



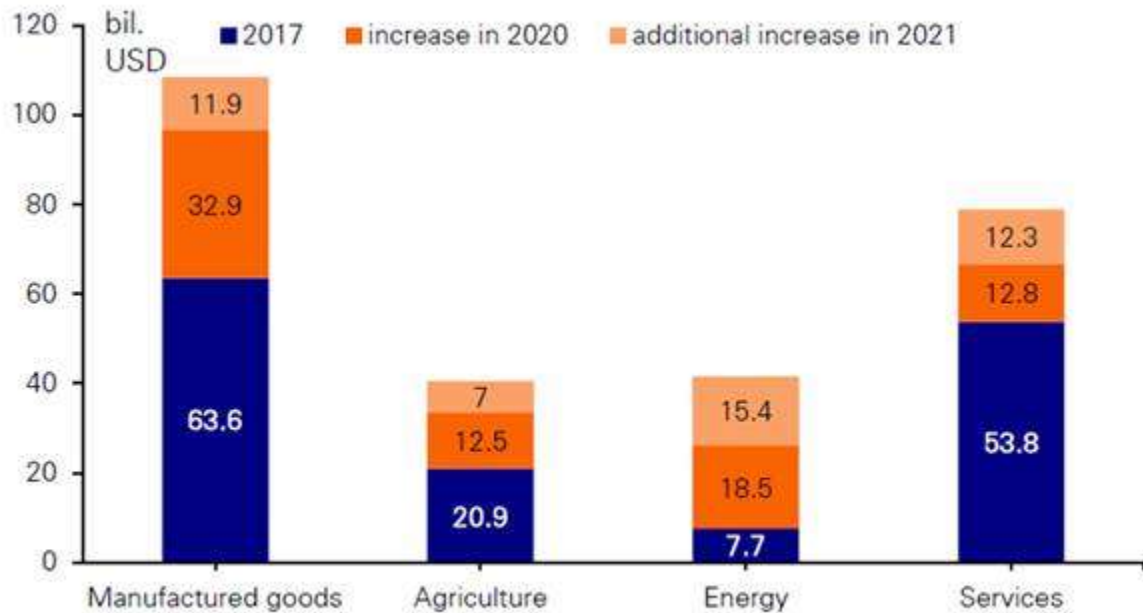
Outreach

January 28, 2020

Thank you for your membership in and work with NAEGA

Graphic of the Week

Chinese Import Commitments Under U.S-China Phase One – 2020-2021



Source: Deutsche Bank

Current Opportunities & Actions:

- China Trade
- 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:

- U.S. Agricultural Trade Advisory Committees

- U.S. ITC Investigation of MRL Impacts on Trade
- U.S. CBP Proposed Changes to the U.S. Jones Act
- Impact of U.S. Sanctions Compliance
- Policy Teams
- IPPC ePhyto Case Studies
- Contracts and Best Practices Seminars - Your advice requested

Recent Actions:

- International Programs – Trip Report

News:

- Peru CVD on U.S. Corn
- Asian Gypsy Moth
- U.S. Senate Approves U.S-Mexico-Canada Agreement
- U.S. Government Launches Website for Biotechnology Regulation

NAEGA Calendar and Member Notices:

- Upcoming events and notices to members

Current Opportunities & Actions:

China Trade

On Wednesday, January 15, 2020, the U.S. President Donald Trump and Chinese Vice Premier Liu He signed the U.S.-China Phase One trade agreement. The Agreement means **NAEGA Member input is critical and needed in the next few weeks** to Identify practices to support a more efficient trade.

Bilateral efforts by both U.S. and China government officials to reduce non-tariff measures including phytosanitary and quality related barriers to trade are underway. NAEGA is providing leadership, advice and coordinate cross the value chain. We are already working with the U.S. Government and U.S. stakeholders to provide for monitoring and advice on best practices. Our work on the long-term project to address China's import and export measures (Decree 177) for grain and oilseeds has also started in Ernst.

In addition to the commitments to purchase goods and services (see graphic of the week) the Phase 1 agreement between China and U.S. provides numerous opportunities to benefit NAEGA members. They include commitments to: base safety evaluation procedures on relevant international standards and recommendations of the Codex Alimentarius Commission and the International Plant Protection Convention (IPPC), operate a transparent, predictable, efficient, and science and risk-based regulatory system for products derived from agricultural biotechnology that includes reducing China's average review time for products for animal feed or for further processing to no more than 24 months and management of Low-Level Presence (LLP).

The text of the Phase 1 agreement [can be found here](#).

Please contact us as soon as possible with your and advice and questions on practices to support a more efficient trade with China.

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 Austin, TX at the J.W. Marriott Hotel. 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.

Before NAEGA Membership convenes, the NAEGA Production Technology Committee will meet at 7:30am and the Contracts Committee will meet at 10:30am. NAEGA members will elect the 2020 Board of Directors at the Association Business meeting, after which the Board will convene.

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. Hotel Reservations should be made as soon as possible. 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](#).**
 - 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! 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 has begun reaching 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:

U.S. Agricultural Trade Advisory Committees

The U.S. Department of Agriculture (USDA) and the Office of the United States Trade Representative (USTR) are seeking applications for new members to serve on seven agricultural trade advisory committees. Members of the Agricultural Policy Advisory Committee (APAC) advise USDA and USTR on operating existing U.S. trade agreements, on negotiating new agreements, and on other trade policy matters. Members of six Agricultural Technical Advisory Committees (ATACs) provide technical advice and guidance on international trade issues that affect both domestic and foreign production in specific commodity sectors. The ATACs focus on trade in:

- Grains, feed, oilseeds and planting seeds;
- Animals and animal products;
- Fruits and vegetables;
- Processed foods;
- Sweeteners and sweetener products; and
- Tobacco, cotton and peanuts.

To be considered for candidacy, applicants must have significant expertise in both agriculture and international trade matters and be U.S. citizens, qualify for a security clearance, and be willing to serve without compensation for time, travel or expenses. The committees hold frequent conference calls and generally meet in Washington, D.C., twice a year. Application instructions are available at <https://www.fas.usda.gov/trade-advisory-committees-applying-membership>. Applications are due by 5 p.m. ET on January 31, 2020.

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](#).

U.S. CBP Proposed Changes to the U.S. Jones Act

On October 23, 2019, U.S. Customs and Border Protection (CBP) proposed substantial changes to its interpretations of the Jones Act. The Jones Act, which is section 27 of the Merchant Marine Act, requires that transportation of merchandise between all U.S. points be reserved for vessels that are built, owned, crewed, and documented in the United States. Supporters of the act feel it is essential for preserving the security of the domestic maritime industry. Critics say the act increases the cost of shipping to U.S. lands that depend on imports like Alaska, Hawaii, Puerto Rico, and others, and that it limits the number of vessels that can legally deliver goods, driving higher costs and reducing competition.

CBP's proposed changes would revise the definition of offshore "lifting operations" to clarify that certain "lateral movements" of service vessels are not considered transportation moves under the Jones Act, which requires that such moves be carried out by U.S.-owned, U.S.-flagged and U.S.-built vessels. This may allow for more competition for foreign flag-vessels.

Member input into how NAEGA approaches possible engagement on these issues is welcome.

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.

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. [Click here](#) for more information on the in-depth, interactive programs NAEGA conducts!

Recent Actions:

International Programs - Trip Report

A trip reports for recent travel to London, UK is now available. From November 30-December 5, 2019, Gary C. Martin, CEO and President of NAEGA and President of the International Grain Trade Coalition (IGTC). traveled to London to attended and participated in the 50th Session of the International Grains Council (IGC). Gary also attended and presented at a panel entitled “Impacts of Precision Breeding Innovations on Grains Trade”, held on the margins of the IGC session. The full trip report, including Gary’s presentations from both events, [can be found here](#).

News:

Peru CVD action on U.S. Corn

A **No Injury** determination by Peru’s National Institute for the Defense of Competition and Intellectual Property (INDECOPI) likely means the end of the action to establish a countervailing duty on U.S. corn imports to Peru INDECOPI had initiated an Countervailing Duty/ investigation into the impact of U.S. corn exports on Peru’s domestic industry in July of 2018 for a period covering January 2015 to December 2017. NAEGA formed a Special Interest Group (SIG) to coordinate a legal response following the initiation of the investigation. INDECOPI’s report means that additional duties will not be imposed on U.S. corn due to this case. This is a reversal from the initial finding report where INDICOPI suggested an increase in duties on a number of U.S. exporters The English translation of the INDECOPI findings [can be found here](#).

Asian Gypsy Moth

The U.S. Department of Agriculture (USDA) and the Canadian Food Inspection Agency (CFIA) have released a memorandum regarding the import requirements for marine vessels entering North American ports which have called upon areas regulated for Asian gypsy moth. The memorandum states that all vessels must arrive in North American ports free of Asian gypsy moth and with required pre-departure certification in order to prevent negative impacts from introduction.

For vessels that have called on areas regulated for AGM during the specified risk period, the following measures are required:

1. Vessels must be inspected and must obtain pre-departure certification from a recognized certification body. A copy of the certification must be sent to their U.S. or Canadian agents.
2. Vessels must provide two-year port of call data, at least 96 hours prior to arrival in a North American port, to the Canadian or U.S. agent.

In addition to, USDA and CFIA recommend conducting self-inspection with extra vigilance, to arrange for inspection and certification services as far in advance as possible and to provide the two-years port of call history at the time of that request. This should allow for the inspection and certification body to better plan for delivery of the services in a timely manner. The full notice from USDA & CFIA [can be found here](#).

U.S. Senate Approves U.S-Mexico-Canada Agreement

The U.S Senate approved the U.S.-Mexico-Canada Agreement (USMCA) on January 16th with a vote of 89-10. U.S. President Donald Trump is expected to sign the implementing legislation on Wednesday, January 29.

The three signatories claim USMCA will support mutually beneficial trade leading to freer markets, fairer trade, and robust economic growth in North America. For the agricultural sector, the USMCA will preserve the zero-tariff platform for nearly all agricultural products; set grading standards for agricultural products will be non-discriminatory; enhance science-based trading standards among the three nations as the basis for sanitary and phytosanitary (SPS) measures for agricultural products; address information sharing and other trade rules among the U.S, Mexico and Canada that are related to agricultural biotechnology and gene editing. In total, the pact is expected to provide more than \$2 billion in additional farm exports and \$65 billion in gross domestic product.

Mexico's legislature passed the USMCA in December and the Canadian Parliament is expected to approve at the end of this month or in February. The agreement will likely be implemented this Spring. More information about USMCA can be found [here](#).

U.S. Government Launches Website for Biotechnology Regulation

The U.S. Department of Agriculture (USDA), the Food and Drug Administration (FDA), and the Environmental Protection Agency (EPA) launched a Unified Website for Biotechnology Regulation (UWBR). The UWBR streamlines information about the three regulatory agencies charged with overseeing agriculture biotechnology products and is part of U.S. President Donald Trump's Executive Order on Modernizing the Regulatory Framework for Agricultural Biotechnology Products.

The [UWBR](#) describes the federal review process for certain biotechnology products and allows users to submit questions to the three agencies. The goals of the website are "to provide enhanced customer service to innovators and developers, while ensuring Americans continue to enjoy the safest and most affordable food supply in the world and can learn more about the safe use of biotechnology innovations". The site can be accessed [here](https://usbiotechnologyregulation.mrp.usda.gov/biotechnologygov/home/):

Calendar & Member Notices:

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

2020

January

29 – U.S. President Donald Trump Expected to Sign USMCA
31- Target date for the United Kingdom to leave the European Union

February

5-6- 1st Pilot Private NAEGA Contracts and Best Practices Seminar
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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