



North American Export Grain Association

Outreach

November 24, 2020

Thank you for your membership in and work with NAEGA

Happy Thanksgiving!

As the U.S. celebrates Thanksgiving, we would like to thank all Colleagues for your support!

Welcome to New NAEGA Member POSCO International

POSCO International is one of the largest general trading corporations in Korea, are a next generation of Daewoo International. They have recently began trading corn, wheat, rice and soybeans as well as edible oils and their byproducts. We are looking forward to serving POSCO and its contributions to NAEGA!

Graphic of the Week

Regional Comprehensive Economic Partnership Share of Global Trade, GDP & Population – November 22, 2020



Sources – Politico Pro & Congressional Research Service

Current Opportunities & Actions:

- NAEGA Website Revision Request
- NGFA Country Elevator Conference – December 8-10, 2020
- Pioneer Petition for Nonregulated Status for GE Maize
- U.S. Barley to Brazil
- U.S. EPA Registration Review for Phosphine and Metal Phosphides

Recent Actions:

- Egypt VAT on Freight Costs - Update
- NAEGA Committee Meetings

News:

- Regional Comprehensive Economic Partnership
- USDA/APHIS Realigning Overseas Offices
- USDA/ERS Report on EU Green Deal Strategies
- WTO Report on COVID-Related Trade

Ongoing Opportunities & Actions:

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

Current Opportunities & Actions:

NAEGA Website Revision Request

Please send us high-quality images or short video of, loading, shipping or unloading of grains and oilseeds to use on the NAEGA website. We need high-quality, eye-catching media, either still images or short video, that capture different aspects of the grain trade for our new website. The modern, user friendly site will expand resources for Members and non-members alike.

Below are links to image collections that we have made on Shutterstock, one for still images, the other for video for examples of what we are looking for.

Images: <https://www.shutterstock.com/collections/284570348-11bf08eb>

Video: <https://www.shutterstock.com/video/collections/284569334-ff01733f>

We hope to launch the site in late December or early January. Please send high-quality images or short video that you can share with NAEGA to Patrick at phayden@naega.org by December 7. These files would not be shared beyond the NAEGA website but may be subject to public viewing. Please contact Patrick if you need any assistance.

NGFA Country Elevator Conference – December 8-10, 2020

The National Grain and Feed Association (NGFA) is offering its member-only discounted rate to all members of NAEGA to attend its all-virtual 49th annual [Country Elevator Conference](#), which will take place on December 8-10 from 10 am to 2 pm Eastern U.S. time. The discount will allow

NAEGA members who are not members of NGFA to pay a registration fee of \$195 instead of the non-member fee of \$295.

Program topics this year include an agricultural economic outlook, a workshop on sound grain-origination principles; insights on U.S.-China trade from the former U.S. government official who negotiated the U.S.-China Phase One trade agreement; understanding the CME grain delivery process; enhancing safety in grain facilities; steps for avoiding cyber and ransomware attacks; and a preview of the agricultural and trade policies under the Biden administration. NGFA plans an interactive program, with individual meeting rooms with the speakers following their presentations and Q&A to allow for more one on one exchanges. There also will be virtual networking opportunities to enable industry members to exchange ideas and viewpoints.

TO USE THE CODE: [Please enter all registration info](#), select the NGFA Non-Member rate, and click “Checkout.” On the checkout screen you’ll see a place to enter a promotion code – please enter **NAEGACEC20** and then click “Apply.” This will reduce your total to \$195 (from \$295). If you have any problems please do not hesitate to contact Faith Silvers of NGFA at fsilvers@ngfa.org. Thank you to NGFA for this kind offer.

U.S. Barley to Brazil

USDAs Animal & Plant Health Inspection Service (APHIS) is considering action that would limit imports to Brazil of U.S. barley to a specific geographic region or preapproved processing facility in Brazil by using a “Free From” designation in the Additional Declaration (AD) on their phytosanitary certificate. APHIS has also indicated they are open to recommendations for alternative measures to a weed seed freedom AD.

U.S. barley is not currently allowed entry into Brazil. Brazil’s Ministry of Agriculture, Livestock, and Food Supply (MAPA) recently completed a pest risk assessment which determined that Palmer amaranth is a major concern, and market access requires a U.S. assurance that Palmer amaranth will not be present in imported barley and an AD of freedom from Palmer amaranth weed seeds. This is contrary to past policy and practice, and amaranth is a very large genus with many species, the seeds of which are often visually indistinguishable. Grow-out or genetic testing is necessary to discern between amaranth species. APHIS would require lab testing of any suspect seed to confirm weed species before certifying any consignment free from Palmer amaranth. Compounding the challenge is the fact that amaranth is one of the most common genera present in U.S. grain.

APHIS claims to have made the argument to MAPA that the proposed measure is not commensurate with the pathway risk from grain for consumption and sets a negative precedent for any major grain exporter. APHIS also indicated that MAPA has provided no substantive response, just referring to the potential for spillage in transport or deviation from intended use.

APHIS is suggesting the alternative to the use of a “free from” additional declaration is indicated by the recent WTO notification by Brazil for Russian wheat [SPS/N/BRA/1821](#). This would specify that weed seed freedom declarations are not required when the consignment will be processed in the port region, or at a previously approved facility.

The NAEGA Grades & Inspections Committee discussed this issue during their November 24, 2020 meeting and is considering a response to APHIS. 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 Committee is developing comments. Input from members is welcome. Comments are due to APHIS on January 4, 2021, through the [Federal Rulemaking portal](#).

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.

NAEGA member Degesch America has asked that we circulate a Phosphine Stakeholder's questionnaire they've developed for the phosphine user-community regarding PH3 use patterns. The proposed PID impact to end users is also addressed in the questionnaire, [which can be found here](#). **Degesch is asking that all responses be submitted by Monday, November 30, 2020.** Any questions about the questionnaire can be directed to Frankie Bell at fbell@degeschamerica.com.

NAEGA's Grades & Inspections Committee is also considering submitting comments on this PID input from all concerned members is welcome. Comments are due to EPA by December 22, 2020.

Recent Actions:

Egypt VAT on Freight Costs - Update

The Egyptian Government has cancelled its addition of a Value-Added Tax (VAT) on the freight of agricultural commodities. This reverses a decision taken by the government in July which mandated the application of VAT on the freight. Last week, the government also cancelled an earlier decision in July that imposed VAT on freight retroactively to 2016 when the regulation was put in place although this was not applied until this year. NAEGA worked with colleague associations in North and South America to encourage governments to engage the Egyptians on this issue.

NAEGA Committee Meetings

The Contracts Committee met Thursday, November 19 and the Grades & Inspections Committees met on Tuesday, November 24. Addressing current industry concerns and planning for 2012 are top priorities for the extensive agendas of both Committees. Reports from these recent meetings will soon be available on the NAEGA Member's Only website. If you are not a member of the Committee and would like information on joining, please contact NAEGA staff (Patrick Hayden, phayden@naega.org and Gary Martin, gcmartin@naega.org).

News:

Regional Comprehensive Economic Partnership

On November 15, 2020, after almost 10 years of negotiations, [15 nations signed the Regional Comprehensive Economic Partnership \(RCEP\) Agreement](#), a free trade agreement (FTA) comprising the 10 member states of the Association of Southeast Asian Nations (ASEAN) and five FTA partners — China, Japan, South Korea, Australia and New Zealand. The RCEP is the world's largest FTA, comprising almost 30 % of the global population and GDP.

RCEP does not contain aggressive tariff cuts, eliminating fewer tariffs than the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the signatories have low average tariff rates. Existing preferences for U.S. exports under bilateral agreements with Japan, Australia, South Korea and Singapore, are equal to or exceed those granted in RCEP.

Expectations are for the most impact on North American agricultural exports to be on trade in high value products and with China. For example exports of soybeans are not expected to be affected, but high value agricultural exports, including beef, pork, lobster, wine and tree nuts, will face a potential disadvantage as China granted RCEP countries tariff cuts on those products. Indonesia also cut dairy tariffs and Vietnam cut tariffs on pork. As RCEP comes into force, North American exporters may look for areas to seek product-specific relief from the new tariff reductions favoring competitor origins.

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](#).

WTO Report on COVID-Related Trade

The World Trade Organization (WTO) has released a report noting that the number and coverage of both trade-restrictive and trade-facilitating measures implemented by G-20 economies slowed enormously between mid-May and mid-October 2020, primarily as a result of the sharp decline in overall global trade due to COVID-19.

According to the WTO, the trade coverage of regular (non-COVID-related) measures to facilitate or restrict trade dropped from \$735.9 billion to \$36.8 billion and from \$417.5 billion to \$42.9 billion, respectively, from the previous period. The WTO lists the 14.3 percent drop in global goods trade in the second quarter of 2020, resulting in "less commerce to either facilitate or restrict," as well as governments focusing on trade issues in the related to the pandemic as reasons for the decline. Trade restrictive measures taken because of COVID are also being eliminated at

a faster rate than those not related to COVID, with about 27 percent of restrictive measures and 21 percent of facilitating measures related to the pandemic having been repealed by October. The WTO's 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.

Calendar & Member Notices:

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

2020

December

8-10 – NGFA Country Elevator Conference - Virtual

15 – International Grain Trade Coalition Management Council Meeting

17 – NAEGA Board of Directors Meeting

2021

January

20 – Inauguration Day, United States

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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