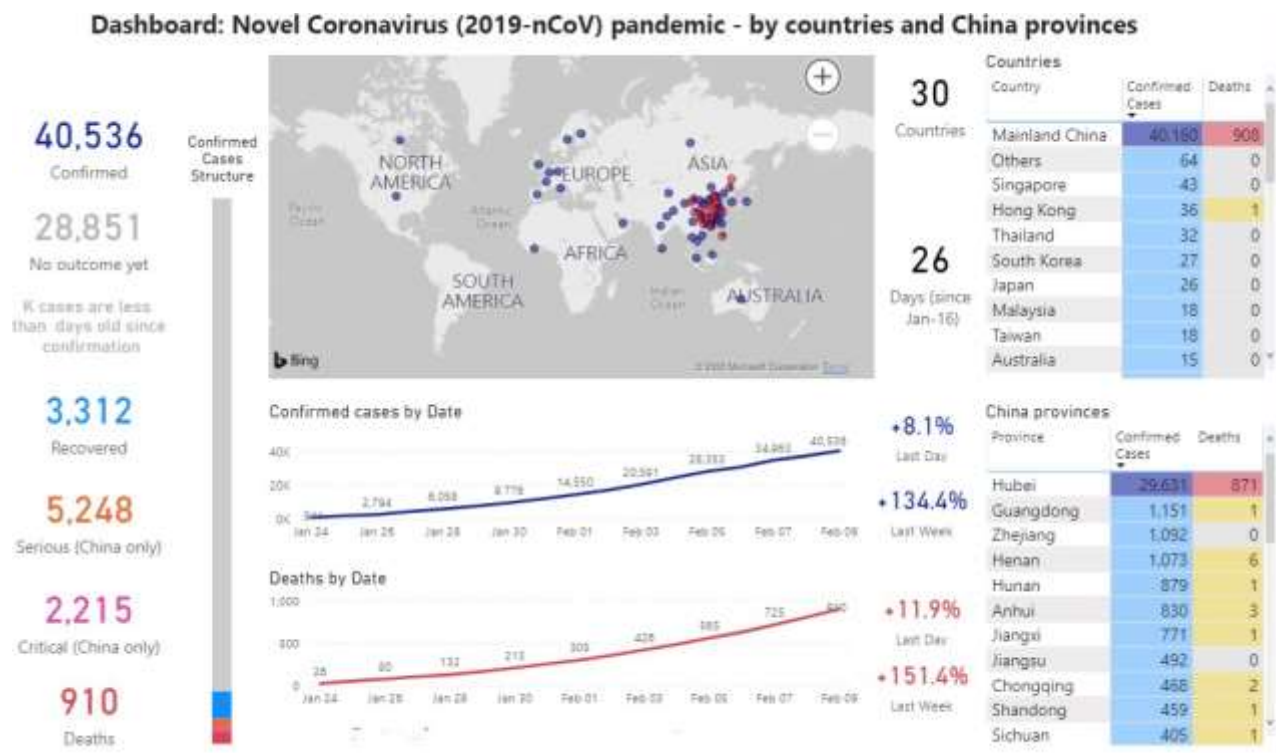


Outreach

February 10, 2020

Thank you for your membership in and work with NAEGA

Graphic of the Week
Tracking the Wuhan Coronavirus
As of 2:30pm Eastern Time, February 10, 2020



Source: <https://trackcoronavirus.com/map>

Current Opportunities & Actions:

- Gene Editing Webinar – February 13, 2020
- NAEGA Contracts and Best Practices Seminar – Vancouver, BC, Canada – Tuesday, March 3, 2020
- NAEGA 2020 Annual Meeting - March 9, 2020 in Austin, TX
- 2020 Membership

Ongoing Opportunities & Actions:

- China Trade
- U.S. ITC Investigation of MRL Impacts on Trade
- Impact of U.S. Sanctions Compliance
- Policy Teams
- IPPC ePhyto Case Studies

Recent Actions:

- NAEGA Virtual Seminar
- Contracts and Best Practices Seminars - Your advice requested

News:

- U.S. to Apply Countervailing Duties to Currency Undervaluation
- U.S.-Kenya Trade Agreement

NAEGA Calendar and Member Notices:

- Upcoming events and notices to members

Current Opportunities & Actions:

Gene Editing Webinar – February 13, 2020

On Thursday, February 13 members of the NAEGA Production Technology Committee will take part in a webinar hosted by the Center for Food Integrity to review CFI's draft [Framework for the Responsible Use of Gene Editing in Agriculture](#). CFI's draft Framework in a voluntary program designed to provide "assurance to the food system and other stakeholders that those using gene editing within the framework are worthy of trust." CFI is holding webinars with interested parties to receive feedback on their draft proposal. If you are interested in participating in the webinar, please reach out to Patrick Hayden at phayden@naega.org for details.

NAEGA Contracts and Best Practices Seminar – Vancouver, BC - Tuesday, March 3 2020

Please join NAEGA in Vancouver, British Columbia, Canada, on Tuesday, March 3, 2020 from 8:00am-3:00pm for a Contracts & Best Practices Seminar, including a review of the NAEGA No. 2 Contract and updates from the Grain and Feed Trade Association (GAFTA) and the National Grain & Feed Association (NGFA). The seminar will be taking place alongside the Canadian Crops Convention, hosted by Canada Grains Council and the Canola Council of Canada. You can click here to register for the [Canadian Crops Convention](#).

The NAEGA Seminar will take place in the Georgia Ballroom at the Hyatt Regency Vancouver and a light breakfast and working lunch will be provided. The agenda includes:

- 8:00am-1:00pm - Contracting and Best Practices Seminar focused on trade execution using the NAEGA model contract.

- 1:00pm-3:00pm - Working Lunch and update on Commercial Contracting Services, Dispute Resolution, and Best Practices and related experiences from GAFTA and NGFA.

You can register to attend the Seminar [through this link](#). If you have any questions, please contact NAEGA staff.

NAEGA 2020 Annual Meeting – March 9

On March 9, 2020 all member company representatives and committee members are invited and welcome to attend our 2020 annual Membership networking luncheon and Association Business meeting on March 9 in room Lone Star A at the J.W. Marriott Hotel in Austin, TX. We encourage NAEGA members to bring any guests they would like, including those who might find value in NAEGA's work. There is no cost to attend any of the NAEGA Meetings.

NAEGA's meetings will take place at the J.W. Marriott. The agenda for the day includes:

- 7:30am:** NAEGA Production Technology Committee
- 10:30am:** NAEGA Contracts Committee
- 12:00pm:** NAEGA Member Luncheon and Business Meeting
- 1:00:** NAEGA Board of Directors Meeting

There will also be a joint meeting of the NAEGA Grades & Inspections Committee and the NGFA Grades, Grains & Weights Committee on Sunday, March 8 at 12pm. For more details contact NAEGA staff.

When registering, you will be able to select which meetings you plan to attend and if you plan to bring a guest or guests. You can register for NAEGA's meetings [through this link](#).

The NAEGA meetings on March 9 will take place alongside the [2020 NGFA Convention](#), held from March 8-10 at the Austin J.W. Marriott Hotel. Two Hotel room options are available to NAEGA members, as follows:

1. Reserving a room at the J.W. Marriott requires registration with NGFA. Two options for NGFA registration are available:
 - a. March 8 & 9: **The registration rate for NAEGA members to attend the NGFA convention and reserve a room at the J.W. Marriott is \$300, with a guest rate of \$250.** NGFA has opened registration and **directions on how NAEGA members can register and book a room at the NGFA rate are available [through this link](#).** If you are having difficulty booking the NGFA hotel rate, please let us know as soon as possible!
 - b. March 8-10: All NGFA Convention events. [You can register here](#).
2. **To attend only the NAEGA meetings and none of the NGFA Convention we have arranged for a discounted room rate at the [Hyatt Place Austin Downtown, just one block from the NAEGA meeting venue](#). Space at the Hyatt Place is limited, and the discounted room rate expires on February 13! Please contact us for access to the NAEGA rate at the Hyatt as soon as possible.**

We look forward to seeing you in the Lone Star State! Please feel free to contact NAEGA staff (Patrick Hayden, phayden@naega.org Sydnie Sousa, ssousa@naega.org and Gary Martin, gcmartin@naega.org) for assistance.

2020 Membership

The Annual Member meeting notice for March 9, 2020 in Austin, TX, 2020 and invoices for membership dues and export volume fees were sent on January 6, 2020. Each member representative will have received an email with a membership invoice and member representatives will also receive an invoice and meeting notification by mail. **All NAEGA member dues and export volume fees are due by February 15, 2020.**

NAEGA staff continues to reach out to each member representative to set up time for a call to discuss NAEGA priorities and programming for the 2020 year, and to seek your input and ideas for how we can best serve you. Please keep an eye out for and email from us requesting your time for a brief call.

Ongoing Opportunities & Actions:

China Trade

NAEGA continues to monitor the implementation of the U.S.-China Phase 1 agreement. The coronavirus outbreak centered in China has the potential to impact the speed of implementation of the agreement. USDA's Foreign Agriculture Service (FAS) has notified stakeholder that most FAS Officers stationed in China will be relocated to Washington, D.C. until further notice and the U.S. State Department has [upgraded the travel warning status to level 4](#), advising U.S. citizens not to travel to China.

The China Council for the Promotion of International Trade (CCPIT) [has begun issuing](#) force majeure certificates upon request to businesses in China if their businesses with overseas partners have been affected by the virus outbreak. NAEGA will be looking into contract implications and we appreciate member advice on how we might assist.

[Some analysts expect](#) that the coronavirus is likely to lead to operational difficulties big and small for businesses in the shipping and trading industry. Shipping companies that carry goods from China to the rest of the world say they are reducing the number of seaborne vessels, as measures to stop the spread of the coronavirus shrink demand for their services and threaten to disrupt global supply chains.

Despite the outbreak, [China announced last week that it](#) would cut tariffs from 10% to 5% on \$75 billion of American products, including pork and soybeans, imposed late last year. The Chinese also announced that they remain committed to the eventual goal of removing all additional tariffs imposed by both countries since 2018. [It was also reported](#) that China's President Xi Jinping spoke to U.S. President Donald Trump personally to reaffirm that China would meet purchase goals outlined in the Phase 1 deal despite the out

USDA's Office of the Chief Economist has released an overview of the agricultural provisions of the China Phase 1 agreement and shows how those provisions will be reflected in upcoming USDA commodity trade forecasts. That report can [be found here](#).

NAEGA is providing leadership, advice and coordination across the value chain. **NAEGA Member input is critical and needed in the next few weeks** 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.

U.S. ITC Investigation of MRL Impacts on Trade

The U.S. International Trade Commission (ITC) has begun 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 states it will issue two reports, one on April 30, 2020, and one on November 2, 2020, which 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.

Written submissions for the first report are now closed. Submissions for the second report are due June 5, 2020. 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 as 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](#).

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.

Recent Actions:

NAEGA Virtual Seminar Pilot

On February 5th and 6th NAEGA conducted its first Private Virtual Contracts and Best Practices Seminar. NAEGA staff, Senior Advisor Sam Bonilla and a NAEGA member connected in 5 locations in North America, successfully completing a Private Pilot Virtual Contracts and Best Practices Seminar using the Microsoft Teams platform. Over 20 participants joined online for a Clause-by-Clause discussion of the NAEGA No. 2 Contract and related best practices. The virtual seminar was designed to be as interactive as possible; participants were able to ask live questions and visually follow the presentation while referring to their digital sourcebook.

Using the feedback from pilot participants and lessons learned during planning and implementation, NAEGA should soon be prepared to offer members the option of holding Virtual Contracts & Best Practices Seminars, as well as the traditional in-person seminar. Please consider joining NAEGA on March 3, 2020 in Vancouver, BC, Canada. There is no cost to attend the Contract and Best Practices Seminar which will be facilitated by NAEGA Senior Advisors, Sam Bonilla and Andrew Marting. This opportunity is unique as it includes a review of the NAEGA No. 2 Contract and updates from the Grain and Feed Trade Association (GAFTA) and the National Grain and Feed Association (NGFA.) You can [register here](#).

Contracts and Best Practices Seminars – Your advice requested

The NAEGA Contracts Committee is seeking your advice on the location, timing and curriculum for 2020 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. The Committee is now considering 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. 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 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!

News:

U.S. may apply Countervailing Duties to Currency Undervaluation

On February 4, 2020, the U.S. Department of Commerce [issued a final rule](#) that expands its ability to apply countervailing duties on imported goods by establishing a methodology to determine whether a foreign producer or exporter has benefited from “undervaluation” of its home market currency. Undervaluation can theoretically make a country’s exports cheaper and can give an edge in competition with American-made goods. U.S. countervailing duties, normally reserved for use against certain imports that benefit from trade distortive subsidies, could now be used on imports from any country that the U.S. determines in undervaluing its currency.

U.S.-Kenya Trade Agreement

Following a meeting between U.S. President Donald Trump and Kenyan President Uhuru Kenyatta, U.S. Trade Representative Robert Lighthizer stated that the U.S. wants a “comprehensive, high-standard” deal with Kenya. [“that can serve as a model for additional agreements across Africa.”](#) Kenya is America’s 11th largest trading partner in Africa with total trade between the two countries at \$1.1 billion in 2019. Top U.S. exports to Kenya in 2019 included aircraft (\$59 million), plastics (\$58 million) and wheat (\$27 million). Additionally, the U.S.-Kenya Trade and Investment Working Group announced after a recent meeting in Washington, D.C., that Kenya has adopted a phytosanitary protocol that allows wheat growers in Washington, Oregon, and Idaho access to Kenya’s \$470 million wheat market for the first time in over a decade. Formal talks have not yet been announced.

Calendar & Member Notices:

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

2020

February

13 – Center for Food Integrity Webinar on draft Framework for Responsible Use of Gene Editing.

28 - USTR Releases Annual Report on the President’s Trade Agenda

March

2-5 – Canadian Crops Convention – Vancouver, BC

3 – NAEGA Contracts & Best Practices Seminar – Vancouver, BC

8-10 – NGFA Annual Convention – Austin, TX

9 – NAEGA Annual Meetings & Board of Directors Meeting – Austin, TX

30-April 2 – International Plant Protection Convention (IPPC) International Year of Plant Health 2020, Commission on Phytosanitary Measures (CPM) – Rome, Italy

April

20-21— Asia Pacific Economic Cooperation (APEC) forum trade ministers meet in Malaysia

May

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

25-26 - Organization for Economic Cooperation and Development Annual Meeting – Paris, France

June

8-12 – International Grains Week – London, UK

8-11 – The World Trade Organization holds its 12th Ministerial Conference in Kazakhstan

9-10 – IGC Grains Conference – London, UK

10-12 – G-7 Meeting - Camp David, MD

September

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

October

5 – G-20 Meeting in Riyadh, Saudi Arabia

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

TBD – China World Grain Forum

November

3 - U.S. Presidential Election

12 - APEC in Kuala Lumpur, Malaysia.

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

TBD – IGTC General Assembly – Singapore

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

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