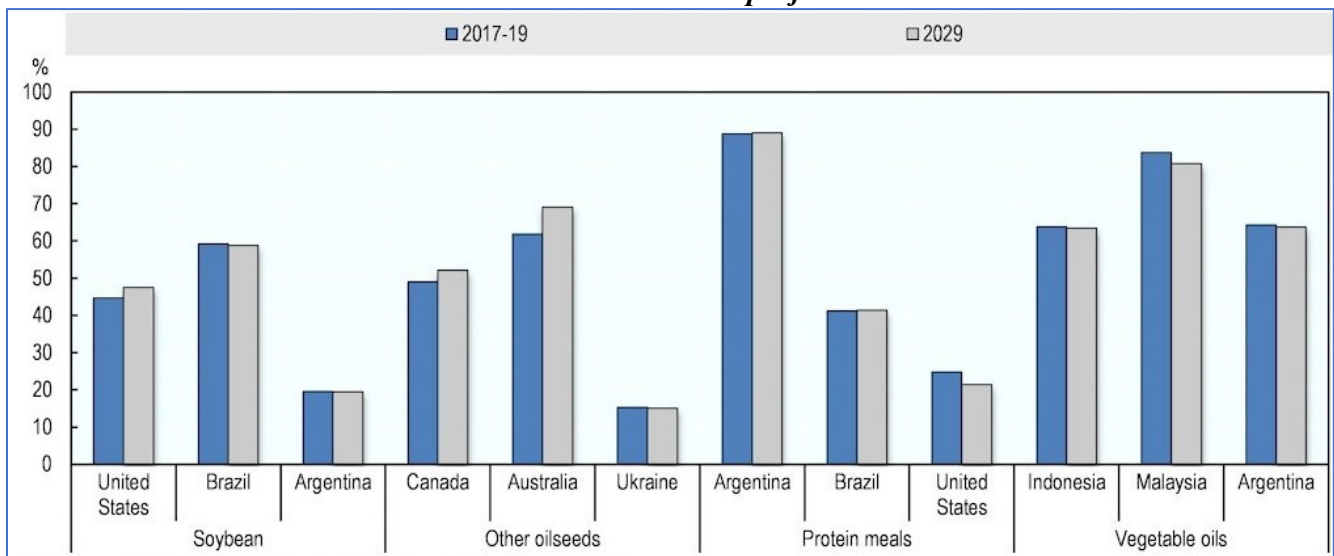


Outreach

July 22, 2020

Thank you for your membership in and work with NAEGA

Image of the Week:
Oilseeds and Oilseed Products Export Share: Top Three Countries
2017 / 19 actual v 2029 projected



Source: *OECD-FAO Agricultural Outlook 2020-2029* – [Published July 16, 2020](#)

Recent Actions:

- BASF – GE Soybean Consultation
- Letter to Government of Thailand on Chlorpyrifos and Paraquat
- NAEGA Website RFP

Current Opportunities & Actions:

- Contracts Committee Meeting
- MRLs - Australia
- MRLs - Japan
- U.S. Food and Agricultural Exports to Sanctioned Countries Webinar
- USDA APHIS Invites Comment on NAPPO Documents
- USDA Agriculture Innovation Agenda

- U.S. Government FCPA Resource Guide

News:

- Indonesia Testing U.S. Wheat Shipments for Karnal Bunt
- OECD-FAO Agricultural Outlook 2020-2029
- U.S. Trade Court Limits Presidential Power to Impose Section 232 Tariffs

Ongoing Opportunities & Actions:

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

Recent Actions:

BASF – GE Soybean Consultation

On Tuesday, July 14, 2020, at the invitation of the National Grain & Feed Association's (NGFA) Crop Technology Committee, the NAEGA Production Technology Committee took part in a consultation with BASF. BASF recently submitted a petition to the U.S. Department of Agriculture's Animal & Plant Health Inspection Service (USDA/APHIS) seeking a determination of nonregulated status of GMB151, a Plant-Parasitic Nematode-Protected and Herbicide Resistant Soybean. BASF briefed the Committees on the product and answered questions on their plans for commercialization. NGFA & NAEGA are developing comments to USDA/APHIS on the petition, [which can be found here](#). Comments are due July 27.

Letter to Government of Thailand on Chlorpyrifos and Paraquat

NAEGA, along with the U.S. Soybean Export Council (USSEC) and U.S. Wheat Associates (USW) has submitted a letter to Thailand's National Bureau of Agricultural Commodity and Food Standards (NBACFS) in response to the Thai Ministry of Public Health (MOPH)'s draft notification of its intent to implement bans on chlorpyrifos and paraquat used in crop protection products and institute an MRL of zero for these products. The letter notes U.S. industry concern about the potential impact on U.S. producers and Thai customers of a "reclassification and deletion of maximum residue level (MRLs)" for these products.

Noting that the ban would go into effect just 30 days after it is approved, and that it is unlikely that any importer could guarantee a MRL of zero or near-zero for these products in such a short time span the letter suggests that the Thai government "consider and clearly articulate a transition period for channels of trade, regardless of reduction or elimination of the existing MRL by which trade is currently operating". The letter makes several suggestions for how the Thai government could achieve its goals regarding chlorpyrifos and paraquat by working with its trading partners on a solution that combines sound science, regulatory coherence and food safety best practices. The text of the letter as delivered [can be found here](#).

NAEGA Website RFP

NAEGA has issued a Request for Proposal (RFP) for a redesign and update of the NAEGA website. The goal of this project is to deliver a "modern, user-friendly website that informs visitors on NAEGA's purpose and structure, provides easy access to both our public and member's only

services and information, provide for a digital archive and contain a portal for future web-based video and educational projects.

NAEGA members that have suggestions for potential contractors who would be able to deliver a proposal before the due date of August 3, 2020 are encouraged to either forward them [a copy of the RFP, found here](#), or to contact Patrick Hayden at phayden@nagea.org directly.

Current Opportunities & Actions:

Contracts Committee Meeting – July 23, 2020

The NAEGA Contracts Committee will meet on Thursday, July 23 at 3:00pm-4:30pm Eastern Time. If you are not a member of the Committees and would like information on taking part in this calls or joining the Committee, please contact NAEGA staff (Patrick Hayden, phayden@naega.org; Sydnie Sousa, ssousa@naega.org and Gary Martin, gcmartin@naega.org) for assistance.

MRLs - Australia

Australia has notified the World Trade Organization (WTO) of changes in their Schedule 20 – “Maximum Residue Limits to the Australia New Zealand Food Standards Code”. The notification and full text that lists the MRLs that will be affected [can be found here](#).

USDA’s Foreign Agriculture Service (USDA/FAS) is collecting comments through the WTO and is asking for input on any MRLs set in these changes that raise concerns. Input from members on if and how we should comment is welcome. Please review the documents linked above and let us know if there are any MRLs you are concerned about. Comments are due to FAS Close of Business on Friday, July 24. If you have any items of concern please let us know by Thursday, July 23 so we can submit them to FAS.

MRLs – Japan

Japan has notified the World Trade Organization (WTO) of proposed changes in their Maximum Residue Levels (MRLs) for the agricultural chemicals Heptachlor and Fipronil. The notifications [can be found through this link](#).

USDA’s Foreign Agriculture Service (USDA/FAS) is collecting comments and is asking industry for comment on if these proposed changes concerns. Input from members on if and how we should comment is welcome. Please review the documents linked above and let us know if there are any MRLs you are concerned about. Comments are due to the WTO on August 30, 20. If you have any items of concern please let us know as soon as possible so we can submit them to FAS.

U.S. Food and Agricultural Exports to Sanctioned Countries Webinar

NAEGA is leading the U.S. Food & Agriculture Dialogue for Trade (USFADT) to develop a virtual, confidential, and off the record briefing and discussion with the U.S. Department of Treasury’s Office of Foreign Assets Control (OFAC) and the United States Department of Agriculture’s (USDA) experts from the Foreign Agriculture Service on US exports to sanctioned countries. Topics such as utilizing the general license for agricultural commodities and current developments related to Iran sanctions will be covered, as well as a number of different sanction

programs that OFAC administers, which can be found at [OFAC programs](#). The webinar will be hosted by USFADT with OFAC and USDA and is entitled “U.S. Food and Agricultural Exports to Sanctioned Countries”. The Webinar is tentatively planned to take place in early August.

USDA/APHIS Invites Comment on NAPPO Documents

The North American Plant Protection Organization (NAPPO) opened the 2020 NAPPO Country Consultation period, which provides an opportunity for stakeholders to comment and review, for the three NAPPO documents on Regional Phytosanitary and Science & Technology Documents, [found here](#).

The U.S. Department of Agriculture’s (USDA) Animal and Plant Health Inspection Service (APHIS) is encouraging U.S. stakeholders to submit comments on these documents, through the APHIS Plant Protection & Quarantine (PPQ) service. Comments should fall into one of three categories: substantial, technical, or editorial. Details on how to comment to NAPPO through PPQ [can be found here](#). The country consultation is open for 90 days (June 1 – August 31, 2020) for the two regional standards and for 60 days (June 1 – July 31, 2020) for the new Science and Technology Document

NAEGA’s Grades and Inspections Committee will be asked to consider a response. Your advice is welcome.

USDA Agriculture Innovation Agenda

The U.S. Department of Agriculture (USDA) [is soliciting comments and suggestions](#) on objectives and opportunities leading to research goals and informed product goals to facilitate transformative breakthroughs to enable U.S. agriculture to meet the Department’s goal of increasing agricultural production by 40 percent to meet the needs of the global population in 2050 while cutting the environmental footprint of U.S. agriculture in half. This effort is part of USDA’s Agricultural Innovation Agenda, the Department’s commitment to the success of American farmers, ranchers, producers, and foresters in the face of future challenges. NAEGA is considering providing input to this request. All comments are due August 1, 2020. More details [can be found here](#).

U.S. Government FCPA Resource Guide

The U.S. Department of Justice (DOJ) and the U.S. Securities and Exchange Commission (SEC) have recently published an updated edition of “[A Resource Guide to the U.S. Foreign Corrupt Practices Act \(FCPA\)](#)”. First published in 2012, the guide is a detailed compilation of information and analysis regarding the FCPA and related enforcement, authored by experts at DOJ and SEC.

The Guide addresses a wide variety of topics, including who and what is covered by the FCPA’s anti-bribery and accounting provisions; the definition of a “foreign official”; the jurisdictional reach of the FCPA; types of proper and improper payments; application of successor liability in the mergers and acquisitions context; the hallmarks of an effective corporate compliance program; and the different types of civil and criminal resolutions available in the FCPA context. The guide and background information [is available here](#).

News:

Indonesia Testing U.S. Wheat Shipments for Karnal Bunt

The U.S. Department of Agriculture's Animal & Plant Health Inspection Service (USDA/APHIS) has reported that Indonesia has taken adverse action on U.S. wheat cargos for *Tilletia* species detections. [In a letter to the Indonesian Ministry of Agriculture \(MOA\)](#) APHIS notes that six consignments of U.S. Wheat were detained between March and June 2020 due to "detection of *Tilletia indica* (karnal bunt), as well as *Tilletia caries* and *Tilletia laevis*." APHIS has asked the MOA to provide clarification on the technical justification for the identification and subsequent treatment of the cargoes. The letter notes that *Tilletia indica* is only present on a small number of farms in Arizona and that to USDA's knowledge, no wheat from these farms has been exported to any U.S. trading partner.

We will continue to monitor and report on this issue.

OECD-FAO Agricultural Outlook 2020-2029

The Organization for Economic Co-operation Development (OECD) and the Food and Agriculture Organization (FAO) of the United Nations have published their annual Agricultural Outlook. The OECD-FAO Agricultural Outlook 2020-2029, prepared with input from experts in their member governments and specialist commodity organizations, provides a consensus assessment of the ten-year prospects for agricultural and fish commodity markets at national, regional and global levels. This year's report notes that a decrease in disposable incomes in low-income countries and households caused by Covid-19 is expected to depress demand in the next few years and could further undermine food security. [The report can be found here.](#)

U.S. Trade Court Limits Presidential Power to Impose Section 232 Tariffs

On July 14, 2020 the U.S. Court of International Trade (USCIT), [ruled in the case of *Transpacific Steel LLC v. United States*](#) that there are limits on a U.S. President's power to impose tariffs for national security purposes. Transpacific Steel, an importer of Turkish steel, filed the lawsuit before the USCIT in January 2019, arguing that the President's proclamation of a 50 percent tariff on Turkish steel under Section 232 of the Trade Expansion Act of 1962 failed to follow the procedures required by the animating statute and violated the importer's constitutional rights. The Court agreed that the President acted outside that time window and without a proper report, stating that "Section 232 grants the President great, but not unfettered, discretion." The Court also found a breach of equal protection guarantees in the absence of "'persuasive evidence' here to support that the President's proclamation 'has a legitimate grounding in national security concerns,'" and that the tariff is "arbitrary and irrational." This case may affect the President's ability to impose Section 232 tariffs on other products.

Ongoing Opportunities & Actions:

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 NAECA 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](#).

Contracts and Best Practices Seminars – Your advice requested

We are currently scheduling virtual Contracts and Best Practices Seminars. Please let us know when, how and where you would like to participate in the NAEGA Senior Advisor led seminars.

The seminars are an intensive and informative review of commercial and official practices taught in an interactive environment. Both public/multiple company and private/single company seminars are available and can be tailored to your needs. [Click here](#) for more information on the in-depth, interactive programs NAEGA conducts!

Office Reopening and Communication

The NAEGA office in Arlington, VA is operating under a limited reopening until at least August 31, 2020 staff 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. Teams ability to share documents and instantly connect with multiple users will enhance our ability to serve you. All you need to do is email NAEGA staff and request a consultation via Teams and we will set up a virtual meeting with you as soon as we can. We can always be reached via email or cell phone as well.

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.

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

July

30 – Australian Grain Industry Conference - Taking Place Virtually

August

TBD - U.S. Food & Agriculture Dialogue for Trade Webinar on Sanctions

4-6 - U.S. Grain and Soy Buyers Conference – Taking Place Virtually, Gary Martin to present

September

10 – NAEGA Board of Directors Meeting – Via MS Teams

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

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 – Postponed*

TBD – *China World Grain Forum - Postponed*

November

3-4 – *IGTC General Assembly – Now Taking Place Virtually*

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 - Tentative*

December

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

2021

March

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

June

7-11 – London Grains Week – London, UK

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.