



North American Export Grain Association

## Outreach

### November 13, 2020

Thank you for your membership in and work with NAEGA

#### Graphic of the Week

### Leading Candidates for Agriculture and Trade Positions in a Biden Administration

Secretary of Agriculture	U.S Trade Representative
 <p><b>Heidi Heitkamp</b>            - Former Senator from North Dakota and member of the Senate Agriculture Committee.            - Considered a “strong” advocate for rural issues.            - Co-founded One Country Project, an organization aimed at helping Democrats reconnect with rural voters            - Critical of Trump administration trade policies.</p>	 <p><b>Rep. Jimmy Gomez (D-CA)</b>            - Member, House Committee on Ways and Means.            - Member of House working group on USMCA that worked with Trump administration to modify USCMA</p>
 <p><b>Rep. Marcia Fudge (D-OH)</b>            - Chair, House Agriculture Subcommittee on Nutrition, Oversight, and Department Operations.            - Advocate for the SNAP food stamp program.</p>	 <p><b>Nelson Cunningham, President &amp; CEO, McLarty &amp; Associates</b>            - Former General Counsel of the Senate Finance Committee when Biden was Chair.            - Former Special Advisor to President Bill Clinton on Western Hemisphere affairs.            - Former Chairman of the Export-Import Bank Advisory Committee.</p>
 <p><b>Rep. Cheri Bustos (D-IL)</b>            - Member, House Agriculture Committee.            - Considered a leader on funding for agricultural research and rural infrastructure.</p>	<p>-Member of the State Department’s Advisory Committee on International Economic Policy.</p>
 <p><b>Amb. Darci Vetter</b>  <b>Global Lead, Public Affairs &amp; Vice Chair, Agriculture and Food, Edelman Public Affairs</b>            - Former Chief Agricultural Negotiator, Office of the U.S. Trade Representative            - International Trade Advisor, Senate Finance Committee</p>	

Sources: Politico Pro, New York Times

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

- China MRLs
- Thailand – Fumigation and MRLs
- Pioneer Petition for Nonregulated Status for GE Maize
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- USAEDC Annual Workshop – November 17-19, 2020
- U.S. EPA Registration Review for Phosphine and Metal Phosphides

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- IMSBC Code on Seedcakes – Update
- India Order on Non-GM Certification
- USITC Investigation of Trade Agreements

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- Chile Wheat Contaminants
- NAEGA 2021 MAP Allocation
- USDA/APHIS Realigning Overseas Offices
- USDA/ERS Report on EU Green Deal Strategies

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

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

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

### **China MRLs**

China notified 1,673 maximum residue limits (MRLs) for 187 pesticides to the World Trade Organization (WTO). Included are new pesticide MRLs grains and oilseeds. An English translation of the list of proposed MRLs, provided by the U.S. Department of Agriculture's Foreign Agriculture Service (FAS) [can be found here](#). China has not set a date for these proposed MRLs to enter into force.

Comments are due to China's SPS Enquiry Point at [sps@customs.gov.cn](mailto:sps@customs.gov.cn) before November 16, 2020. NAEGA's Production Technology Committee is considering comments. Your input is welcome.

### **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 is developing comments and input from members is welcome. Comments are due to APHIS on January 4, 2021, through the [Federal Rulemaking portal](#).

### **Thailand – Fumigation & MRLs**

**DDGs and Fumigation** The U.S. Department of Agriculture’s Animal & Plant Health Inspection Service (APHIS) reports that Government of Thailand has proposed new import requirements intended to apply to both containers and bulk consignments of Dried Distillers Grains (DDG), and, once Thailand develops their promised guidelines, may also apply other grains and grain products. This is apparently a proposal only and there are no changes to the current Thai requirements for entry of DDG or grain related to fumigation and phytosanitary measures.

Thailand officials are requiring APHIS to submit a detailed fumigation workplan for both methyl bromide and phosphine for Dried Distillers Grains (DDG) before allowing entry of phosphine fumigated DDG into Thailand. Until an agreement is reached on the requested DDG “workplan” there will be no changes to Thailand’s entry requirements for DDG. Most significantly, only DDG fumigated with methyl bromide may enter Thailand. Phosphine is still not an approved treatment. Similarly, there is no change to their entry requirements for grain and other grain products, until Thailand announces their yet-to-be-revealed “guidelines”.

APHIS is currently in a negotiation regarding this request, which is taking place in the wake of Thai officials reporting two dozen instances of live infestation in containers of DDGs fumigated with methyl bromide at port of origin. Thailand is threatening to:

1. Implement a “3 strikes and you’re out” rule for exporters pertaining to live insect detections, and reexport without option to treat if quarantine pests are found; and
2. Introduce new entry requirements for grain and products requiring a formal treatment (fumigation) workplan be agreed upon between them and APHIS, involving U.S. based fumigations.

APHIS is concerned that continued detections of live insects in methyl bromide fumigated DDG consignments will worsen the situation and is asking industry to reduce the potential for live pest infestation. They note the problem appears to be related to the subsequent development of Indian meal moth eggs after export fumigation in containers of soybeans from the U.S. We note the notices from Thailand of noncompliance we are aware of pertain to shipping containers; no bulk shipments were included.

**MRLs on Pesticides** - Thailand’s Ministry of Public Health is moving forward to ban paraquat and chlorpyrifos residues on imported food products. The maximum residue limits (MRLs) of chlorpyrifos, chlorpyrifos-methyl and paraquat will be set to zero on all products starting on June 1, 2021. This action is the latest taken to comply with the National Hazardous Substance Committee’s vote to ban these chemicals on November 27, 2019. The ban was originally set to take effect June 1, 2020 but had been postponed a year.

In July, NAEGA, along with U.S. Wheat Associates and the U.S. Soybean Export Council, [sent a letter](#) to the Government of Thailand requesting 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”. NAEGA is currently working with industry partners on this issue and the Production Technology Committee is considering a response. Input from concerned members is welcome.

### **Upcoming NAEGA Committee Meetings**

NAEGA Committees are preparing to hold meetings in November. The Contracts Committee will meet on Thursday, November 19 at 3pm Eastern time, and the Grades & Inspections Committee will meet on Tuesday, November 24 at 2pm Eastern. If you are not a member of these Committees and would like information on taking part in these calls or joining a Committee, please contact NAEGA staff for assistance.

### **USAEDC Annual Workshop**

The [U.S. Agricultural Export Development Council \(USAEDC\)](#) will host it’s 2020 Annual Workshop online from November 17-19. The three virtual session will run from 1-3:30pm Eastern each day and will cover issues related to trade and foreign agricultural affairs. NAEGA staff is planning to attend, and you can [find the agenda here](#). If you have an interest in attending or learning more about USAEDC, please contact NAEGA staff.

### **U.S. EPA Registration Review for Phosphine and Metal Phosphides**

The U.S Environmental Protection Agency issued a 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. Treatment buffer zones are in place during the fumigation of commodities, while aeration buffer zones are in place during the aeration period, with a goal of protecting non-occupational bystanders.

NAEGA’s Grades & Inspections Committee is considering submitting comments on this PID input from all concerned members is welcome. The PID, which contains information on how to submit comments, [can be found here](#). Comments are due to EPA by December 22, 2020.

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

#### **Egypt VAT on Freight Costs - Update**

Progress is apparent following actions to object to Egypt’s application of a Value Added Tax (VAT) on the international freight component of commodity imports. A 14.5% VAT on freight was reported as being applied retroactively from 2017 as well as on new arrivals. We have been notified that the Egyptian Minister of Finance decided to cancel all retroactive VAT claims on freight and may also cancel the VAT on freight for future shipments. We are working with colleague associations in South America to encourage governments to maintain follow up with the Egyptian government to provide for official cancellation of the retroactive claims as well as overall elimination of the VAT on Freight are official canceled and a directive instructing that in writing from the government of Egypt.

### **IGTC General Assembly**

International Grain Trade Coalition (IGTC) General held its 2020 General Assembly on November 3, 2020. IGTC re-elected NAEGA President Gary C. Martin was reelected to a two-year term as IGTC President, along with Iliana Axiotiades, General Secretary of COCERAL as Vice President, Gerald Masila, Executive Director, Eastern Africa Grain Council as Treasurer; and Pat O'Shannassy, CEO, Grain Trade Australia as Secretary. The General Assembly also approved a new management council and an updated IGTC business plan. More details on the General Assembly will soon be available [on the IGTC website](#).

### **IMSBC Code on Seedcakes - Update**

We expect to soon provide for clarification by governments of new requirements under the International Maritime Solid Bulk Cargoes Code (IMSBC Code) for seedcakes (soybean meal, sunflower seed meal, cotton seed meal and rapeseed meal) that precipitate a need for a test to determine whether affected shipments meet the criteria of Materials Hazardous only in Bulk (MHB) for self-heating (SH). The new requirements are effective the January 1, 2021.

We are working with colleague associations in the U.S. (National Grain and Feed Association, National Oilseed Processors Association and U.S. Soybean Export Council) and South America.

- As we now understand The January 1, 2021 change in the IMSBC Code applies only to shipment via bulk marine vessels. MHB SH requirements for seedcake shipments in containers are already in place as container shipments are covered by different code called the International Code for the Maritime Transport of Dangerous Goods in packaged form.
- The IMSBC will require self-heating testing for seedcakes as of January 1, 2021, but not on each and all shipments.
- The shipper can determine how and when testing occurs, and it is up to the shipper to decide how often a test should be administered to determine if there is any risk for self-heating.
- It is also up to shipper to determine where in the supply chain a test is conducted.
- If there are no major changes to the composition of the meal that might impact the risk profile for self-heating, test results may be valid indefinitely.

We are encouraging the relevant national authorities to ultimately provide for clarification. For example, we are meeting with U.S. Coast Guard and expect they will be publishing a [Maritime Commons](#) communication that will provide guidance for industry ahead of the January 1, 2021 implementation date.

### **India Order on Non-GM Certification**

We submitted comments to the Government of India regarding the Food Safety & Standards Authority of India (FSSAI) plan to require a “non-GM (genetically modified) origin free and GM free certificate” issued by the “Competent National Authority” of the exporting country, on every shipment of 24 specified agricultural imports into India beginning January 1, 2021.

Our comments referred to and included [NAEGA's Policy Statement on Crop Biotechnology](#), in particular NAEGA's position that policies and customer demands that include zero tolerance for GMO events in commercial production are impossible to meet. We also noted that given different global legal and regulatory approaches the requirement that GM free certificate from a “Competent

National Authority” may be either too expensive or simple unobtainable for exporters. NAEGA suggested that FSSAI revise the order to allow for certificates issued by accredited non-governmental certification bodies and/or self-declaration by exporters. The comments [as submitted are here](#).

### **Comments to U.S. ITC on Trade Agreements**

NAEGA and the National Grain & Feed Association (NGFA) submitted comments to the U.S. International Trade Commission (ITC) in response to their request for input on of the economic impact on the United States of a number of free trade agreements that have entered into force since 1984.

The comments note the increase in the trade surplus for U.S. feed and grain exports increased from \$4 billion with trade agreement counterparts in 1984 to \$16.2 billion in 2019, in large part due to increased market access resulting from such accords. Trade agreements have also let to the decrease in a number of technical and non-technical barriers to trade and led to more consistent science-based sanitary and phytosanitary requirements between the U.S. and its trading partners. The comments as submitted [can be found here](#).

### ***News:***

#### **Chile Wheat Contaminants**

Importers of wheat in Chile recently reported that the Agricultural and Livestock Service of Chile (SAG) has begun to apply Resolución Exenta N°:7885/2017, *Establishing Maximum Limits of Contaminants in Supplies Intended for Animal Feeding*, to raw food material such as wheat. The regulation would have applied the same Enterobacteria and Salmonella maximum values that had been set for processed food products to raw food materials. Since those initial reports, SAG has indicated that it will not apply those standards to raw food materials.

#### **NAEGA 2021 MAP Allocation**

NAEGA was allocated \$350,000 for the U.S. Department of Agriculture’s (USDA) Market Access Program (MAP) for 2021. In June, NAEGA submitted a Unified Export Strategy (UES) application for MAP funding for 2021. That application has now been approved by the USDA’s Foreign Agricultural Service (FAS). MAP funds are used to reimburse NAEGA for some of its International Programs expenses. If you would like more information on NAEGA’s International Programs, please contact Patrick at [phayden@naega.org](mailto:phayden@naega.org).

#### **USDA/APHIS Realigning Overseas Offices**

The U.S. Department of Agriculture’s Animal & Plant Health Inspection Service (APHIS), announced several changes to its overseas presence. The agency plans to:

1. Establish offices in Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman;
2. Reopen their Cairo, Egypt office in January 2021;
3. Station a foreign service officer in Rome to work with International Plant Protection Convention (IPPC); and
4. Close offices covering Haiti, Ecuador, Uruguay, Bolivia and Costa Rica

More details [can be found here](#).

### **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](#).

### ***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**

#### **November**

**12** - APEC Annual Meeting – Virtual

**16-19** – Extraordinary Meetings of the Convention on biological diversity (CBD) COP 15 and COP-MOP 10 – Virtual

**17-19** – U.S. Agricultural Export Development Council Annual Workshop - Virtual

**19** – NAEGA Contracts Committee Meeting - Virtual

**21-22** – G-20 Annual Summit – Virtual

**24** – NAEGA Grades Committee Meeting - Virtual

#### **December**

**17**– NAEGA Board of Directors Meeting

### **2021**

#### **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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