



North American Export Grain Association

## Outreach

December 16, 2020

Thank you for your membership in and work with NAEGA

**HAPPY HOLIDAYS**

*From all of us at NAEGA!*

*We look forward to working with you in the New Year!*

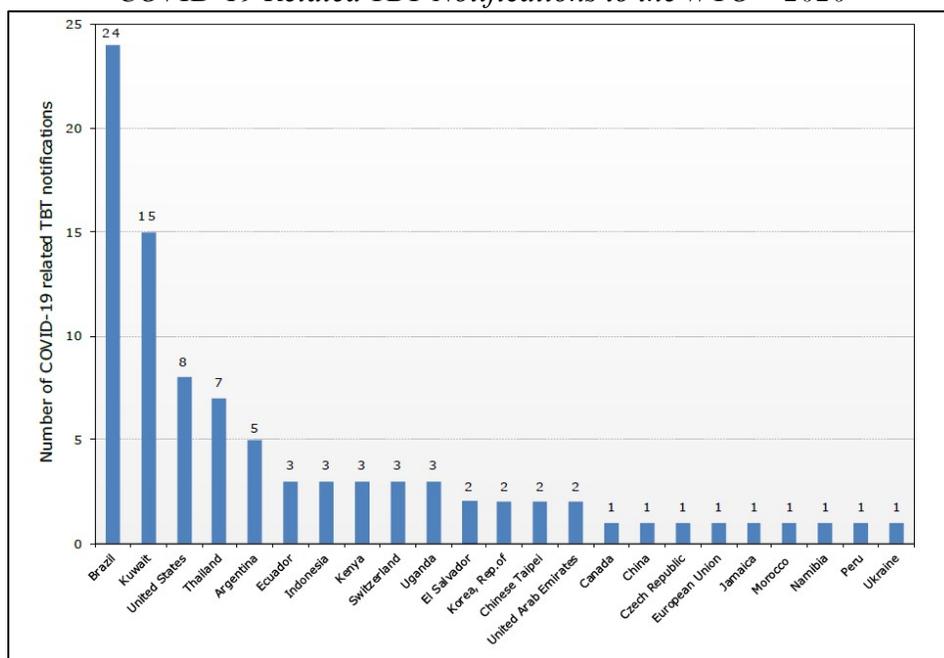
### ***Welcome to New NAEGA Member West Plains LLC***

*West Plains LLC is an agricultural commodity trading business that owns and operates 26 grain elevators, with approximately 35 million bushels of storage capacity, across five states: Nebraska, South Dakota, Colorado, Texas and Wyoming. They also lease, and are in the process of completing renovations on, the bulk grain export elevator to provide for vessel loading at the Port of Brownsville, Texas.*

*We are looking forward to serving West Plains and its contributions to NAEGA*

### **Graphic of the Week**

**COVID-19 Related TBT Notifications to the WTO – 2020**



Source – [WTO 2020 Annual Report](#)

### ***Current Opportunities & Actions:***

- Corteva Seed Product Directory
- Mexico Proposes Ban on GE Corn and Glyphosate
- Pioneer Petition for Nonregulated Status for GE Maize
- Philippines Corn and Wheat Import Permit Changes
- U.S. EPA Extends Comment Period for PID for Phosphine and Metal Phosphides

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

- Comments on U.S. EPA Biotechnology Rule
- IMSBC Code on Seedcakes
- Letter to USTR on Seasonal Produce

### ***News:***

- Biden Nominates Katherine Tai to USTR
- IMO Developing Guidance on Combating Corruption & Bribery
- USDA/ERS Report on EU Green Deal Strategies
- U.S. Treasury Labels Switzerland and Vietnam as Currency Manipulators
- USTR 2021 Special 301 Investigation on IP

### ***Ongoing Opportunities & Actions:***

- Contracts and Best Practices Seminars – Your interest requested
- Policy Teams
- Office Reopening and Communication

### ***Current Opportunities & Actions:***

#### **Corteva Seed Product Directory**

Corteva Agriscience has launched a [transparency initiative](#) that includes a [seed product directory](#) of the company's corn, soy and canola portfolio sold in North America along with the breeding technologies used to create each variety. The initiative also includes sections entitled "Why Plant Breeding is Important" and "Demystifying Modern Plant Breeding".

Corteva provided a briefing on the initiative to NAEGA staff and is welcoming comments from NAEGA members on both the seed directory and their transparency effort as a whole. Corteva has also agreed to discuss how their directory can help inform and enhance the NAEGA Precision Biotechnology Information Exchange, currently under development. We encourage members to review Corteva's directory and related material and provide feedback on the project, both to Corteva and to NAEGA. Feedback can be submitted to Corteva at this email address: [transparency@corteva.com](mailto:transparency@corteva.com).

#### **Mexico Proposes Ban on GE Corn and Glyphosate**

Mexico's National Commission for Regulatory Improvement (CONAMER) has released a proposed decree that calls for a phase-out of use of both glyphosate and genetically modified (GE) corn for human consumption in Mexico. An unofficial translation, provided by USDA's Foreign

Agricultural Service, [can be found here](#). The proposed decree states that use of the herbicide glyphosate will be phased out over the next four years, although glyphosate will not be used in any government-sponsored program during that transition period. The draft also includes language that, as written, would revoke existing and future permits for both the cultivation of GE corn and the use of GE corn for human consumption. The use of GE corn in human consumption would be phased out no later than January 31, 2024.

Although the majority of U.S. corn exports to Mexico go into the livestock feed industry, U.S. corn is imported for use in the processing sector to make cereals, starches, and other processed products. A similar approach to soybean, canola and cottonseed is also being reported as likely.

The proposed decree is now open for public comment [on the CONAMER website](#) and NAEGA's Production Technology Committee is considering how to respond. Input from members is welcome. At the moment there is no set due date for comments.

### **Philippines Corn and Wheat Import Permit Changes**

We are seeking NAEGA member advice regarding the Philippines Department of Agriculture's [Memorandum #39 for 2020 of December 2](#). The new requirements are perplexing as they are issued by the plant health risk management authority to address concerns of local corn producers by managing supplies of corn and wheat. Included in the apparently trade restrictive measures is a considerable shortening of time to use issued import permits for corn and wheat from some origins.

We would greatly appreciate your advice on how the Memorandum is being implemented and its impact on trade.

### **Pioneer Petition for Nonregulated Status of GM Maize**

The U.S. Department of Agriculture's Animal & Plant Health Inspection Service (APHIS), received a petition from Pioneer Hi-Bred International seeking a Determination of Nonregulated Status for DP23211, an insect resistant and herbicide-tolerant maize. The petition from Pioneer [can be found here](#).

The NAEGA Production Technology Committee is developing comments. Input from members is welcome. Comments are due to APHIS on January 4, 2021, through the [Federal Rulemaking portal](#).

### **U.S. EPA Extends Comment Period for PID for Phosphine and Metal Phosphides**

The U.S. Environmental Protection Agency (EPA) has extended the comment period by 30 days for the [Proposed Interim Registration Review Decision](#) (PID) for aluminum phosphide and magnesium phosphide, also known as metal phosphides, and phosphine. The PID recommends that fumigant applicators establish treatment and aeration buffer zones around all phosphine and metal phosphide commodity application sites. Comments are now due to EPA on January 21, 2020.

NAEGA's Grades & Inspections Committee is also considering submitting comments on this PID input from all members is welcome.

## ***Recent Actions:***

### **Comments on U.S. EPA Biotechnology Rule**

NAEGA, the National Grain & Feed Association (NGFA) and National Oilseed Processors Association (NOPA) have submitted comments to the U.S. Environmental Protection Agency (EPA) regarding its proposed rule for “Pesticides; Exemptions of Certain Plant-Incorporated Protectants (PIPs) Derived From Newer Technologies.”

The Proposed Rule includes the option for developers to self-determine whether their product meets the criteria for exemption but would require technology developers to notify the agency of that self-determination with a letter or by requesting EPA confirmation that a particular PIP qualifies for exemption. The submitted comments commended EPA for including a mandatory notification requirement and expressed a preference that the confirmation request be submitted by the developer to EPA, which would imply a review and affirmative response from the agency. The comments also urge that “such information be posted in a transparent manner on EPA’s website.” The comments as submitted [can be found here](#).

### **IMSBC Code on Seedcakes**

In cooperation with, and with input from, the U.S. Coast Guard and other relevant parties, NAEGA, the National Grain and Feed Association, National Oilseed Processors Association, and U.S. Soybean Export Council have developed and circulated an informational document to the U.S. soybean value chain concerning the implementation of changes to the International Maritime Solid Bulk Cargo (IMSBC) Code governing the safe transport of bulk vessel shipments of seedcake, such as soybean meal, sunflower seed meal, cottonseed meal and rapeseed meal, which takes effect January 1, 2021. Thanks to the Grades & Inspections Committee for their work in helping develop this document, [which can be found here](#). The U.S. Coast Guard is in the process of developing a companion information piece on this matter, which is scheduled to be issued this month.

### **Industry Letter to USTR on Section 201 Investigations**

NAEGA joined with a coalition of industry representatives in submitting a letter to U.S. Trade Representative (USTR) Robert Lighthizer regarding a recent Section 201 investigation by the U.S. International Trade Commission’s (ITC), at the request of USTR, into imports of fresh, chilled, and frozen blueberries. The letter expressed concern that this Section 201 case, along with recent ITC Section 332 investigations of imported strawberries and bell peppers, could lead to safeguard actions against Mexico and Canada that would undermine the U.S.-Canada-Mexico Agreement (USMCA) and invite retaliatory tariffs against U.S. agriculture and food exports to those markets. The potential for escalating retaliatory measures could undermine agricultural trade in North America. The letter as submitted [can be found here](#).

## ***News:***

### **Biden Nominates Katherine Tai to USTR**

President-elect Joe Biden [nominated Katherine Tai to be the new U.S. Trade Representative](#) (USTR). Tai has served as chief trade counsel for the U.S. House Ways and Means Committee

since 2017. She previously served at USTR as the chief counsel for China Trade Enforcement, with responsibility for the development and litigation of U.S. disputes against China at the World Trade Organization (WTO).

Tai is expected to be more inclined toward multilateral trade agreements, and is said to have a more favorable opinion of the WTO, than current USTR Robert Lighthizer. When her nomination was announced she said that she wished to make “trade a force for good in our world”. She has also said that China should be addressed forcefully and strategically.

### **IMO Developing Guidance on Combating Corruption & Bribery**

The International Maritime Organization (IMO) Facilitation Committee is currently working to develop guidance on anti-bribery and anti-corruption practices and procedures at the ship/port interface. In a [statement made on December 9, International Anti-Corruption Day](#), IMO Secretary-General Kitack Lim announced that the Committee, which addresses the efficiency of shipping by dealing with all matters related to the facilitation of international maritime traffic, had begun work on guidance that would assist all stakeholders in combating bribery and corruption at the ship/ports interface. Lim noted that “research has identified that seafarers may be subjected to corrupt demands, such as unlawful requests for payments to allow ships to enter and depart the port... This can lead to interruptions to normal operations, delaying ships and creating a risk to navigation and seafarer safety”.

### **USDA/ERS Report on EU Green Deal Strategies**

The U.S. Department of Agriculture’s Economic Research Service (ERS) published a report on “Economic and Food Security Impacts of Agricultural Input Reduction Under the European Union Green Deal’s Farm to Fork and Biodiversity Strategies”. The report examines three adoption scenarios: EU-only, middle (adoption by some countries, and including explicit EU trade restrictions against non-adopters), and global adoption. According to ERS, the 10-year plan of targeted reductions in the use of land, antimicrobials, fertilizers, and pesticides would lead to a reduction in EU agricultural production and reduce its competitiveness in domestic and export markets. If the plan were adopted beyond the EU, those impacts would also expand with consequences for worldwide welfare and food insecurity. The report [can be found here](#).

### **USTR 2021 Special 301 Investigation on IP**

The Office of the U.S. Trade Representative has begun seeking comments for the 2020 Special 301 Investigation on Intellectual Property (IP). This investigation occurs annually, with the goal being to identify countries that deny adequate and effective protection of IP rights or deny fair and equitable market access to U.S. based entities who rely on IP protection. Based on this review, USTR determines which, if any, of these countries to identify as Priority Foreign Countries or should be placed on the Priority Country Watch List. Written comments, which identify acts, policies, or practices that may form the basis of a country's identification as a Priority Foreign Country or placement on the Priority Watch List, are due January 28, 2021. The Federal Register Notice, which also includes instructions on how to submit comments, [can be found here](#).

### **U.S. Treasury Labels Switzerland and Vietnam as Currency Manipulators**

The U.S. Department of the Treasury (Treasury) has labeled Switzerland and Vietnam as currency manipulators in its [semiannual Report to Congress on Macroeconomic and Foreign Exchange](#)

[Policies of Major Trading Partners of the United States](#). Under the Trade Facilitation and Trade Enforcement Act of 2015 and the Omnibus Trade and Competitiveness Act of 1988, Treasury can label countries as manipulators if they have a bilateral trade surplus with the U.S. of at least \$20 billion, intervene to adjust their currencies by more than 2 percent of their GDP, and have current account surplus over 2 percent of GDP. Treasury concluded that both Vietnam and Switzerland fit all three of those criteria and the agency will initiate “enhanced engagement” with the governments on how to change their behaviors. This will require Vietnam and Switzerland to enter into negotiations with the U.S. and the International Monetary Fund to address the situation. The Office of the U.S. Trade [Representative is conducting a Section 301 investigation](#) into Vietnam’s currency policies that and has the potential to result in tariffs.

### ***Ongoing Opportunities & Actions:***

#### **Contracts and Best Practices Seminars – Your interest requested**

We recently completed extensive work with Senior Advisors built around company specific and confidential Virtual Contracts and Best Practices Seminar. The work included critical review of documents being used by the NAEGA member company.

Both public/multiple company and private/single company seminars are available and can be tailored to your needs. The seminars are an intensive and informative review of commercial and official practices taught in an interactive environment. Please let us know when, how and where you would like to participate in the NAEGA Senior Advisor led seminars. [Click here](#) for more information on the in-depth, interactive programs NAEGA conducts!

#### **Policy Teams**

With the evolving global trade and political 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!

Ad hoc policy teams of member personnel working largely through virtual meetings to help guide our multifaceted effort to address the evolving trade environment. A policy team focused on the Asia-Pacific Market is very active at this time. Full Details on policy team activity can be found in the Meetings & Events Section of the [NAEGA Member’s Only Page](#).

#### **Office Reopening and Communication**

The NAEGA office in Arlington, VA continues to operate under a limited and tentative reopening. We will continue to work remotely the majority of the time and have no travel planned.

We are conducting and participating in many virtual meetings. Most NAEGA hosted virtual meetings use Microsoft Teams. This [5-minute video tutorial](#) 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 at [phayden@naega.org](mailto:phayden@naega.org).

### ***Calendar & Member Notices:***

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

## **2020**

### **December**

17– NAEGA Board of Directors Meeting

## **2021**

### **January**

20 – Inauguration Day, United States

### **March**

TBD– NAEGA Annual Meeting – Location TBD

### **May**

TBD – Meeting of the Convention on biological diversity (CBD) COP 15 and COP-MOP 10 - Kunming, China - Tentative

### **June**

7-11 – London Grains Week – London, UK

2-4 - NGFA Annual Convention – San Diego, CA

## **2022**

**December TBD – COP 16 – CBD – Turkey**

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