

Outreach

February 27, 2020

Thank you for your membership in and work with NAEGA

Graphic of the Week
Tracking the Wuhan Coronavirus
As of 5:30am Eastern Time, February 27, 2020

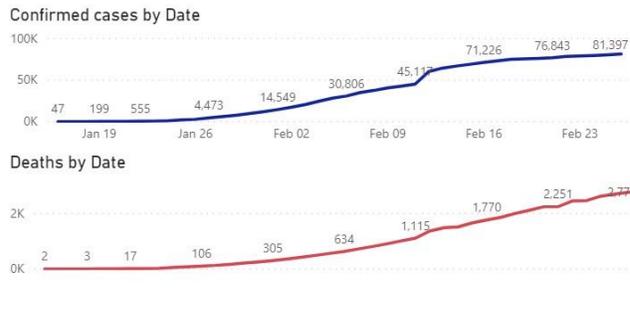
Coronavirus disease 2019 (COVID-19) outbreak

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Last Update: 02/27/2020



	China	Other countries	Ship(s)
52 Countries			
Country	Confirmed Cases	Deaths	
China	78,065	2,715	
South Korea	1,261	12	
Ship(s)	705	4	
Italy	453	12	
Japan	189	2	
Iran	139	19	
Singapore	93	0	
Hong Kong	91	2	
United States	59	0	
Thailand	40	0	
331 Recovered			
Province/State	Confirmed Cases	Deaths	
Hubei	65,187	2,615	
Guangdong	1,347	7	
Henan	1,271	19	
Zhejiang	1,205	1	
Hunan	1,016	4	
Anhui	989	6	
Jiangxi	934	1	
Shandong	756	6	
Henan	621	0	



Source: <http://avatorl.org/covid-19/>

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- NAEGA 2020 Annual Meeting - March 9, 2020 in Austin, TX
- USDA Grain Inspection Advisory Committee
- U.S. Coast Guard Alternate Security Workshop – May 28, 2020

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- Impact of U.S. Sanctions Compliance
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News:

Cert. of Free Sale – New requirement for Vietnam Feed Ingredient Imports

On March 3, 2020, Vietnam plans to begin to require a Certificate of Free Sale (CFS) or an equivalent document for imported animal feed ingredients. CFS documentation is a common requirement for countries seeking evidence that goods, such as animal feed, are legally sold or distributed in the open market, freely without restriction, and approved by the regulatory authorities in the country of origin

On February 14, 2020, the Department of Livestock Production (DLP) of Vietnam’s Ministry of Agriculture and Rural Development (MARD) issued an official letter 76/CN-TACN to detail the new requirements on quality examination for imported feed ingredients, which was provided in Decree 13/2020 guiding the implementation of the Animal Husbandry Law. Accordingly, DLP announced that a Certificate of Free Sale (CFS) or an equivalent document issued by the competent agency of the country of origin is required beginning March 3, 2020 for the feed ingredients which are currently listed under the National Technical Regulation (NTR) 01-78:2011. A document is required for other ingredients which are not listed under NTR 01-78:2011 beginning July 1, 2020. To comply an acceptable document must be submitted prior to arrival of shipments for the feed ingredients which are currently listed under the National Technical Regulation (NTR) 01-78:2011- Safety criteria and maximum level in animal feeds. Products included:

- Corn: corn kernels, corn flour, broken corn
- Rice and rice products
- Wheat and wheat products
- Gluten types: corn gluten and wheat gluten
- Soybean and soybean products: soybean seeds, soybean meal (whole or oil split)

- Other types of oil seed meals: peanut meal, palm meals, rapeseed meal, sesame meals, Sunflower seed meal, linseed meal, coconut meal, cotton meal, lupine meal
- Dried cassava
- Raw materials of aquatic animal origin: fish meal, shrimp head meal, seafood processing by-product meal
- Raw materials of other animal origin: blood meal, bone meal, meat and bone meal, feather meal, skimmed milk powder
- Vegetable oil and animal fat

DLP has confirmed they will accept CFS or an equivalent document which contains the information required in Decree 69/2019 guiding the Law on Foreign Trade that includes: Name of issuing agency, Number and date of issuance, Name, type or group of products and goods covered, Name and address of the manufacturer, a clear statement that the products and goods covered are manufactured and allowed to be sold freely in the market of the country of manufacture or the issuing country, official signature and seal of issuing agency. Further:

- The same document can be reused and re-submitted to the National Single Window for registration of import examination for multiple consignments of the same product from the same origin and there is no expiration date.
- Manufacturer may be the name of distributor/shipper/exporter that aggregates commodities from multiple sources. The document (CFS) can be issued at any time before arrival of commodity/product.
- The requirement is delayed until July 1 for some products such as DDGs and some dairy ingredients, for which MARD has yet set up NTRs on safety criteria.
- Products meant for human consumption such as soybeans (for tofu), soybean oil, wheat or other commodities do not require a CFS or equivalent document.

Our understanding is that the Canadian Food Inspection Agency may provide a CFS. Exporters may want to the [CFIA CFS page](https://www.inspection.gc.ca/exporting-food-plants-or-animals/food-exports/certification/certificate-of-free-sale/eng/1507732648572/1507732649258) at <https://www.inspection.gc.ca/exporting-food-plants-or-animals/food-exports/certification/certificate-of-free-sale/eng/1507732648572/1507732649258>.

In the U.S., CFS documents for agricultural products are often available from State authorities including Departments of Agriculture. A state by state list of entities that issue CFS documentation can be found on the related [USDA/FAS website here](#).

NGFA eBarge Project

The National Grain & Feed Association (NGFA) [has announced that](#) they are partnering with essDOCS to implement NGFA's project to digitize barge trading documents, such as bills of lading, so that they may be transmitted electronically. The NGFA eBarge solution will be based on a customized version of essDOCS' CargoDocs DocEx platform, which will digitize the administration of the barge trade. The system will digitally handle the trade string and documentation process to increase speed, efficiency, and visibility without altering the way the trades take place. The eBarge solution will digitize the 70,000 to 100,000 negotiable barge bills of lading that NGFA members handle each year. Work has begun on development, testing and

delivery of the NGFA digital barge solution, split into two phases and targeted for completion by end Q1 2020.

World Coronavirus

COVID-19, commonly referred to as the coronavirus, continues to threaten trade globally. In the past week, the U.S. Centers for Disease Control (CDC), [issued a level 3 warning](#) for travel to South Korea, “Avoid Nonessential Travel—Widespread Community Transmission”, the same level it has given to China. South Korea has the 2nd highest number of confirmed cases, over 1300 as of this writing, including a U.S. service member stationed in the country. Factory shutdowns are slowing the flow of products and parts from China, and agricultural trade has [slowed in both directions between Asia and the U.S.](#)

CDC also [issued a level 2 warning for Italy](#), “Sustained Community Transmission—Special Precautions for High-Risk Travelers” following the announcement that the number of cases in the country had risen to 374 with 12 deaths connected to the outbreak. This is the first European country to receive a travel warning from CDC over the coronavirus, and it was reported on Wednesday, February 26 that South America’s first case of the disease is a Brazilian [man who recently returned from Italy](#). The World Health Organization said Wednesday that the disease is not yet a pandemic yet, but ["all countries" must prepare for it to become one.](#)

U.S. OFAC Answers Frequently Asked Questions

The U.S. Treasury’s Office of Foreign Asset Control (OFAC) has issued a set of answers to frequently asked questions (FAQs) regarding Reporting, Procedures and Penalties Regulations. The FAQs provide updated instructions and incorporate new requirements for parties filing reports on blocked property, unblocked property, or rejected transactions with OFAC. These FAQs are related to the June 21, 2019 amendment to Reporting, Procedures and Penalties Regulations. The FAQ’s, and more information on OFAC compliance, [can be found here.](#)

Current Opportunities & Actions:

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

There is still time to register to join us in Vancouver, British Columbia, Canada, on Tuesday, March 3, 2020 from 8:00am-3:00pm for three sessions on Contracts and Best Practices Serving the Canada’s Agriculture Commodity Trade, including a review of the NAEGA No. 2 Contract and updates from the Grain and Feed Trade Association (GAFTA), International Grain Trade Coalition (IGTC) and the National Grain & Feed Association (NGFA).

The session 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 three sessions will take place in the Georgia Ballroom at the Hyatt Regency Vancouver and a light breakfast and working lunch will be provided. Attendees can attend any and all of the three sessions:

Breakfast: 8:00am-9:30am - Updates on from Trade Associations - Includes Presentations from: NGFA, NAEGA, IGTC & GAFTA

Seminar: 9:30am-1:30pm - How Buyers and Sellers use the NAEGA 2 Model F.O.B Contract. Detailed discussion including understanding contract clauses and lessons learned with NAEGA Senior Advisors Sam Bonilla and Andrew Marting

Lunch: 1:30pm-3:00pm - Updates on commercial contract related services and plans from GAFTA, NAEGA and NGFA

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

Reminder to Register - NAEGA 2020 Annual Meeting – March 9

The 2020 NAEGA annual meeting is less than two weeks away! 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.

Please be sure you have registered for our meetings. 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 [through this link](#) for any and all of the NAEGA meetings:

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.

The discounted rates for the NAEGA room block at the [Hyatt Place Austin Downtown](#) and NGFA's room block at the J.W. Marriott are no longer available, though non-discounted rooms at both hotels are still available.

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.

USDA Grain Inspection Advisory Committee

The U.S. Department of Agriculture, Agriculture Marketing Service (AMS) has announced that it is seeking nomination for members of the [Grain Inspection Advisory Committee](#). The Committee meets twice annually to advise AMS on programs and services delivered under the U.S. Grains Standards Act.

The committee is comprised of 15 members appointed by the Secretary of Agriculture who represent all segments of the grain industry. They include grain producers, processors, merchandisers, handlers, exporters, consumers, grain inspection agencies, and scientists. Appointments last for three years and members may not serve successive terms.

NAEGA will support applications from members who wish to serve on the Committee. If you are interested in applying you can fill out form AD-755, [found here](#), and submit it to Kendra Kline of AMS at Kendra.C.Kline@usda.gov. You may also contact NAEGA staff for further information. USDA will consider all applications received by March 26, 2020.

U.S. Coast Guard Alternate Security Workshop – May 28, 2020

NAEGA Alternative Security Program (ASP) Subscribers are welcome to attend The U.S. Coast Guard’s annual Alternative Security Program (ASP) Workshop on May 28, 2020 in Washington, DC on May 28, 2020. NAEGA, along with the National Grain and Feed Association, administers an ASP for facilities covered under the Maritime Transportation Security Act (MTSA). The ASP provides an alternative way for facilities to comply with the MTSA. All NAEGA members are open to join the ASP. Patrick Hayden plans to attend on behalf of NAEGA. The final location of the workshop has not yet been selected. If you are interested in attending, or would like more information on the NAEGA-NGFA ASP, please contact Patrick at phayden@naega.org.

Ongoing Opportunities & Actions:

China Trade

NAEGA continues to monitor the implementation of the U.S.-China Phase 1 agreement. The continued impact of the coronavirus outbreak is showing signs of impacting China’s agriculture purchases. [A recent report showed](#) that the total four-week rolling volume of soybeans purchased by China from all sellers is at its lowest point since August of 2019. Soybean purchases were expected to make up one-third of China’s agricultural commitments.

Despite the lack of soybean purchases by China, the Office of the U.S. Trade Representative (USTR) and U.S. Department of Agriculture (USDA) stated this week that “[China was taking action to fulfil its obligations](#)”. USDA Undersecretary for Trade and Foreign Agriculture Affairs Ted McKinney called the coronavirus a “Wild Card” in China’s ability to fully comply.

NAEGA continues to monitor for any reporting of force majeure certificates, [issued by the China Council for the Promotion of International Trade](#) to businesses in China if their businesses with overseas partners have been affected by the virus outbreak, impacting the bulk commodity trade. NAEGA also will be looking into contract implications and we appreciate member advice on how we might assist.

NAEGA is 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.

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:

IGTC Newsletter

The latest IGTC newsletter is now available! Highlights include details on London Grains Week in June, a message from IGTC’s China member on efforts to highlight work in China to maintain international communication and ensure food security in the midst of the coronavirus epidemic and an updated IGTC event calendar. Read the [full newsletter 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!

Calendar & Member Notices:

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

2020

February

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

March

2-5 – Canadian Crops Convention – Vancouver, BC

3 – NAEGA Contracts & Best Practices Serving Canada's Agricultural Commodity Trade Sessions – Vancouver, BC

8-10 – NGFA Annual Convention – Austin, TX

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

16-20 - World Trade Organization Committee on Sanitary and Phytosanitary Measures – Geneva, Switzerland

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

April

1-2 - DBTG Operational & Technical Conference – Rotterdam, The Netherlands

20-21 - Asia Pacific Economic Cooperation (APEC) Trade Ministers Meeting – Malaysia

May

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

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

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

June

8 – Global Low-Level Initiative Meeting – Indonesia

8-12 – International Grains Week – London, UK

8-11 –World Trade Organization 12th Ministerial Conference – 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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