipment (PPE) and other COVID-19-related humanitarian assistance and trade. The fact sheet [can be found here](#).

Current Opportunities & Actions:

Thailand Bans on Chlorpyrifos and Paraquat.

In the December 3, 2019 edition of Outreach, we reported that the Thai Ministry of Industry had delayed a proposed ban on the domestic use, possession, and sale of chlorpyrifos and paraquat and reversed their proposed ban on the use of glyphosate, citing potential adverse effects on farmers, industry and international trade.

The U.S. Department of Agriculture's Foreign Agricultural Service (FAS) is now reporting that Thailand has sent notification to the World Trade Organization's Technical Barriers to Trade (WTO TBT) committee of their intent to implement bans on chlorpyrifos and paraquat, effective June 1, 2020. These bans, as understood by FAS, apply to import, sale, use, production, and residues in food, and would potentially apply a zero tolerance on the MRLs for chlorpyrifos and paraquat.

FAS has announced their intention to draft and submit comments on the proposed ban. They are asking for any comments or analysis be sent to them by close of business on Thursday, May 14. We intend to draft comments to send to FAS. If any NAEGA members would like to assist us in the development of these comments, please let staff know. Your insights and analysis would be welcome.

You can find an [FAS GAIN report on the proposed ban here](#).

Japan Phyto Requirements

In the November 26, 2019 edition of Outreach, NAEGA reported [on a proposal from Japan's Ministry of Agriculture, Farms and Fisheries \(MAFF\)](#) that would enforce the Phytosanitary Certificate Requirement for Certain Agricultural imports, removing an unofficial exemption for grains & oilseeds. NAEGA [submitted comments](#) that proposed that MAFF include grains & oilseeds on the officially exempt list due to industry's strong history of meeting Japan's needs on plant safety and past experience at effective pest risk management across the value chain.

The date for the new requirements to take effect is currently June 1, 2020. NAEGA has received information from USDA's Animal & Plant Health Inspection Service (APHIS) that MAFF has informed them that they are hoping to publish an amendment to the proposal by the end of April 2020 and that MAFF will provide a "grace period" of 6 months or longer after the expected amendment is published before Phytosanitary Certificate's will be required. APHIS noted that MAFF has not yet made an official announcement and NAEGA will continue to track this issue as it develops.

Contracts and Best Practices Seminars – Your advice requested

Virtual as well as in person Contracts and Best Practices Seminars are now being conducted with the direction of the NAEGA Contracts Committee. Please let us know when, how and where you

and your colleagues are interested in participating in the NAGA Senior Advisor led seminars. The Committee is now considering in person contract seminars in the following locations:

- St. Louis, MO
- Winnipeg, Manitoba
- Tokyo, Japan

NAEGA seminars are an intensive and informative review of commercial and official practices taught in an interactive environment.

NAEGA conducts both public and private seminars, and curriculum can be tailored to your needs. Please contact NAEGA staff if you are interested in hosting a private, tailored seminar at your office or if you would like to host a Virtual Seminar. [Click here](#) for more information on the in-depth, interactive programs NAEGA conducts!

Ongoing Opportunities & Actions:

U.S. ITC Investigation of MRL Impacts on Trade

In 2019 the U.S. International Trade Commission (ITC) began an investigation into the global economic impact of maximum residue level (MRL) policies for pesticides. In response to a request by the Office of the U.S. Trade Representative (USTR), ITC indicated that MRLs, particularly those that are missing or low, can serve as barriers to U.S. agricultural exports.

The ITC will release two reports on the impact of MRL policies. The first was supposed to be released April 20, 2020, but ITC has announced that due to COVID-19 the date of delivery of the report is now June 30, 2020. The second report is still scheduled for a November 2, 2020 release and submissions for the second report are due June 5, 2020 and paper copies of the submission are no longer required. Both reports will contain information on:

- The role of plant protection products and their MRLs in relation to global production, international trade, and food safety for consumers.
- The approaches taken in setting national and international MRLs for crops - risk-based approach vs. hazard-based approach.
- How MRLs are developed and administered in major markets for U.S. agricultural exports.
- Challenges and concerns faced by exporting countries in meeting importing country MRLs.
- The costs and effects of MRL compliance and non-compliance for producers.
- How missing and low MRLs affect production, exports, farmer income, and prices, both on the national level and, to the extent possible, for small and medium-sized farms.

[The notice from ITC can be found here.](#)

Impact of U.S. Sanctions Compliance

NAEGA continues to seek guidance from Member Company personnel about how OFAC and sanctions compliance is impacting the trade and how NAEGA might best engage on this issue to advance member interests. Complying with new sanctions has become a regular part of international trade, and member input is helping us develop an approach that would alleviate industry concerns while ensuring compliance with OFAC regulation. We are thankful for input we have already received and encourage members who are dealing with these issues and have yet to

comment to reach out to NAEGA has we begin to develop a plan of action. Members can send comments to Sydnie Sousa at ssousa@naega.org.

Policy Teams

With the evolving global trade environment, 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](#).

Calendar & Member Notices:

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

2020

Events that have been cancelled, postponed or changed to virtual events due to COVID-19 are italicized

May

1 - Deadline for U.S.-Japan to begin trade Talks

25-26 - *Organization for Economic Cooperation and Development Annual Meeting – Paris, France – Now taking place via videoconference*

28 – *2020 U.S. Coast Guard Alternate Security Program Workshop – Washington, DC – Cancelled*

June

8 – *Global Low-Level Initiative Meeting – Indonesia - Postponed*

8-12 – *International Grains Week – London, UK – Now taking place virtually*

8-11 – *World Trade Organization 12th Ministerial Conference – Kazakhstan - Cancelled*

9-10 – *IGC Grains Conference – London, UK – Now taking place via videoconference*

27-28 – *Asia Pacific Economic Cooperation (APEC) Trade Ministers Meeting – Malaysia - Moved from April*

10-12 – *G-7 Meeting - Camp David, MD – Now taking place via videoconference*

September

15-30 – *75th annual United Nations General Assembly - New York, NY*

23-24 - *World Agri-Tech Innovation Summit – Sao Paul, Brazil*

October

TBD - DBTG Operational & Technical Conference – Rotterdam, The Netherlands – Postponed from April 2020

5 – G-20 Meeting in Riyadh, Saudi Arabia

TBD – Convention on biological diversity (CBD) COP 15– Kunming, China

TBD – China World Grain Forum

November

2-6 – IGTC General Assembly – Singapore - Working with several others IGTC is planning for a series of meetings in Singapore 2 – 6 November 2020.

3 - U.S. Presidential Election

12 - APEC in Kuala Lumpur, Malaysia.

21-22 – G-20 Annual Summit in Riyadh, Saudi Arabia.

TBD – NAEGA Contracts & Best Practices Seminar – Tokyo, Japan

December

TBD – International Grains Council’s 52nd Session – London, UK

2021

March

14-16 – NGFA Annual Convention – San Diego, CA

2022

December

TBD – COP 16 – CBD – Turkey

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

To be removed from the NAEGA OUTREACH email list please send a message to membersonly@naega.org with the phrase “Unsubscribe from OUTREACH” in the subject line.

All users of NAEGA Information and Services Expressly Understand and Agree to indemnify and hold harmless, NAEGA, their officers, employees and agents from any and all liability including claims, demands, losses, costs damages, and expenses of every kind and description, or damages to persons or property arising out of or in connections with or occurring during the course of interaction with NAEGA.