Grain & Oilseed Market Access Indexes

GOMAI 12 – Wheat Report

A Report for:

North American Export Grain Association

August 2019

Agralytica
105 Oronoco Street, Suite 312
Alexandria, VA 22314 USA
Tel: (703) 739-9090
Fax: (703) 739-9098

Grain & Oilseed Market Access Indexes (GOMAI 12) – Wheat Report

A report for:

North American Export Grain Association

TABLE OF CONTENTS

1. GOMAI BACKGROUND AND SUMMARY OF RESULTS 1

1.1. The big picture 2
1.2. Summary of database results 2
1.3. Summary of survey results 4
1.4. Comparison of survey and database results 5

2. METHODOLOGY 6

2.1. Survey methodology 6
2.2. Database scoring and aggregation 7
2.3. Database research methodology 7
2.3.1. FAS 8
2.3.2. USTR 8
2.3.3. DOC 8
2.3.4. Tariff Information 9
2.4. Protocols for scoring the database 9
2.4.1. APHIS 10
2.4.2. Price measures 10
2.4.3. Quantity measures 11
2.4.4. Technical and procedural measures 11
2.5. Conversion to a 100-point scale 11
2.6. Preparation of the final indexes 12

3. REVIEW OF RESULTS 13

3.1. Database results 13
3.2. Survey results 15
3.3. Comparison of survey and database results 16

COUNTRY SUMMARIES 27

ALGERIA 28

Agralytica

Market access 28
BANGLADESH 30
Market access 30
Grain-oilseed situation 31
BRAZIL 33
Market access 33
Grain-oilseed situation 34
CANADA 35
Market access 35
Grain-oilseed situation 35
CHINA 37
Market access 37
Grain-oilseed situation 38
COLOMBIA 40
Market access 40
Grain-oilseed situation 40
COSTA RICA 42
Market access 42
Grain-oilseed situation 42
CUBA 44
Market access 44
Grain-oilseed situation 44
DOMINICAN REPUBLIC 46
Market access 46
Grain-oilseed situation 46
ECUADOR 48
Market access 48
Grain-oilseed situation 48
EGYPT 50
Market access 50
Grain-oilseed situation 51
EU-28 52
Market access 52
Grain-oilseed situation 53
GUATEMALA 56
Market access 56
Grain-oilseed situation 56

Agralytica

INDIA **58**

INDONESIA **61**

Market access 61
Grain-oilseed situation 62

IRAN **63**

Market access 63
Grain-oilseed situation 64

IRAQ **65**

Market access 65
Grain-oilseed situation 65

JAPAN **67**

Market access 67
Grain-oilseed situation 67

KENYA **69**

Market access 69
Grain-oilseed situation 70

LEBANON **71**

Market access 71
Grain-oilseed situation 72

MALAYSIA **73**

Market access 73

MEXICO **75**

Market access 75
Grain-oilseed situation 76

MOROCCO **77**

Market access 77
Grain-oilseed situation 78

MYANMAR **79**

Market access 79
Grain oilseed situation 79

NEPAL **81**

Market access 81
Grain-oilseed situation 82

NIGERIA **83**

Market access 83
Grain-oilseed situation 84

Agralytica

PAKISTAN **85**
Market access 85
Grain-oilseed situation 86
PERU **88**
Market access 88
Grain-oilseed situation 89
PHILIPPINES **90**
Market access 90
Grain-oilseed situation 91
RUSSIA **92**
Market access 92
Grain-oilseed situation 93
SAUDI ARABIA **95**
Market access 95
Grain-oilseed situation 96
SOUTH AFRICA **97**
Market access 97
Grain-oilseed situation 98
SOUTH KOREA **99**
Market access 99
Grain-oilseed situation 100
SRI LANKA **102**
Market access 102
Grain-oilseed situation 103
SUDAN **105**
Market access 105
Grain-oilseed situation 105
TAIWAN **107**
Market access 107
Grain-oilseed situation 108
THAILAND **110**
Market access 110
Grain-oilseed situation 111
TRINIDAD & TOBAGO **113**
Market access 113
Grain-oilseed situation 113
TUNISIA **115**

Agralytica

Market access 115
Grain-oilseed situation 116
TURKEY 117
Market access 117
Grain-oilseed situation 118
UNITED KINGDOM 120
Market access 120
Grain-oilseed situation 120
VENEZUELA 121
Market access 121
Grain-oilseed situation 121
VIETNAM 123
Market access 123
Grain-oilseed situation 125

Agralytica

1. GOMAI BACKGROUND AND SUMMARY OF RESULTS

The Grain & Oilseed Market Access Indexes (GOMAI) report is a collaborative effort among the North American Export Grain Association and the U.S. Soybean Export Council to document and quantify barriers to US grain and oilseed products in international markets.

This report updates similar analyses performed from 2004 to 2018 and highlights some of the changes that have taken place. It reflects market access conditions for U.S. grains and oilseeds in 42 countries plus the EU as a whole as of the end of 2018. The earlier reports reflected conditions in varying numbers of countries as of the end of 2003, 2004, 2005, 2007, 2008, 2009, 2011, 2012, 2014, 2016, and 2017. The resulting database and market access indexes from these studies are used to:

- focus attention on the most egregious market access barriers,
- allow one to measure progress over time in improving market access,
- facilitate comparisons among countries and among commodities, and
- provide the information in a form conducive to its most effective use.

Market access is a necessary condition but not a sufficient one for generating U.S. grain and oilseed exports to a particular country. There may also be a general lack of import demand, or economic disruption due to wars, uprisings or recessions, or an importing country may have a very open market, but its buyers choose to purchase supplies from a competing exporter due to lower transportation costs or other factors.

U.S. cooperator groups therefore focus their efforts on a range of objectives that include expanding or maintaining demand in target markets (a bigger pie), expanding U.S. market share (a bigger slice of that pie), and achieving greater market access (a seat at the table).

This year we added Iran, Kenya, Nepal, South Africa, Tunisia, and the United Kingdom for a total of 42 countries plus the EU. Five commodities are covered: Wheat, corn, soybeans, soybean oil, and soybean meal. (For 2017, we covered three commodities.) Crude and refined soybean oil are treated as a single category for scoring purposes. However, in the accompanying Excel file we maintain separate sets of information for both commodities. This is also true of durum wheat and non-durum wheat.

The Excel database that accompanies this report organizes market access barriers into three broad categories: tariffs and other price measures, quotas and other quantity measures, and technical or procedural measures. Each barrier is scored on a scale of one to seven, where one means imports are prevented, and seven indicates that imports are unrestricted. We surveyed USSEC staff and NAEGA consultants to get scores that might serve as a reality check on scores derived from our market access database. We updated the database from secondary sources and insights gained from survey results. From analysis of the revised database, we updated the set of market access indexes.

1.1. The big picture

The broad economic backdrop has been positive: world economic growth has been strong, 3.8% in 2017 and 3.6% in 2018, according to the IMF. The forecast for 2019 is weaker, at 3.3%, but growth is expected to rebound in 2020 at 3.6%, respectively. Advanced economies have grown at slightly over 2% the past two years and are expected to grow at just under a 2% rate for the next couple. By contrast, emerging markets have expanded at a 4%-5% rate, a range which is expected to hold for the next couple of years.

For U.S. grain and oilseed exporters, though, 2018 witnessed worrying negative developments. In the foreground was the U.S.-China trade dispute, which led to a significant disruption of U.S. commodity trade, especially for soybeans but also for wheat and corn.

Overall, formal tariff barriers are slightly more prevalent since the commodities were last evaluated (at the end of 2016 for grains and the end of 2017 for soy commodities). The China dispute led to the imposition of large tariff increase on thousands of traded goods, including GOMAI commodities. Yet China was not the only market to increase its tariffs – there has been a reversal of the long-term trend of tariff reductions, leading to increased price barriers for U.S. commodities. Quantitative barriers have also increased.

Making matters worse, the trend towards the increased use of non-tariff barriers continued. The WTO in November 2018 reported "a significant increase in the number and coverage of trade-restrictive measures" across the G20 countries. Overall, the pace of new barriers across that group grew from five per month in 2016 and 2017 to seven per month in 2018, including sanitary and phytosanitary (SPS) barriers. As we document in the country reports and database, increased use of non-tariff barriers has not been limited to G20 countries.

GOMAI results show that all barrier types - price, quantitative, and technical/procedural – increased in 2018, reducing U.S. access to overseas grain and oilseed markets.

1.2. Summary of database results

The average ratings from the database using the 1-7 scale are shown in the tables below. A score of one means no access, whereas seven means open access. The higher the score, the more open the market.

At GOMAI's inception, price measures were the most serious barrier, quantity measures the least serious, and technical and procedural somewhere in between. Since then, the price and quantity barriers have generally dropped, leading to rising scores / better access. Meanwhile, the trend was for technical and procedural barriers to increase, leading to lower scores / lower access as more countries resorted to this type of barrier to limit imports.

Last year's iteration of GOMAI (GOMAI 11) included only the soy complex, whereas GOMAI 10 included grains as well, which face generally higher market access challenges overseas. In order to compare like to like, we compared GOMAI 12 to GOMAI 11 for soy products, and GOMAI 12 to GOMAI 10 for wheat and corn, to properly interpret this year's results. The average GOMAI 12 scores by barrier type are shown in the following tables.

2016,17	Database
Price measures	5.5
Quantity measures	6.4
Technical measures	4.5

2018	Database
Price measures	5.4
Quantity measures	6.3
Technical measures	4.1

In 2018, scores dropped for all three types of measures, reflecting lower export market access due to increases in all three types of barrier. Price and quantitative barriers increased slightly, while technical & procedural barriers increased substantially.

Agralytica analysts' scoring of the database, as well as survey scores, were converted to the 100-point scale we use for the market access indexes. There were some shifts in countries at the bottom of the list compared to GOMAI 11.

Fourteen countries had scores of 70 or higher, thirteen were in the 50-69 range, six in the 30-49 range, and ten countries scored below 30, expanding from four in GOMAI 11. Brazil and Russia, which have been in the bottom grouping for years, have been joined by China, now one of the most restricted markets for U.S. grain and oilseed commodities and Vietnam, which has become much more restrictive with the implementation of strict phytosanitary measures. Kenya and Iran, added to this year's study, are also restricted markets.

The table below compares the current market access indexes for the end of 2018 to the scoring done for the end of 2017 (soy commodities) and 2016 (grain). Access fell for all commodities, with the largest drop in access for grains. Changes in formal market access to China has had an outsized impact, accounting for 10 of the 20-point drop in the wheat market access score from 2016 to 2018.

Product	Index 2016/17	Index 2018	Change
Wheat	51.0	30.4	-20.6
Corn	37.0	23.8	-13.2
Soybeans	28.1	20.1	-8.0
Soybean oil	34.5	26.7	-7.8
Soybean meal	47.2	33.7	-10.2

Eight countries had no change in market access scores, and 16 had only modest changes (+/-5 points). Eight countries had scores fall by more than 10 points: China, India, Iraq, Japan, Sri Lanka, Taiwan, Turkey, and Vietnam.

No country offered a significant increase in market access.

1.3. Summary of survey results

We had approximately the same number of survey participants this time as with the GOMAI 10 study. Outside of Nigeria and South Africa, all countries were scored by representatives from NAEGA and/or USSEC field staff. Not all country-commodity combinations were scored so the missing ones are marked "NR" in Table 3. For all the surveys we received, the average unweighted ratings across all the responses for the three classes of market access barrier were as follows:

2016 & 2017 results[1]	Survey
Price measures	4.8
Quantity measures	4.8
Technical measures	4.1

2018 results	Survey
Price measures	4.4
Quantity measures	4.4
Technical measures	3.9

According to the surveys, market access has dropped considerably, by 0.4 on price measures, by 0.4 on quantitative measures, and by 0.2 on technical and procedural measures. Soy and grain representatives in the field clearly feel access has been reduced.

The survey results on the 100-point index scale illustrate the diversity in market access across countries. Nine countries have scores of 70 or above and these include major trading partners like Canada and Japan. There are twelve countries in the 50-69 range, including trading partners such as Mexico and South Korea. Six countries have index scores in the 30-49 range. Thirteen countries have scores below 30, including a "no access" (zero) rating in Iran & Russia. Three countries went unrated.

In terms of the individual soy commodities, the weighted average index scores from the survey were highest for soybean meal (27.9), followed by soybeans (17.1) and soybean oil (16.5).

[1] Because corn and wheat were not included in the GOMAI 11 study, scores from the most recent study they were included in were averaged with the most recent scores for the soy commodities (i.e. GOMAI 10 scores for corn and wheat were averaged with GOMAI 11 scores).

Product	Index 2016/17	Index 2018	Change
Wheat	10.9	8.3	-2.6
Corn	20.0	17.8	-2.2
Soybeans	48.3	17.1	-31.2
Soybean oil	50.4	16.5	-33.9
Soybean meal	31.0	27.9	-3.1

1.4. Comparison of survey and database results

The broad similarities between the average results of the two approaches disguise some larger differences in assessing market access barriers at the level of country-commodity combinations. This was probably inevitable, given the different resources that each group brought to the task. Agralytica analysts applied specific rules, working from a broad set of information including what had been highlighted by the survey respondents. The latter group was asked for a more subjective assessment of the relative importance of the three types of access barriers: the scoring range was 1-7, with score definitions not granular. Their responses were necessarily and appropriately influenced by their own experiences working in the trenches of market development.

Tables 1-3 and Figures 1-5 show how each commodity was scored in the database for each of the 43 countries, ranked from most protectionist at the bottom of the chart to most open at the top.

Both Agralytica's scoring and the survey of experts yielded similar results with the exceptions of wheat and soybean oil. By far the greatest difference is that Agralytica's wheat score is higher than the score for wheat assigned in the survey (there was a 22 point difference). Soybean oil also saw a 10 point difference between the database and survey scores. The database scores were higher than the survey scores for each commodity. This may reflect the fact that USSEC and NAEGA contractors are on the ground and may be aware that protectionist measures are being arbitrarily enforced but not reported.

2. METHODOLOGY

This section reviews the methodology for the different parts of the project: the survey of experts, analysis of the survey results, desk research for constructing the database, scoring of the database, and preparation of the final market access indexes. We used the same methodology for database scoring as in the reports prepared from 2004–2018. The survey and database cover the 43 countries listed below. This year we added Iran, Kenya, Nepal, South Africa, Tunisia, and the United Kingdom.

Algeria	Indonesia	Russia
Bangladesh	Iran	Saudi Arabia
Brazil	Iraq	South Africa
Canada	Japan	South Korea
China	Kenya	Sri Lanka
Colombia	Lebanon	Sudan
Costa Rica	Malaysia	Taiwan
Cuba	Mexico	Thailand
Dominican Republic	Morocco	Trinidad
Ecuador	Myanmar	Tunisia
Egypt	Nepal	Turkey
EU	Nigeria	UK
Guatemala	Pakistan	Venezuela
India	Peru	Vietnam
	Philippines	

Five Commodities are being considered:

Wheat
Corn
Soybeans
Soybean oil
Soybean meal

2.1. Survey methodology

The survey for soy products was emailed to the country directors of the U.S. Soybean Export Council in June 2019. In addition, NAEGA staff completed surveys on wheat, corn, and soybeans. Along with the survey, we sent Excel files providing the prior survey scores for purposes of comparison.

The survey asked respondents to rate the three categories of market access barriers on a scale of "1 to "7" where "1" was virtually no access and "7" was unfettered access.

The three categories were the following:

- **Price measures** such as tariffs, import fees, excessive taxes, etc.
- **Quantity measures** including quotas, import licenses, monopoly purchasers, etc., and
- **Technical or procedural measures** that make trade more difficult, expensive, or risky such as customs procedures, sanitary and phytosanitary regulations, and corruption, among others.

2.2. Database scoring and aggregation

We group trade barriers in five categories in the database:

- Tariffs
- **Other price measures** like import fees, customs charges, taxes, etc.
- Quotas
- **Other quantity measures** like import licensing, monopoly purchasers, etc., and
- **Technical or procedural measures** that make trade more difficult, expensive, or risky like customs procedures, sanitary and phytosanitary regulations, corruption, etc.

We score the database on a 1-7 scale and convert those results to a 0-100 scale by the method described in Section 2.5. For purposes of summarizing and analyzing the results, one has to weight the responses for each country-commodity pair, for each commodity across all countries, and for each country across all the commodities. The procedures used are reviewed below.

Weights for commodity-country pairs. We again simply weighted the three measures – price, quantity, and technical – equally in calculating the average index for a commodity in a particular country, in the absence of a rationale for any alternative set of unequal weights.

Weights for a commodity across all countries. Quantities of production, consumption, or trade are the obvious alternative weighting factors for coming up with a single market access index for U.S. exports of a commodity to this set of 43 countries. Using trade data would underweight countries that successfully block or limit imports from the United States. Therefore, where possible, we again used total domestic disappearance in 2017/18 from USDA's PS&D database. For the purposes of aggregate analysis, the UK was excluded as there is no way to separate out UK domestic disappearance from the EU and it would not be appropriate to double count the UK.

Weights for a country across all commodities. Since some of these commodities have markedly different unit values, using quantities as weights is less appropriate. Yet the value of domestic use is generally not available. We therefore use a simple average of the indexes for each commodity.

2.3. Database research methodology

In constructing the database, we drew on the same wide range of materials we have used in the past. For the bulk of the information, we relied on the following sources: USDA's Foreign Agriculture Service (FAS), the U.S. Trade Representative (USTR), the Department of Commerce

(DOC), the Animal and Plant Health Inspection Service (APHIS), Transparency International, and a multitude of government tariff sources for each country. Where available, we also relied on specific country government or regional trade association websites. Finally, the USSEC field staff surveys served as a backup and cross check of trade issues.

2.3.1. FAS

Where available, we used the 2017-2019 Grain and Oilseed attaché reports (for coverage through December 2018), the most recent FAIRS and GAIN reports, news sources, and other internet information resources. In general, the attaché reports provided useful information regarding tariffs and other trade policy issues. FAIRS and GAIN reports sometimes provided useful technical information as well. All reports can be found at the following web link:
http://gain.fas.usda.gov/Lists/Advanced%20Search/AllItems.aspx.

2.3.2. USTR

The USTR's 2019 National Trade Estimate Report on Foreign Trade Barriers provided general trade barrier information by country. USTR supplemented this with separate 2014 reports on Sanitary and Phytosanitary Measures and Technical Barriers to Trade. The three reports provided coverage for many countries, but there was no information for some countries, again, mainly because there are no significant trade barriers.

The reports included the most restrictive measures in place that affect U.S. market access. Such measures included tariff and non-tariff price measures, quantitative measures (quotas, licenses, and import bans), and technical measures (SPS, biotechnology regulation, customs procedures, and corruption).

In addition to other sectors, the reports addressed general agriculture issues. However, there was a commodity focus if significant commodity-specific barriers existed. They can be accessed at:

https://ustr.gov/sites/default/files/2019_National_Trade_Estimate_Report.pdf

https://ustr.gov/sites/default/files/FINAL-2014-SPS-Report-Compiled.pdf

https://ustr.gov/sites/default/files/2014%20TBT%20Report.pdf

2.3.3. DOC

The Commerce Department's export.gov site provides some overview information related to trade. The information from export.gov is useful to see overall trade patterns and where exports are going by HS chapter. While the information provided is excellent, it is not detailed enough to analyze more than one chapter at a time or compare HS chapters.
http://tse.export.gov/tse/tsehome.aspx

The more useful tool is the Customs Info Database, which is free if accessed through the export.gov site at the following link:
http://export.customsinfo.com/Default.aspx

2.3.4. Tariff Information

Tariff information is the most challenging to compile. In earlier reports we used a combination of the centralized tariff databases, USDA reports, the Canadian Tariff repository and the country tariff websites. Over the years, some of these sources have either gone out of business or converted to subscription services. Unfortunately, these subscriptions cost many thousands of dollars, and several would have to be used for a complete dataset. The costs are prohibitive.

We used the International Customs Tariff Bureau extensively in the past, as it provided PDFs of the official published tariff schedule of many countries. These are no longer available.

A newer database we have used is the Global Tariffs database, operated by CUSTOMS.info. It grants free access to users of export.gov, the U.S. export website. It is relatively easy to use and contains information on taxes and other import fees. It can be accessed at:
http://export.customsinfo.com/Default.aspx However, this database also is sometimes out of date, and it reflects only tariffs and taxes faced by U.S. exports (i.e., it does not reflect the preferential tariffs other countries may enjoy).

The most reliable and useful source of tariff rates is each country's current tariff schedule. We have begun to rely on these resources as the major source for tariff information. These can be buried deep under layers of many pages and may be in different languages. However, over the last several reports we have compiled a list of country websites that lead to the tariff schedules published online. Fortunately, many are available in English, or are decipherable, given the context of the data (e.g., HTS codes and the associated duty rates are generally visible since numbers rarely need be translated).

2.4. Protocols for scoring the database

First, it is important to remember that we were trying to assess conditions as of the end of 2018. In a few cases we noted any changes scheduled to take place in early 2019, but the scores are based on rules and practices in effect in December 2018.

In each of the three classes of barrier, every country started as a "7"; we then applied a series of deductions, as outlined below, based on the particular market access barriers identified in the database.

While traders might view a particular measure as simply a cost of doing business rather than an effective market access barrier, e.g. a 10% tariff that applies to imports from all countries, we treated all measures that discourage imports of U.S. products to one degree or another as market access barriers.

2.4.1. APHIS

APHIS and Plant Protection and Quarantine (PPQ) operate the Phytosanitary Certificate Issuance and Tracking System (PCIT), which maintains the Phytosanitary Export database (PExD). This database (PExD) covers the most recent sanitary and phytosanitary requirements for imported plants by country. Registration is required.
https://pcit.aphis.usda.gov/pcit/

2.4.2. Price measures

Tariffs are the most common barrier and, in most cases, are specified in percentage terms. However, there are also tariffs of fixed amounts per unit, and variable tariffs such as those under the Andean Price Band system. Other price-related measures considered include high taxes (VAT, excise, sales, etc.), advance payment requirements, foreign exchange controls, and tariff preferences for competitors. We used the following rules of thumb in scoring the price measures in the database:

For tariffs, the deductions were as follows:

Tariff (%)	Penalty
0	0
1-10	-1
11-20	-2
21-30	-3
31-40	-4
41-50	-5
> 50	-6

For absolute rather than percentage tariffs, we converted to a percentage basis using representative recent market prices (average U.S. export values for 2018 plus estimated transportation costs).

For variable tariffs like the Andean Price Band system, we deducted an additional one point beyond those called for by the base tariff level because this type of system tends to keep prices stable in the country using it while forcing all the market adjustment onto other importers and exporters. In addition, if there were tariff preferences for significant competing suppliers, we deducted one.

For VAT and other taxes that are applied to both domestic and imported products, we deduct nothing if the tax is 15% or less and 0.5 if more than 15%. If they applied only to imports, we treated them as an additional tariff.

For advance payment requirements or foreign exchange controls, we deducted 0.5.

2.4.3. Quantity measures

The basic quantity barriers are tariff rate quotas, which may or may not be restrictive. In addition, various countries have import licensing, local purchase requirements, monopoly purchasers, or other measures that potentially limit trade.

If there is an import ban, we deducted 6. If there is a TRQ, we deducted at least one, and as much as 5 depending on the degree of restrictiveness.

For import licensing, import permits, pre-shipment authorization, a monopoly purchaser, or a domestic purchase requirement, we deducted one in each instance.

2.4.4. Technical and procedural measures

For the countries under study, the measures most frequently mentioned were SPS barriers (inspections, quarantine, testing), GMO labeling or sensitivity, and corruption.

To score corruption, we deducted one if the country's score on the Transparency International list was below 20. We deducted 0.5 if the score was between 20 and 44. (Transparency International changed its scoring methodology with its 2013 report, to a 0-100 scale; we adjusted our methodology accordingly at that time).

For GMO labeling requirements, we deducted one if there is a 5% or more threshold, 2 if between 1% and 5%, and 3 if there is a 1% or less threshold. For bans on varieties approved in the United States that tend to preclude trade, we deducted up to 6 depending on impact. If customs procedures were mentioned, we deducted one. For SPS barriers (inspections, quarantine, testing) we deducted 1-3 depending on severity.

We viewed these as rules of thumb. In some cases, the deductions added up to more than six but our rating scale constrained us to a rating no less than "1". In other cases, where we ended up with a rating of "1" but there was still a significant level of U.S. exports to the country, we adjusted the rating upwards to a "2" or "3".

2.5. Conversion to a 100-point scale

In converting the **ratings** to an **index**, we decided in 2004 to ensure that in cases where imports were effectively blocked by some access measure and the rating was a "1" on the one-to-seven scale, that the index would be zero.

To do this, we take the **natural logarithm** of each of the average scores and multiply the three natural logs together to get a **converted average survey score**. Since the natural log of one is zero, this ensured that a closed market received a zero score.

A perfect rating of three sevens would translate into 7.368 when the three natural logs of 1.946 are multiplied together. To convert this and all other combinations to a 100-point scale, we

divided 100 by 7.368, getting 13.572 and then multiplied this factor times all the converted average survey scores.

The resulting scale is slightly non-linear, giving a downward bias to the scores. For example, three "4" scores, which one can think of as the midpoint of a 1 to 7 scale, translate into a rounded score of 36. Three 5s yield a score of 57.

Another result is that the more dispersed the three ratings are, the lower the index. A 5, 4 and 3 will yield an index of 54 while a 6, 4 and 2 results in a 47. Yet the average of the three ratings in both cases is 4. This has the effect of giving a heavier weight to a low rating.

2.6. Preparation of the final indexes

The ratings that we gave each country for the three types of market access barrier are preserved in an Excel file provided separately to the study sponsor. After conversion to a 100-point scale as described above, the resulting market access indexes based on our analysis of the database are presented in tables and charts in the following discussion of the results.

3. REVIEW OF RESULTS

3.1. Database results

The average ratings from the database using the 1-7 scale are shown in the table below. A score of one means no access, whereas seven means open access. The higher the score, the more open the market.

At GOMAI's inception, price measures were the most serious barrier, quantity measures the least serious, and technical and procedural somewhere in between. Since then, the price and quantity barriers have generally dropped, leading to rising scores / better access. Meanwhile, the trend was for technical and procedural barriers to increase, leading to lower scores / lower access as more countries resorted to this type of barrier to limit imports.

Last year's iteration of GOMAI (GOMAI 11) included only the soy complex, whereas GOMAI 10 included grains as well, which face generally higher market access challenges overseas. In order to compare like to like, we compared GOMAI 12 to GOMAI 11 for soy products, and GOMAI 12 to GOMAI 10 for wheat and corn, to properly interpret this year's results. The average GOMAI 12 scores by barrier type are shown in the following tables.

2016/17	Database
Price measures	5.5
Quantity measures	6.4
Technical measures	4.5

2018	Database
Price measures	5.4
Quantity measures	6.3
Technical measures	4.1

In 2018, scores dropped for all three types of measures, reflecting lower export market access due to increases in all three types of barrier. Price and quantitative barriers increased slightly, while technical & procedural barriers increased substantially.

WTO rules make technical barriers to trade easier to implement; countries that wish to restrict imports have increasingly adopted measures such as phytosanitary restrictions, weed presence limits, or maximum residue limits.

Agralytica analysts' scoring of the database, as well as survey scores, were converted to the 100-point scale we use for the market access indexes. There were some shifts in countries at the bottom of the list compared to GOMAI 11.

Because the grain commodities had not been evaluated since 2016, there were larger shifts in in market access then what have been seen in prior iterations of the study. The current trade environment is strikingly different than what it was at the end of 2016. Wheat saw overall

access fall over 20 points on a 100-point scale. This is in large part due to lost access with China, which has effectively closed their markets. Effective closures of Vietnam, Turkey, and Pakistan also impacted the grain commodity score.

Fourteen countries had scores of 70 or higher, thirteen were in the 50-69 range, six in the 30-49 range, and ten countries scored below 30, expanding from four in GOMAI 11. Brazil and Russia, which have been in the bottom grouping for years, have been joined by China, now one of the most restricted markets for U.S. grain and oilseed commodities and Vietnam, which has become much more restrictive with the implementation of strict phytosanitary measures. Kenya and Iran, added to this year's study, are also restricted markets.

The table below compares the current market access indexes for the end of 2018 to the scoring done for the end of 2017 (soy commodities) and 2016 (grain). Access fell for all commodities, with the largest drop in access for grains. Changes in formal market access to China has had an outsized impact, accounting for 10 of the 20-point drop in the wheat market access score from 2016 to 2018.

Product	Index 2016/17	Index 2018	Change
Wheat	51.0	30.4	-20.6
Corn	37.0	23.8	-13.2
Soybeans	28.1	20.1	-8.0
Soybean oil	34.5	26.7	-7.8
Soybean meal	47.2	33.7	-10.2

Eight countries had no change in market access scores, and 16 more had only modest changes (+/- 5 points). Eight countries had scores fall by more than 10 points: China, India, Iraq, Japan, Sri Lanka, Taiwan, Turkey, and Vietnam.

No country offered a significant increase in market access.

3.2. Survey results

We had approximately the same number of survey participants this time as with the GOMAI 10 study. Outside of Nigeria and South Africa, all countries were scored by representatives from NAEGA and/or USSEC field staff. Not all country-commodity combinations were scored so the missing ones are marked "NR" in Table 3. For all the surveys we received, the average unweighted ratings across all the responses for the three classes of market access barrier were as follows:

2016 & 2017 results[2]	Survey
Price measures	4.8
Quantity measures	4.8
Technical measures	4.1

2018 results	Survey
Price measures	4.4
Quantity measures	4.4
Technical measures	3.9

According to the surveys, market access has dropped considerably, by 0.4 on price measures, by 0.4 on quantitative measures, and by 0.2 on technical and procedural measures. Soy and grain representatives in the field clearly feel access has been reduced.

The survey results on the 100-point index scale illustrate the diversity in market access across countries. Nine countries have scores of 70 or above and these include major trading partners like Canada and Japan. There are twelve countries in the 50-69 range, including trading partners such as Mexico and South Korea. Six countries have index scores in the 30-49 range. Thirteen countries have scores below 30, including a "no access" (zero) rating in Iran & Russia. Three countries went unrated.

In terms of the individual soy commodities, the weighted average index scores from the survey were highest for soybean meal (27.9), followed by soybeans (17.1) and soybean oil (16.5).

Product	Index 2016/17	Index 2018	Change
Wheat	10.9	8.3	-2.6
Corn	20.0	17.8	-2.2
Soybeans	48.3	17.1	-31.2
Soybean oil	50.4	16.5	-33.9
Soybean meal	31.0	27.9	-3.1

[2] Because corn and wheat were not included in the GOMAI 11 study, scores from the most recent study they were included in were averaged with the most recent scores for the soy commodities (i.e. GOMAI 10 scores for corn and wheat were averaged with GOMAI 11 scores).

3.3. Comparison of survey and database results

The broad similarities between the average results of the two approaches disguise some larger differences in assessing market access barriers at the level of country-commodity combinations. This was probably inevitable given the different resources that each group brought to the task. Agralytica's analysts applied specific rules, working from a broad set of information sources, including what had been highlighted by the survey respondents. USSEC contractors and staff were asked for a more subjective assessment of the relative importance of the three types of access barriers: the scoring range was 1-7, without granular scoring definitions. Their responses were necessarily and appropriately influenced by their own experiences working in the trenches of market development.

Tables 1-3 and Figures 1-5 which follow show how each commodity was scored in the database for each of the 43 countries, ranked from most protectionist at the bottom of the chart to most open at the top.

Both Agralytica's scoring and the survey of experts yielded similar results with the exceptions of wheat and soybean oil. By far the greatest difference is that Agralytica's wheat score is higher than the score for wheat assigned in the survey (there was a 22 point difference). Soybean oil also saw a 10 point difference between the database and survey scores. The database scores were higher than the survey scores for each commodity. This may reflect the fact that USSEC and NAEGA contractors are on the ground and may be aware that protectionist measures are being arbitrarily enforced but not reported.

Table 1: Average market access rating – database for end of 2018

Average rating	Wheat	Corn	Soybeans	SBO	SBM	Average
Costa Rica	92.1	88.6	92.1	96.2	84.8	**90.7**
Canada	60.8	92.1	92.5	96.2	96.2	**87.6**
Malaysia	82.7	82.7	92.1	82.7	96.2	**87.3**
Dominican Republic	87.6	80.7	87.6	88.6	87.6	**86.4**
Lebanon	87.6	87.6	87.6	79.6	84.3	**85.3**
Saudi Arabia	76.2	88.6	88.6	82.8	88.6	**84.9**
Trinidad	87.6	87.6	92.1	52.0	92.1	**82.3**
Myanmar	81.6	81.6	81.6	81.6	81.6	**81.6**
Mexico	77.3	77.3	77.3	87.6	82.7	**80.4**
Guatemala	82.7	70.1	82.7	79.6	82.7	**79.6**
Colombia	80.7	74.3	80.7	77.6	80.7	**78.8**
Peru	84.3	59.7	77.3	77.6	88.6	**77.5**
Nepal	0.0	84.8	92.1	92.1	92.1	**72.2**
South Africa	76.2	87.6	66.7	80.7	74.3	**77.1**
Morocco	77.6	34.3	68.5	84.3	84.3	**69.8**
Philippines	76.2	33.3	70.1	70.1	81.6	**66.2**
Tunisia	0.0	87.6	87.6	79.6	74.4	**65.8**
South Korea	52.0	63.1	65.6	63.1	76.2	**64.0**
Bangladesh	62.4	62.4	62.4	62.4	62.4	**62.4**
Cuba	63.1	60.4	60.4	57.5	60.4	**60.4**
Japan	53.0	49.0	64.4	50.8	64.4	**56.3**
Egypt	52.0	59.3	52.0	56.4	56.4	**55.2**
Algeria	56.4	62.4	50.8	46.7	55.1	**54.3**
Indonesia	51.9	49.4	57.5	54.6	54.6	**53.6**
Taiwan	49.5	52.0	54.3	49.5	54.3	**51.9**
Ecuador	63.9	30.1	36.3	62.4	63.9	**51.3**
Nigeria	65.8	65.8	63.9	0.0	58.9	**50.9**
Sri Lanka	79.6	0.0	62.4	49.5	49.5	**48.2**
Thailand	71.2	36.2	47.9	33.3	47.9	**47.3**
Pakistan	0.0	22.9	59.3	58.9	62.4	**40.7**
EU	65.6	32.8	35.6	34.3	31.9	**40.0**
UK	65.6	32.8	35.6	34.3	31.9	**40.0**
Iraq	70.1	30.2	32.8	32.8	32.8	**39.7**
Sudan	26.6	26.6	26.6	35.0	33.5	**29.7**
Turkey	0.0	5.3	71.2	0.0	54.6	**26.2**
Venezuela	25.4	21.3	22.8	21.9	22.8	**22.8**
Vietnam	0.0	68.5	0.0	0.0	0.0	**22.8**
Iran	0.0	0.0	48.7	21.0	23.4	**18.6**

Average rating	Wheat	Corn	Soybeans	SBO	SBM	Average
Russia	29.5	0.0	0.0	20.1	32.8	**16.5**
China	0.0	0.0	17.5	34.3	26.6	**15.7**
Kenya	69.7	0.0	0.0	0.0	0.0	**13.9**
India	0.0	0.0	0.0	0.0	43.6	**8.7**
Brazil	4.0	4.0	4.0	0.0	4.0	**3.2**
Weighted average	**24.7**	**18.2**	**25.2**	**29.5**	**28.4**	

Table 2: Change in database scores from end of 2018 to 2017/16

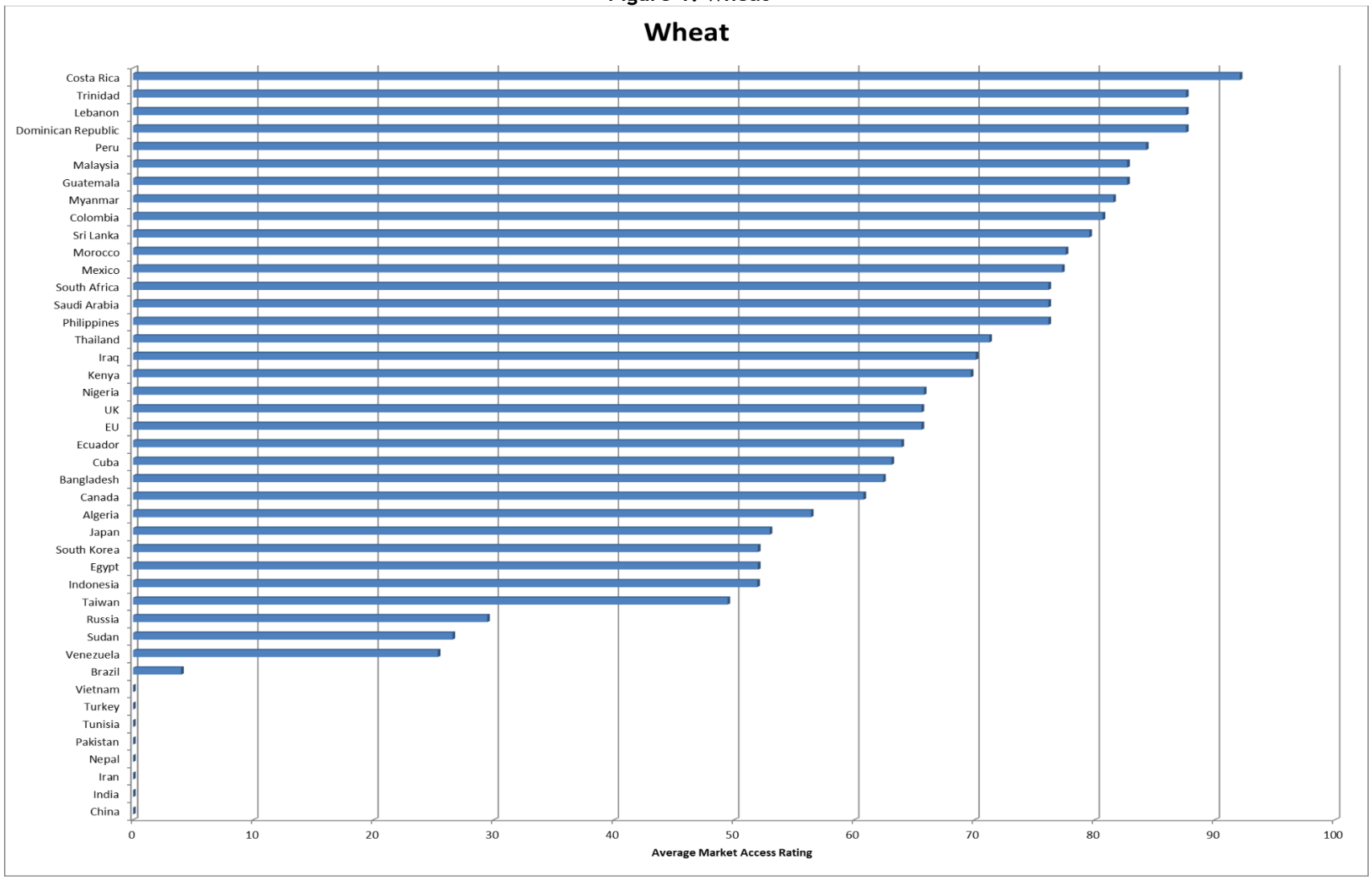
Average rating	Wheat	Corn	Soy-beans	SBO	SBM	Average
Algeria	6.9	3.4	0.0	0.0	4.3	2.9
Bangladesh	0.0	0.0	0.0	0.0	0.0	0.0
Brazil	-26.3	-9.4	0.0	0.0	0.0	-7.1
Canada	-7.7	3.5	0.0	0.0	7.6	0.7
China	-62.4	-28.7	-10.0	8.9	-18.7	-22.2
Colombia	0.0	0.0	-7.9	-4.0	-7.9	-4.0
Costa Rica	0.0	0.0	0.0	3.7	-3.8	0.0
Cuba	2.7	0.0	17.4	6.8	17.4	8.9
Dominican Republic	0.0	0.0	0.0	4.3	0.0	0.9
Ecuador	-4.5	-10.1	-7.3	18.8	-13.4	-3.3
Egypt	0.0	0.0	0.0	-2.9	0.0	-0.6
EU	0.0	0.0	0.0	0.0	0.0	0.0
Guatemala	0.0	0.0	5.4	-4.7	5.4	1.2
India	-13.4	0.0	0.0	-59.3	0.0	-14.5
Indonesia	0.0	0.0	5.5	0.0	-11.0	-1.1
Iraq	3.4	-27.3	-32.8	-35.7	-32.8	-25.0
Japan	-3.7	-5.2	-6.9	-8.2	-27.7	-10.3
Lebanon	0.0	0.0	0.0	-8.0	-7.8	-3.2
Malaysia	0.0	0.0	0.0	0.0	-3.8	-0.8
Mexico	0.0	0.0	0.0	0.0	0.0	0.0
Morocco	0.0	0.0	-20.0	0.0	0.0	-4.0
Myanmar	-	-	-3.6	-3.6	-3.6	-
Nigeria	0.0	1.9	0.0	0.0	0.0	0.4
Pakistan	-36.2	-4.2	-1.1	4.3	-6.0	-8.6
Peru	0.0	-5.8	-2.3	-11.0	9.0	-2.0
Philippines	0.0	0.0	0.0	0.0	0.0	0.0
Russia	0.0	0.0	0.0	0.0	0.0	0.0
Saudi Arabia	-15.9	-3.5	-3.5	-9.3	-3.5	-7.2
South Korea	-13.6	-2.5	0.0	0.0	0.0	-3.2
Sri Lanka	-9.0	-79.6	-6.1	-4.8	-30.1	-25.9
Sudan	-5.3	-5.3	0.0	-6.2	0.0	-3.4
Taiwan	-18.9	-10.4	-11.3	-18.9	-11.3	-14.2
Thailand	0.0	0.0	0.0	0.0	0.0	0.0
Trinidad	0.0	0.0	0.0	0.0	0.0	0.0
Turkey	-48.7	-9.0	2.7	0.0	0.0	-11.0
Venezuela	0.0	-4.1	-1.3	-0.9	-1.3	-1.5
Vietnam	-68.5	-2.7	-88.6	-88.6	-88.6	-58.3

Table 3: Average market access rating – survey for end of 2018

Average rating	Wheat	Corn	Soybeans	SBO	SBM	Average
Guatemala	NR	NR	96.2	92.5	92.5	**93.8**
Trinidad	NR	NR	NR	92.1	89.0	**90.5**
Nepal	NR	NR	84.8	92.1	84.8	**87.2**
Morocco	NR	NR	100.0	65.6	82.7	**82.8**
Canada	76.2	92.1	83.1	69.7	65.1	**77.2**
Japan	42.0	84.8	92.5	52.0	100.0	**74.3**
Taiwan	76.2	76.2	79.6	56.5	82.7	**74.2**
Colombia	78.1	70.1	74.9	58.9	84.3	**73.3**
Philippines	60.4	60.4	72.5	68.4	96.2	**71.6**
Bangladesh	NR	NR	100.0	60.4	48.7	**69.7**
Sri Lanka	NR	NR	37.0	63.0	106.9	**69.0**
UK	100.0	100.0	78.1	0.0	38.6	**63.3**
Mexico	24.4	24.4	74.1	92.5	96.2	**62.3**
Lebanon	NR	NR	72.5	49.5	62.4	**61.4**
South Korea	47.9	47.9	51.9	76.2	76.2	**60.0**
Dominican Republic	NR	NR	7.0	84.3	87.6	**59.6**
Kenya	56.6	56.6	56.6	NR	NR	**56.6**
Malaysia	43.0	43.0	77.6	56.7	51.2	**54.3**
Tunisia	56.6	56.6	78.1	29.5	46.7	**53.5**
Costa Rica	NR	NR	42.0	56.6	56.6	**51.7**
Myanmar	NR	NR	39.2	56.6	58.9	**51.6**
Saudi Arabia	56.6	56.6	56.6	30.2	47.9	**49.6**
Peru	56.6	14.3	59.5	53.0	57.5	**48.2**
Thailand	0.0	48.7	63.5	46.7	63.9	**44.6**
Indonesia	0.0	24.4	64.0	48.8	51.2	**37.7**
Algeria	42.0	42.0	49.4	22.7	22.7	**35.8**
Vietnam	0.0	0.0	23.6	78.1	74.3	**35.2**
Egypt	38.6	38.6	48.7	0.0	38.6	**32.9**
Ecuador	NR	NR	0.0	44.5	44.5	**29.6**
EU	0.0	0.0	60.2	12.7	71.2	**28.8**
Cuba	43.0	43.0	12.9	0.0	0.0	**19.8**
Pakistan	0.0	0.0	46.6	28.7	4.5	**16.0**
Brazil	22.7	22.7	6.0	0.0	0.0	**10.3**
India	0.0	0.0	0.0	47.9	0.0	**9.6**
China	7.2	11.4	7.6	4.5	0.0	**6.1**
Iraq	0.0	9.0	0.0	4.5	4.5	**3.6**
Turkey	0.0	0.0	0.0	0.0	11.4	**2.3**

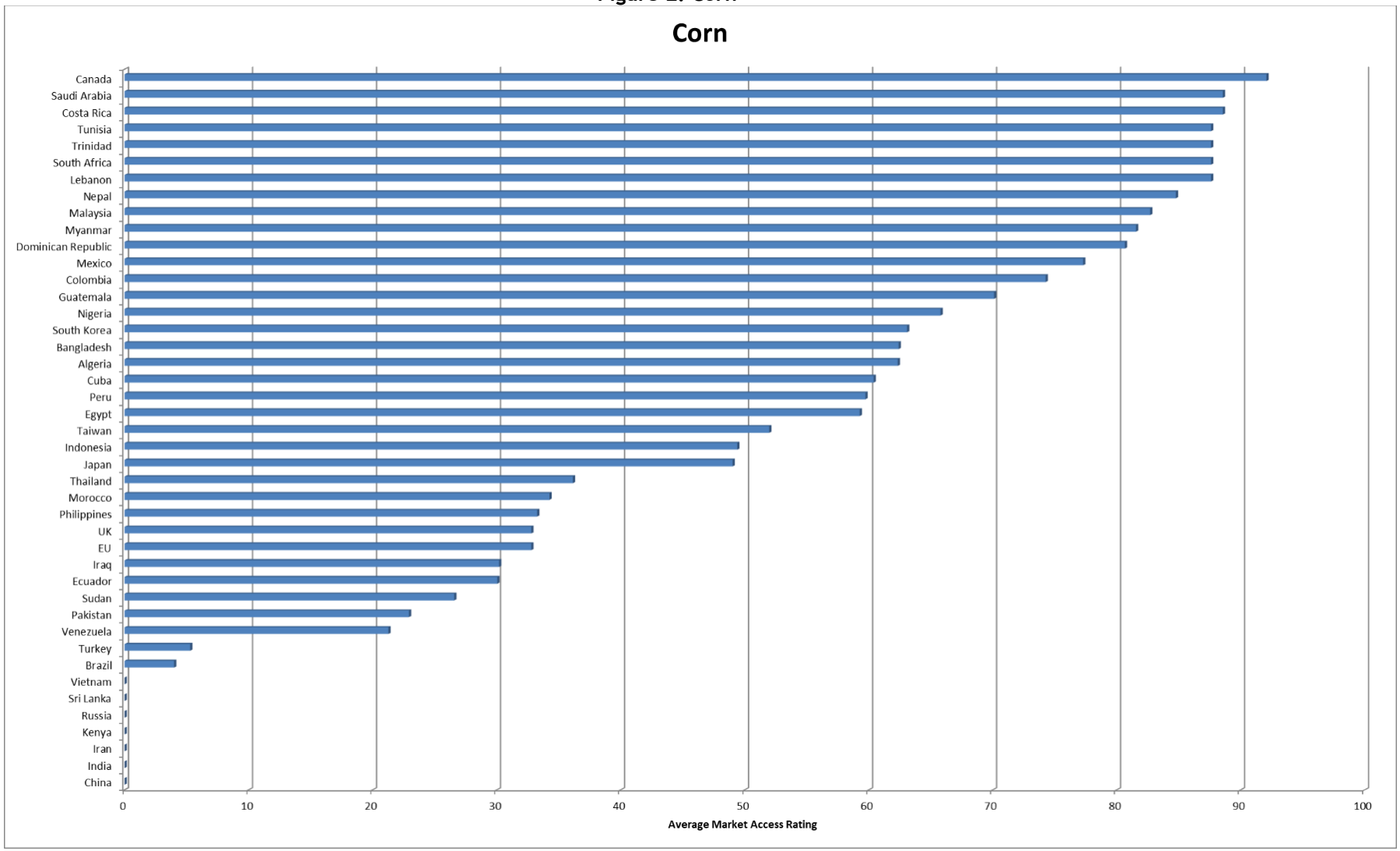
Venezuela	0.0	0.0	0.9	4.5	4.5	**2.0**
Iran	0.0	0.0	0.0	0.0	0.0	**0.0**
Nigeria	NR	NR	NR	NR	NR	**0.0**
Russia	0.0	0.0	0.0	0.0	0.0	**-**
South Africa	NR	NR	NR	NR	NR	**-**
Sudan	0.0	NR	NR	NR	NR	**-**
Weighted average	**8.3**	**17.8**	**0.0**	**17.1**	**16.5**	**27.9**

Figure 1: Wheat



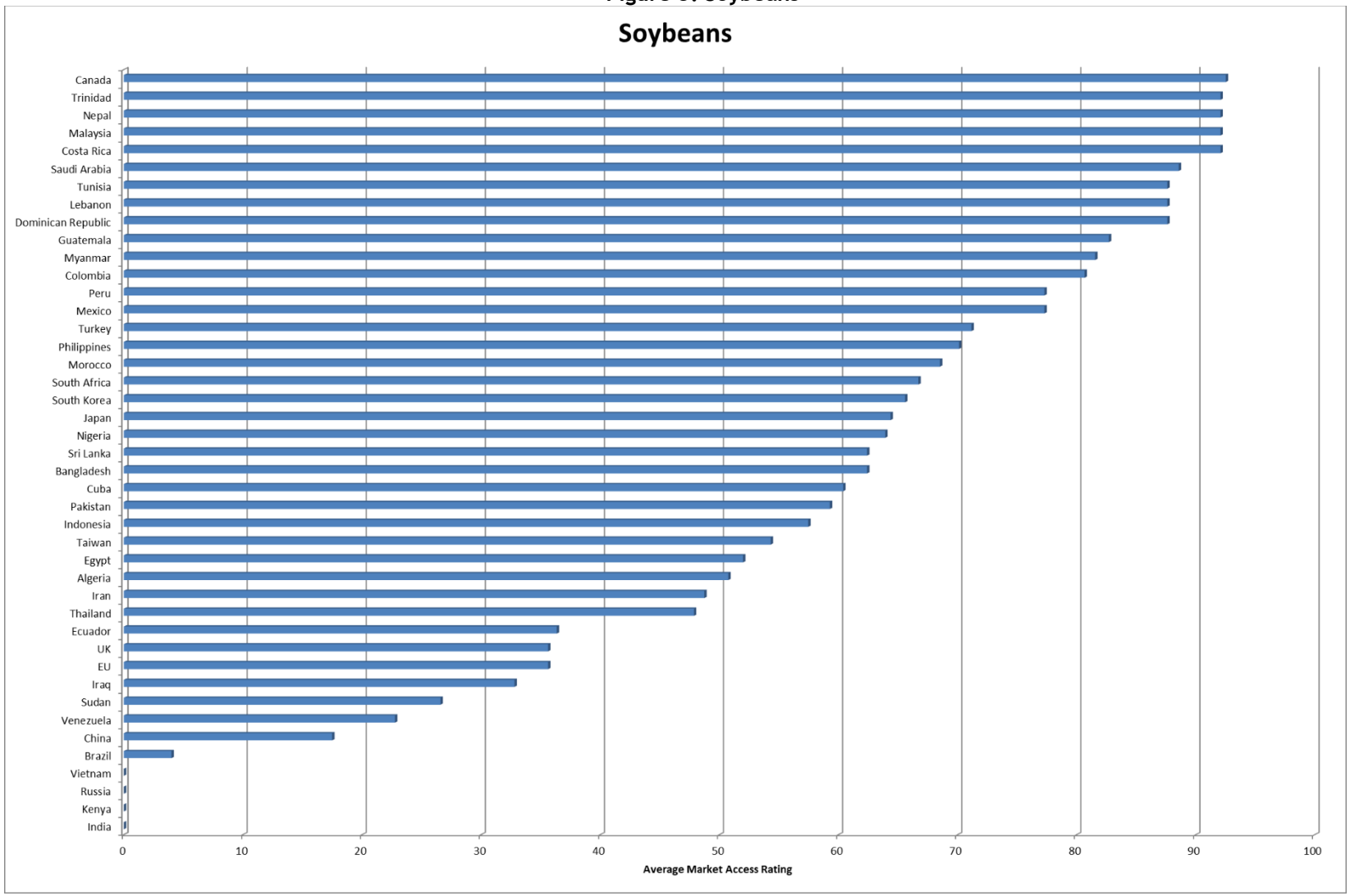
Agralytica

Figure 2: Corn



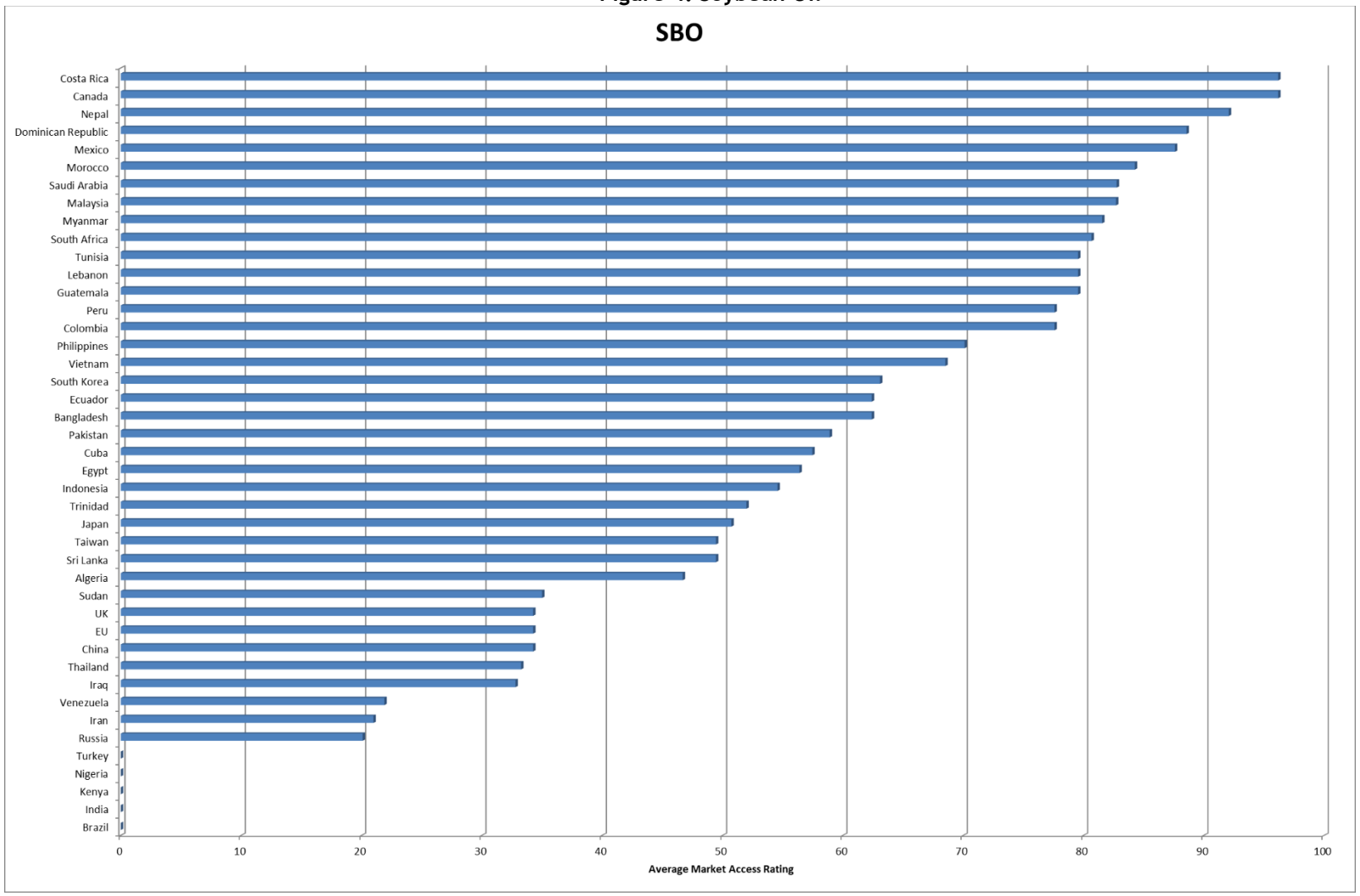
Agralytica

Figure 3: Soybeans



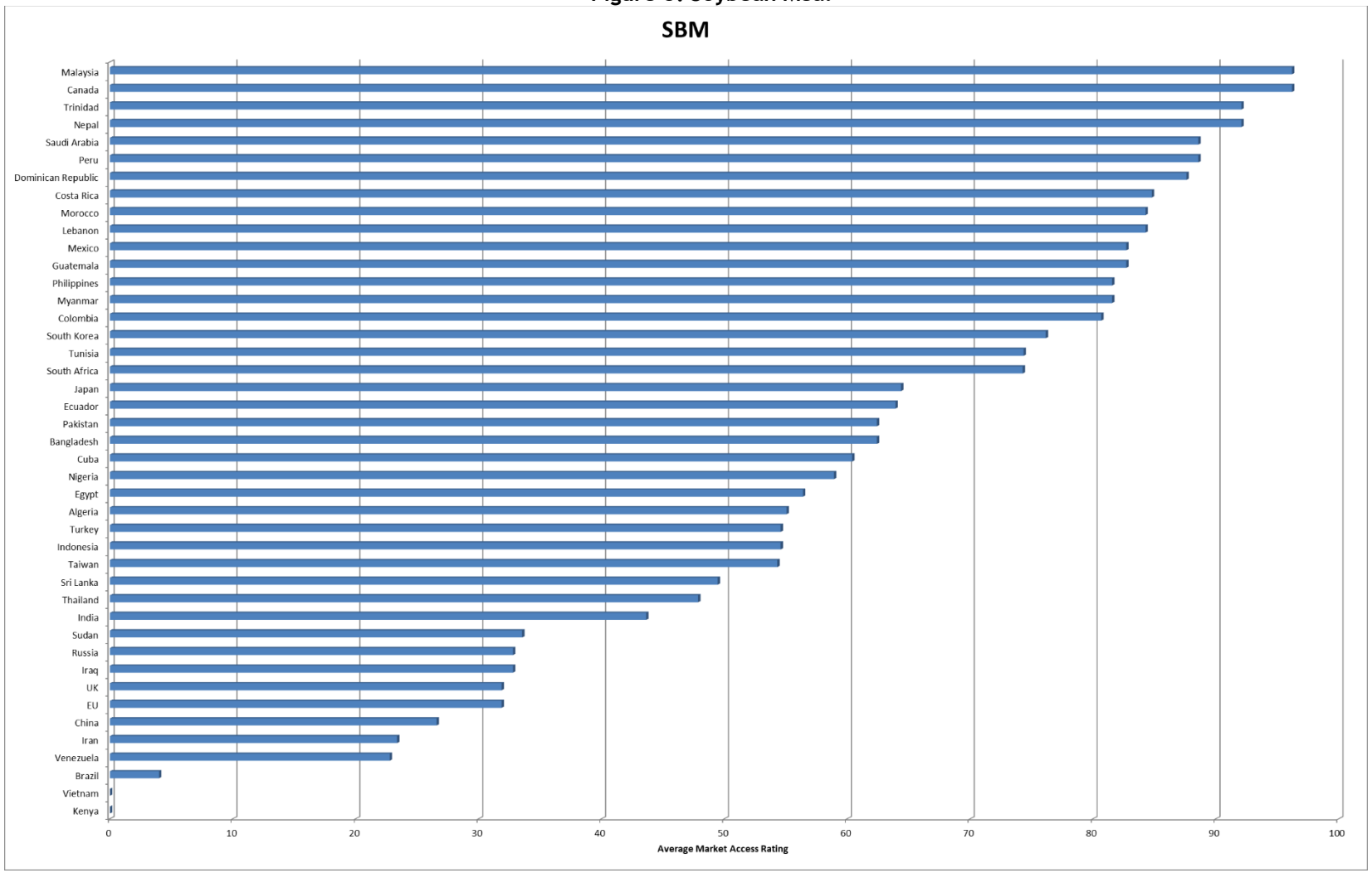
Agralytica

Figure 4: Soybean Oil



Agralytica

Figure 5: Soybean Meal



Agralytica

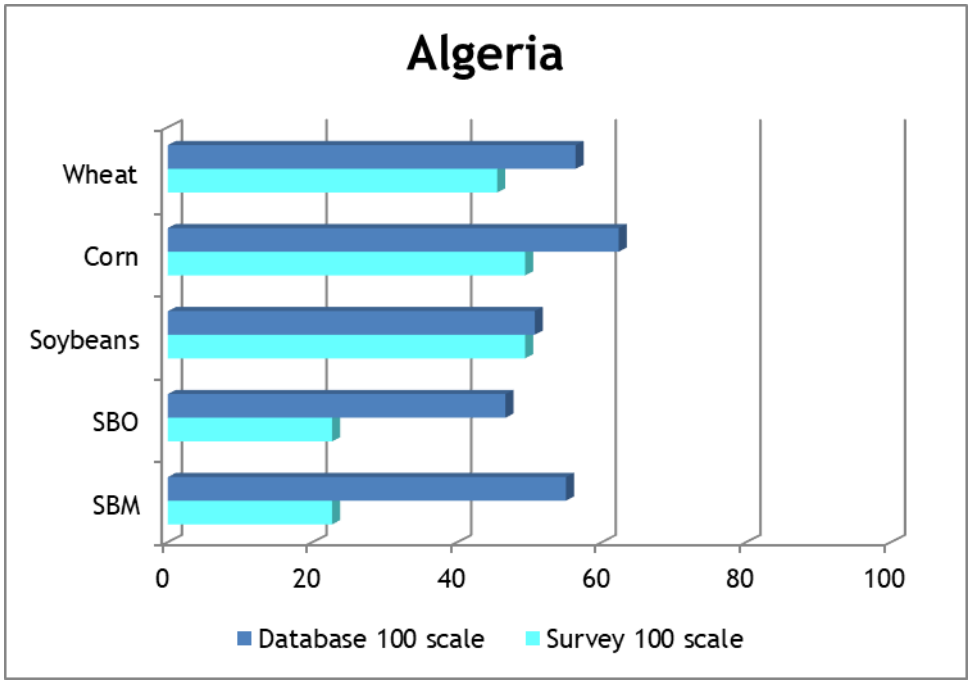
COUNTRY SUMMARIES

The remainder of this section provides a country-by-country background in terms of market access and the grain-oilseed situation.

For each country, we provide a discussion including a figure showing both the survey and database indexes on a commodity-by-commodity basis, adjusted to a 0-100 scale. The database score is the upper, dark blue bar and the survey score is the lower, light blue bar of each pair. An "NR" indicates that there was no survey response for that commodity-country pairing. If there is no bar at all and no "NR", the index is zero, implying virtually no access to that market for the U.S. product.

Each chart is accompanied by brief commentary on the market access picture and the grain and oilseed access situation in the country, with the relevant supply-demand balance data, if available, from USDA's PSD online database.

ALGERIA



Market access

Algeria imports most of its agricultural commodity needs; its rainfall is unreliable. Both the Algerian Office of Grains and private sector companies import grains.

Algerian tariffs and taxes on U.S. oilseeds are generally low, and there are no quantitative restrictions. Algeria does apply preferential duties to imports from the European Union. Nominal tariffs are higher (30%) for value added products such as refined SBO.

There is a VAT of 19% for most goods but agricultural commodities are generally lower or even exempt. Where the VAT applies, many agricultural commodities, including soybean meal and defatted soybean flour, are taxed at the 9% rate (up from 7%). On December 28, 2017, Algeria passed the 2018 Finance Act which exempted all feed grains from the VAT and removed import license requirements.

There are preferential duties between Algeria and the European Union (EU), as well as with the four other countries of the Arab Maghreb Union. The U.S. faces stiff competition from the EU and countries bordering the Black Sea on price and shipping flexibility.

Algeria has relatively few technical and procedural barriers to importing, though plant health inspections and phytosanitary certificates are routinely required. In the beginning of 2017, the Ministry of Commerce announced that import licensing would be extended to all “non-essential” products, including soybean meal. In June 2017, the Ministry of Commerce announced corresponding 2017 feed grain quotas. The quota for soybean meal was 496,514 MT. Another aspect of the 2018 Finance Act was the temporary suspension of imports of corn derivatives. Corruption

also remains a problem: Algeria scored a 35 on Transparency International's Corruption Perceptions Index, placing it in the bottom third of the countries reviewed.

Grain-oilseed situation

Algeria imports two-thirds of its wheat needs. It is one of the world's largest grain importers, despite government incentives to encourage wheat production. Imports from the US were over 308,000 MT in 2018.

Argentina has been the main supplier of corn to Algeria since 2008, supplying over half of imports. US corn exports to Algeria began growing in 2013, after an extended absence from the market, peaking in 2016. In 2017, US exports declined when Algeria imposed quotas and other controls as well as encouraging domestic production. U.S. exports in 2018 were 48,000 MT.

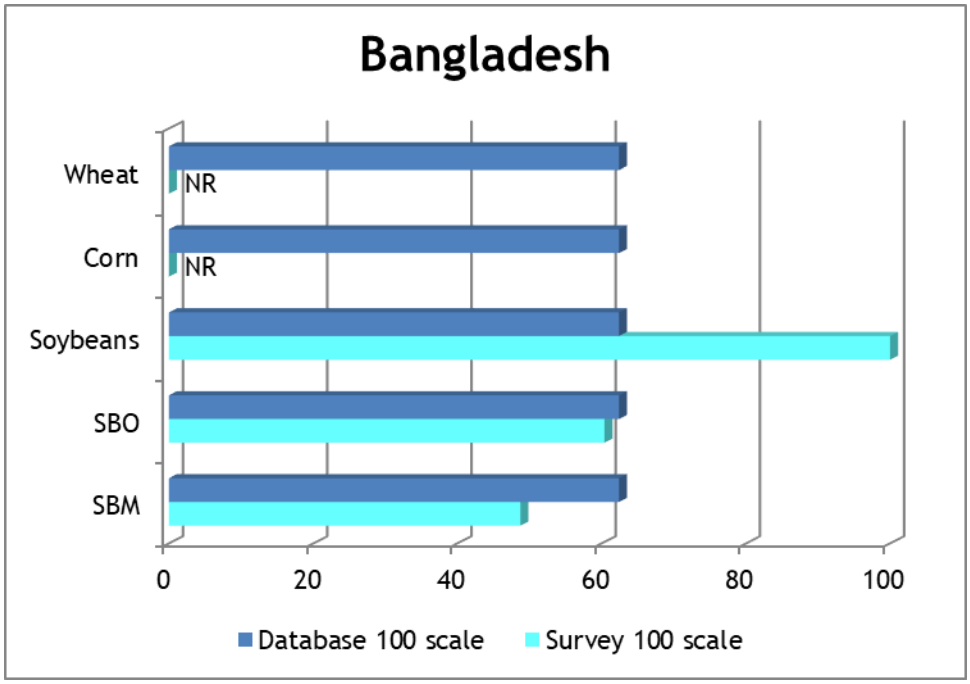
Soybean demand in Algeria is driven by the poultry feed manufacturing sector. The country has no crush capacity, so it imports all its soybean meal and oil, approximately 1.4 MMT and 720,000 MT in 2017/18, respectively. Argentina and Brazil are the country's main suppliers. In 2018, Algeria imported no soybean oil or soybean meal from the U.S., opting to import from Argentina and Russia instead.

Algeria: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	2,000	1,700	2,100	1,300	1,600	2,074
Beginning Stocks	3,762	4,676	3,768	4,357	4,413	4,529
Yield	2	1	1	2	2	2
Production	3,302	1,900	2,700	2,000	2,400	3,940
Imports	7,484	7,257	8,153	8,414	8,172	7,000
Total Supply	14,548	13,833	14,621	14,771	14,985	15,469
Exports	22	15	14	8	6	15
Feed Dom. Consumption	50	50	50	50	50	50
FSI Consumption	9,800	10,000	10,200	10,300	10,400	10,600
Domestic Consumption	9,850	10,050	10,250	10,350	10,450	10,650
Ending Stocks	4,676	3,768	4,357	4,413	4,529	4,804

Source: USDA PS&D, 2019

BANGLADESH



Market access

Bangladesh has relatively few technical and procedural barriers to importing, though plant health inspections and phytosanitary certificates are routinely required. All importers, exporters, and brokers must be members of a recognized chamber of commerce as well as members of a Bangladeshi organization representing their trade. All imports of GOMAI products, except for those used for industrial use, must be supported by a letter of credit (LoC). A LoC authorization form and a cash bond, ranging from 10 to 100 percent of the value of the imported good, are also required.

Since 2007, the Biosafety Guidelines have required exporters to apply for GE product approval, and the U.S. must legally ensure the accuracy of biotech applications. According to the 2012 Bangladesh Biosafety Rules, a genetically engineered (GE) product must be approved by the Ministry of Environment, Forest, and Climate Change (MOEFCC) before it can be imported and commercially sold in Bangladesh. Biosafety rules detail guidelines to follow for importing GE products, but the approval mechanism is not widely understood nor implemented; most GE products are not subject to additional inspection requirements.

Durum wheat faces a five percent customs tariff and corn flour faces a 25 percent tariff. In 2017/18, Bangladesh revised its tariff structure for importing soybeans, soybean meal, and soybean oil. Soybeans and soybean oil (both crude and refined) continue to enter duty free, but a 10 percent regulatory duty is assessed on soybean meal. There are also several taxes. For wheat, soybeans and soybean products, and corn flour, VAT taxes of 15 percent are imposed (soybean meal is exempt) as are advanced trade VAT taxes of four percent. Some soybean, wheat, and corn products may also face an advanced income tax of five percent. These taxes also apply to

domestically produced goods. There are no quantitative restrictions on imports. The market is generally open despite the high tax rates.

According to USTR, Bangladesh is among the most corrupt countries in the world, ranking 149 out of 180 in Transparency International's Corruption Perceptions Index. Bribery and extortion in business are common. While the government has established legislation to combat bribery, embezzlement, and other forms of corruption, enforcement is inconsistent.

Grain-oilseed situation

Wheat imports reached 6.2 MMT in 2017/18, up 45 percent since 2013/14 due to the increasing trend of processed and bakery products consumption, the emergence of new baked goods brands, and lower prices. More than 80 percent of Bangladesh's wheat consumption is supplied by imports. Ukraine is the leading source of imports (25%), followed by Russia, Canada, and Argentina. U.S wheat exports to Bangladesh were just 238,000 MT in 2017/18.

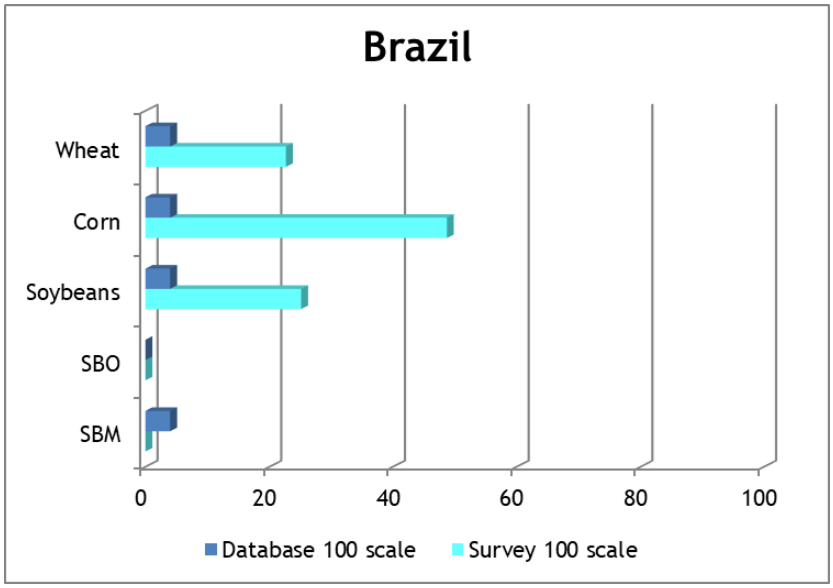
Corn imports reached 1.5 MMT in 2017/18, in large part due to competitive pricing from suppliers, particularly Brazil. Brazil (87%) and the U.S. (9%) are the leading corn exporters to Bangladesh.

Soybean imports reached 1.1 MMT in 2017/18, nearly double the quantity imported in 2013/14 due to increasing demand for soybean meal for animal feed and soybean oil for human utilization. U.S. soybeans account for 93 percent market share. Soybean meal imports reached 642,000 MT, where India (57%), Brazil (18%), and the U.S. (17%) are the major players. Soybean oil imports reached 780,000 MT in 2017/18. Bangladesh has approximately 80 oil refineries with 2.9 MMT of production capacity, but only about half of that is currently being utilized.

Bangladesh: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	410	415	420	405	370	320
Beginning Stocks	1,104	1,338	1,667	2,077	1,883	1,686
Yield	3	3	3	3	3	3
Production	1,280	1,300	1,290	1,250	1,153	1,000
Imports	3,354	3,929	4,720	5,556	6,150	5,000
Total Supply	5,738	6,567	7,677	8,883	9,186	7,686
Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	4,400	4,900	5,600	7,000	7,500	7,000
Domestic Consumption	4,400	4,900	5,600	7,000	7,500	7,000
Ending Stocks	1,338	1,667	2,077	1,883	1,686	686

BRAZIL



Market access

Brazil is a member of the Mercosur common market and maintains common external tariffs on feed grains, oilseeds, and byproducts of grains and oilseeds. Tariffs are mostly in the 6-10% range. That does not mean that the market is relatively open to imports, however. In 2007, Brazil reinstated stiff Merchant Marine Taxes (25%) on bulk grain imports in addition to preferential treatment for domestic producers on taxes and phytosanitary regulations. Finally, Brazil has many compounding domestic taxes, which also apply to imported products.

Nominally, soybeans are assessed an 8% tariff, SBM 6%, and crude and refined SBO are at 10% and 12%, respectively. However, Brazil is a major soy products exporter and thus does not import them.

Phytosanitary restrictions limit US wheat exports to red varieties shipped through Gulf of Mexico or Atlantic ports.

Import licenses for agricultural products are not automatic, requiring approval from the Ministry of Agriculture.

Brazil relies heavily on biotech for its major crops; most of its soy crop is GM. It requires approval for GM events, however. Non-GMO soybeans and soybean products for human and animal food must contain less than 1% GMO soy. Any products with more than 1% GMO soy must be labeled as such. This requirement is difficult to enforce on domestic production, but it is easily imposed on imports.

Brazil also has problems with corruption. It scored a 35 on the Corruption Perceptions Index. This score places it near the middle of the scoring range, just below the global average.

Grain-oilseed situation

Brazil is a major U.S. competitor in grain and oilseed markets. It typically produces 5 million MT of wheat, 80 MMT of corn, and in 2017/18, it produced over 120 MMT of soybeans. The government provides price support to farmers for several grain and oilseed commodities.

Despite significant production, Brazil remains a major wheat importer, with net imports exceeding 7 MMT in 2017/18.

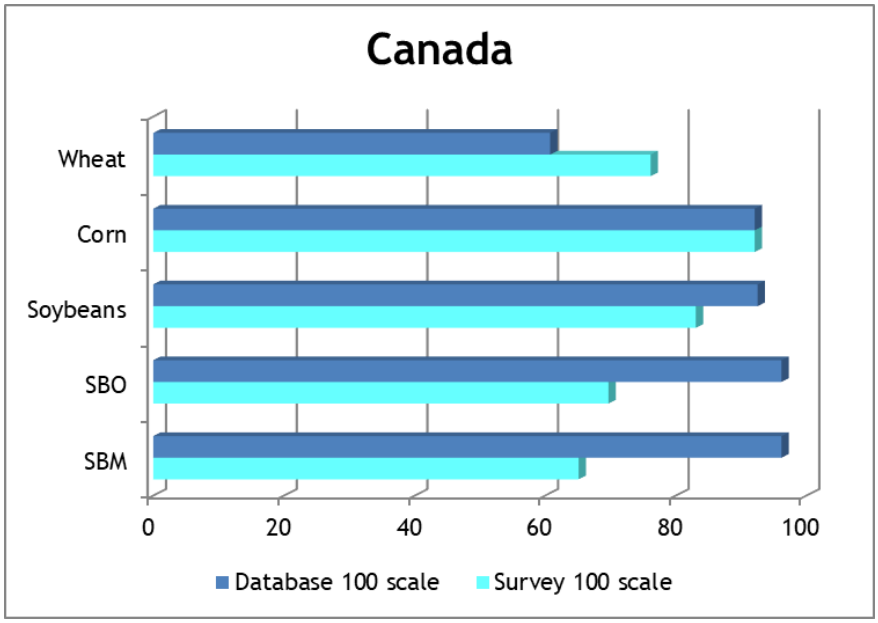
Soy production is substantial, allowing for exports of approximately 70 MMT in each of the last two marketing years.

Brazil: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	2,200	2,730	2,450	2,120	1,916	2,042
Beginning Stocks	1,001	1,887	870	996	2,256	1,311
Yield	2	2	2	3	2	3
Production	5,300	6,000	5,540	6,730	4,264	5,428
Imports	7,066	5,374	6,745	7,349	7,021	7,500
Total Supply	13,367	13,261	13,155	15,075	13,541	14,239
Exports	80	1,691	1,059	619	230	800
Feed Dom. Consumption	600	300	500	800	500	500
FSI Consumption	10,800	10,400	10,600	11,400	11,500	11,600
Domestic Consumption	11,400	10,700	11,100	12,200	12,000	12,100
Ending Stocks	1,887	870	996	2,256	1,311	1,339

Source: USDA PS&D, 2019

CANADA



Market access

Canada is the one of the most accessible markets to U.S. exporters for GOMAI commodities. The market is largely open and corruption is insignificant. Foreign grain, however, cannot be issued a grade by the Canadian Grain Commission. Consequently, U.S. wheat can only be sold as feed grade or according to a specification and price agreed to by buyer and seller.

Market access for the soy complex is one of the most open analyzed in this report.

The U.S. has been renegotiating the North American Free Trade Agreement, and as of this writing, a Statement of Administrative Action has been submitted to Congress which indicates the new deal would have to be passed within 90 days. Outside of improving access for U.S. dairy, the new United States, Mexico, Canada (USMCA) agreement is expected to maintain the same agricultural provisions as NAFTA. However, there were some proposed differences in labeling requirements for grain used for animal feed, which raised U.S. concerns. In addition, the USMCA provisions would have, in three years, eliminated NAFTA Chapter 11 dispute-settlement procedures available to ensure that foreign investors are treated by government the same as domestic investors.

Grain-oilseed situation

Canada is a major wheat, barley, and canola exporter but does import both wheat and corn; imports of these commodities were 450,000 MT and 1.7 MMT, respectively.

Canada is the fourth largest market for U.S. soybean meal and the ninth largest market for U.S. soybean oil. Soybean production has grown from 5.3 MMT in 2012/13 to 7.7 MMT in 2017/18. Imports of soybeans, soybean oil, and soybean meal were 487,000 MT, 21,000 MT, and 1.02 MMT,

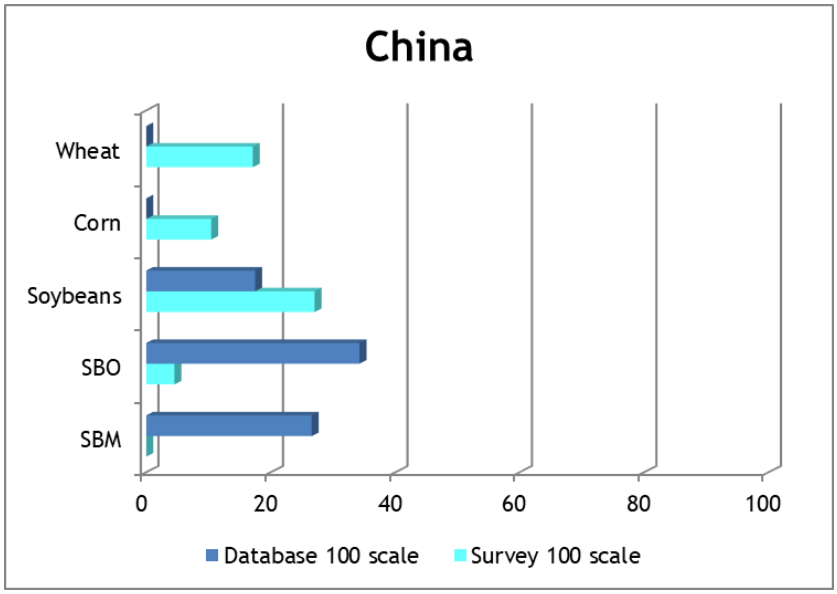
respectively. In 2017, Canada introduced legislation for weed presence in soybeans; it now requires an import permit for soybean meal.

Canada: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	10447	9554	9558	8976	8983	9900
Beginning Stocks	5112	10398	7101	5178	6856	5920
Yield	3.6	3.08	2.89	3.58	3.34	3.21
Production	37589	29442	27647	32140	29984	31800
Imports	419	549	509	498	450	450
Total Supply	43120	40389	35257	37816	37290	38170
Exports	23268	24170	22110	20157	21954	24000
Feed Dom. Consumption	4221	3975	2801	5821	4516	4300
FSI Consumption	5233	5143	5168	4982	4900	5000
Domestic Consumption	9454	9118	7969	10803	9416	9300
Ending Stocks	10398	7101	5178	6856	5920	4870

Source: USDA PS&D, 2019

CHINA



Market access

China is an enormous and growing market for imported commodities. Its approach to imports varies by product, however, with substantial and shifting barriers posing significant obstacles to the products under review. Moreover, the ongoing trade confrontation between China and the United States has had a significant impact on U.S. agricultural exporters.

China is a country that uses high tariffs as a major barrier to entry. As part of the ongoing trade dispute between China and the United States, China has increased tariffs on thousands of US products by 25 percentage points, driving in-corn wheat and corn tariffs to 26%. China, however, currently produces about 130 MMT of wheat and thus imports only 3% of its needs. Although there is a 9.6 MMT TRQ for private industry, only 10% of it is typically used. The Chinese government (GOC) has a state TRQ, typically used for feed wheat. Out of quota wheat and corn tariffs are 90% for the U.S., which results in no wheat or corn being imported unless it is in quota. Moreover, preferential treatment is given to border countries including Russia, a major grain and oilseed producer.

Soybeans had been a significant exception to the pattern of barriers described above, as the country is not self-sufficient in oilseeds and must rely on imports. China in recent years has imported massive quantities of soy and soy products from the U.S. China's recent retaliatory tariffs, however, drove tariffs on U.S. soybeans and soybean oil to 28 and the SBM tariff to 30%.

China's VAT (typically 9%) does not apply to many domestic or border nation crops, so the VAT has the same effect as an additional tariff. Additional market barriers include transparency issues, opaque regulatory regimes, import licenses, and SPS measures with questionable scientific bases. China Customs (GACC) has assumed most of the responsibilities of the former General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) and it regularly restricts trade.

In particular, in response to the section 232 tariffs, AQSIQ has threatened enforcement of Decree 177, which requires all soybean imports to meet the standards of China grade #1 soybeans and that shipments exceeding 1% of foreign material carry and additional declaration (AD). This essentially requires no foreign material to be present in the shipment, including weed seeds. Uncertainties related to enforcement of Decree 177 have diverted shipments and severely impacted exporters' willingness and ability to ship soybeans to China.

An independent analysis by Informa Economics estimated that the financial losses to U.S. soybean producers that resulted from China's AD requirement amounted to $0.10-$0.20 per bushel, which for the period from December 17, 2017 to the end of March, 2018 (3-1/2 months) totaled an estimated $140m-$282.

China still maintains an asynchronous approval process for biotech events, with a backlog of unapproved traits. Approvals typically take 6 years, yet there is no transparency with timelines. The new laws have made things worse.

Finally, corruption is a significant problem in China. China scored a 39 out of a possible 100 points (with 100 being the least corrupt) on Transparency International's 2018 Corruption Perceptions Index.

Grain-oilseed situation

As a matter of basic food security policy, China has reiterated its dedication to pursuing grain self-sufficiency. However, as affluence has spread, and diets have improved, animal protein production has increased dramatically. Along with this increase, price supports for all commodities except wheat and rice have been dropped, signaling a shift in agricultural policies.

Wheat production in 2017/18 was 134 MMT, supplemented by 4 MMT in imports. Wheat exports were just 1 MMT. Corn production for that period was 259 MMT, with an additional 3.5 MMT in imports.

Increased demand for animal proteins has led to tight corn supplies, in turn resulting in more wheat, soybean meal, and DDGS being used in feed formulas.

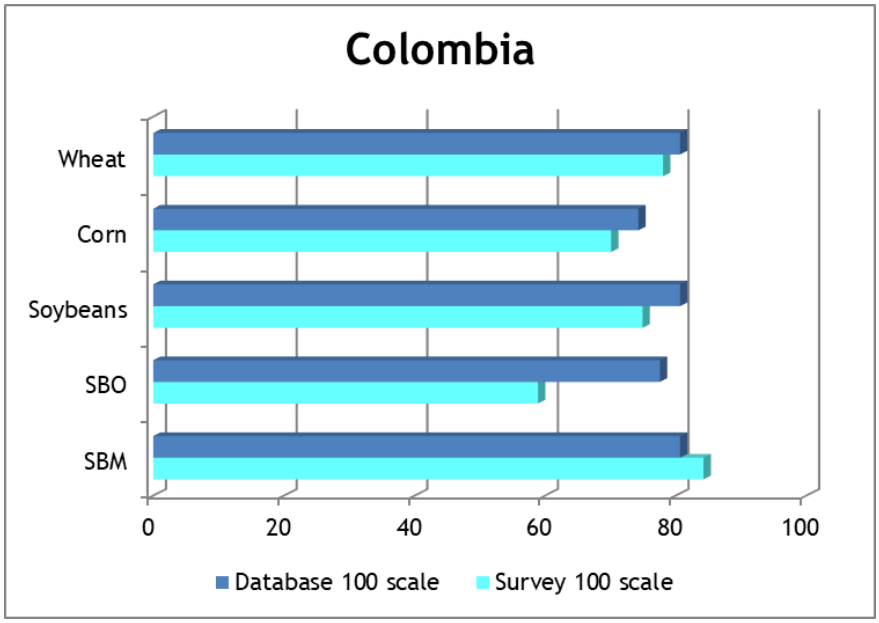
Domestic soy production is physically and politically limited, ensuring the need for a massive volume of imports to meet animal production needs, particularly in the swine sector. China has thus been the world's largest soybean importer, importing 94 million metric tons (about 75% of all soybeans traded globally) in 2017/18. The U.S. supplied about 27 million metric tons. However, U.S. share of the Chinese market has fallen due to retaliatory tariffs and arbitrary rules enforcement by China. Brazilian exporters have benefited from the China-U.S. trade dispute. China's imports of soybean meal were negligible in 2017/18; soybean oil imports were 481,000 MT.

China: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	24470	24472	24596	24694	24508	24268
Beginning Stocks	55072	67166	79110	96996	114929	131263
Yield	5.06	5.24	5.39	5.4	5.48	5.42
Production	123710	128321	132639	133271	134334	131430
Imports	6773	1926	3476	4410	4000	3500
Total Supply	185555	197413	215225	234677	253263	266193
Exports	889	803	729	748	1000	1200
Feed Dom. Consumption	17000	17000	16000	17000	17500	20000
FSI Consumption	100500	100500	101500	102000	103500	105000
Domestic Consumption	117500	117500	117500	119000	121000	125000
Ending Stocks	67166	79110	96996	114929	131263	139993

Source: USDA PS&D, 2019

COLOMBIA



Market access

Colombia is a significant market for grain and oilseed products, and with the signing of the U.S.-Colombia Trade Promotion Agreement (CTPA), the market became more open for U.S. products. Tariffs on many goods were reduced to 0%, including soybeans and soybean meal. Crude soybean oil has a duty-free TRQ that grows each year.

The CTPA has helped the US displace other wheat regional suppliers; US exports are second only to Canada's in the market. US corn preferences and tariffs applied on competitor corn have given the US domination of the corn market. The US has a large duty-free quota and a flat out-of-quota rate; other suppliers, including Mercosur, face variable rates which have been quite high given low corn prices in recent years.

Wheat, corn, and soybeans require phytosanitary certificates and import permits.

Corruption is still a problem in Colombia: it scored a 36 out of a possible 100 points (with 100 being the least corrupt) on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

Colombia became an even more important trading partner for the U.S. following the approval of the CTPA. Since then, Colombian producers have shifted mostly to producing white corn for food, ceding much of the yellow corn market to imports, so Colombia is now a significant corn importer. The US supplied over 5 million MT of corn to Colombia in 2018, making the country the fourth largest export market for U.S. corn. The country also imports virtually all its wheat (2 million MT, of which almost 700,000 MT came from the US).

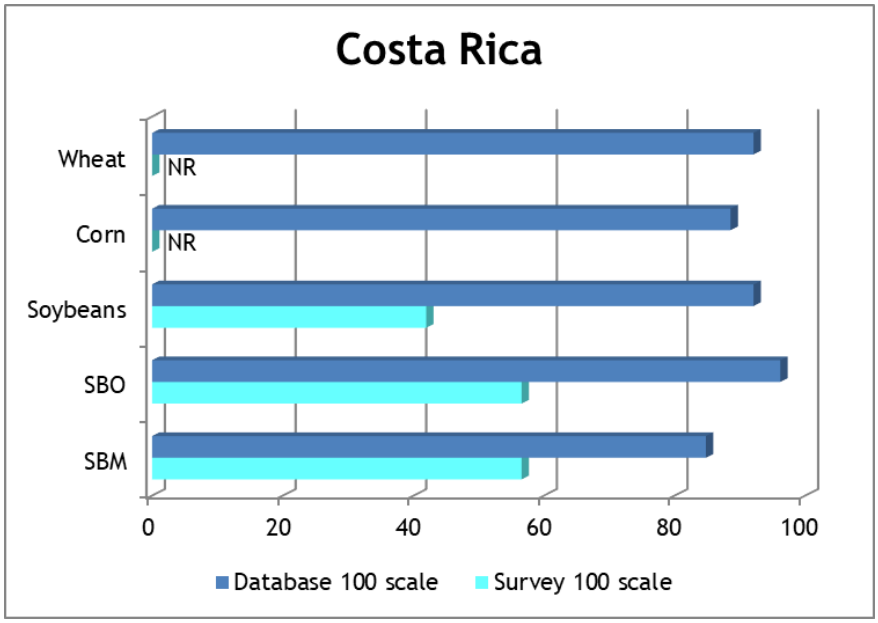
Colombian imports of U.S. soybeans, soybean meal, and soybean oil have been approximately one million MT combined each year since 2015. Colombia is the fourth largest market for U.S. SBM, and third for soybean oil.

Colombia: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	8	8	8	6	5	4
Beginning Stocks	423	607	643	635	550	581
Yield	2	2	2	2	2	2
Production	15	15	12	12	11	8
Imports	1,746	1,627	2,032	2,110	1,957	1,800
Total Supply	2,184	2,249	2,687	2,757	2,518	2,389
Exports	17	6	2	7	12	5
Feed Dom. Consumption	125	125	450	550	200	200
FSI Consumption	1,435	1,475	1,600	1,650	1,725	1,725
Domestic Consumption	1,560	1,600	2,050	2,200	1,925	1,925
Ending Stocks	607	643	635	550	581	459

Source: USDA PS&D, 2019

COSTA RICA



Market access

Costa Rica has very few barriers to U.S. imports. The U.S.-Central America Free Trade Agreement (CAFTA) was signed into law in August 2005 (and went into force in Costa Rica in 2009). US wheat, yellow corn, soybeans, and crude soybean oil face no tariff. The rate for refined SBO was 3.6% in 2018 and SBM faced a 0.6% tariff.

The primary remaining barriers are technical/procedural, i.e., a reportedly cumbersome and lengthy procedure for obtaining standard phytosanitary documentation. The National Trade Estimate Report suggested that Costa Rica's import permit hurdles decreased in 2018.

Grain-oilseed situation

Costa Rica is not a significant commodity producer, so it is heavily dependent on imports of basic grains and oilseeds, almost all of which are sourced from the United States.

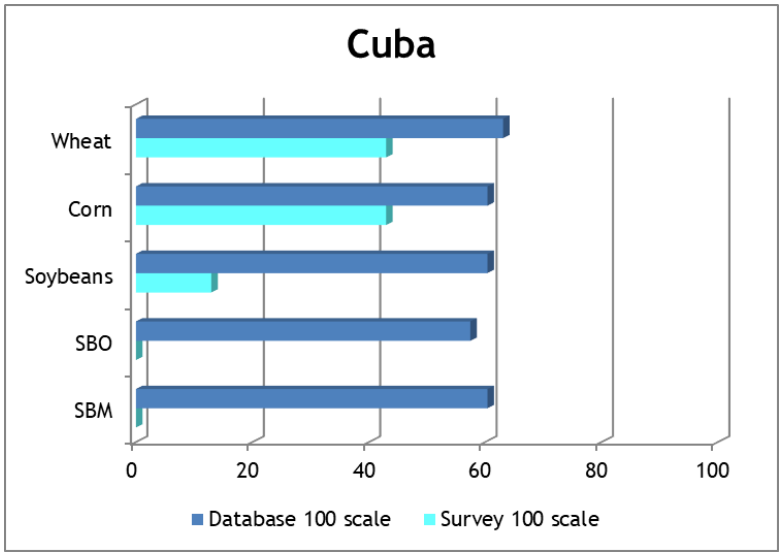
Costa Rica imported 300,000 MT of wheat in 2017/18, almost 900,000 MT of corn, and 249,000 MT of soybeans. Calendar 2018 U.S. exports to Costa Rica also included approximately 15,000 MT of soybean oil and 85,000 MT of soybean meal.

Costa Rica: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	64	37	68	60	68	82
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	238	304	279	287	296	300
Total Supply	302	341	347	347	364	382
Exports	50	53	57	43	42	40
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	215	220	230	236	240	250
Domestic Consumption	215	220	230	236	240	250
Ending Stocks	37	68	60	68	82	92

Source: USDA PS&D, 2019

CUBA



Market access

U.S. trade with Cuba remains limited, with some agricultural commodities as rare exceptions. The U.S. provides no trade assistance, and official U.S. entities in many cases limit or do not publish information regarding Cuba.

Cuba has modest tariffs on agricultural commodities. Durum faces a 2% tariff, but otherwise wheat faces no duty. The corn duty is 10%. Soybeans face a 4% tariff, crude and refined SBO face 5% and 20% tariffs, respectively, and soybean meal is assessed a 10% rate.

Corruption is not noted as a substantial problem in Cuba; the country scored a 47 on the Transparency International's Corruption Perceptions Index, which puts it ahead of most of the other Latin American markets under review.

Grain-oilseed situation

Cuba imported 811,000 MT of wheat in 2017/18; the U.S. did not report any exports to Cuba. Corn imports were 712,000 MT, with 117,000 MT coming from the U.S.

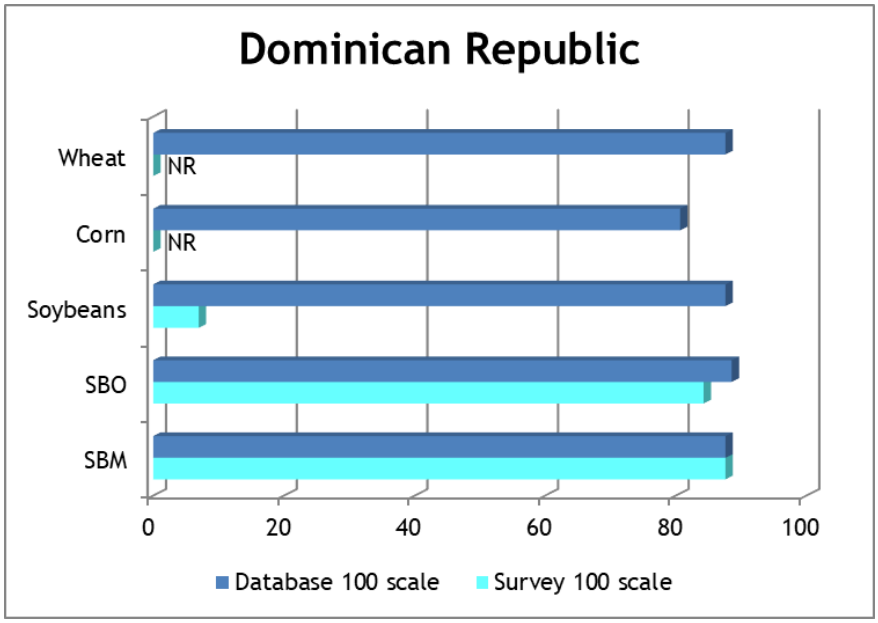
U.S. soybeans accounted for 103,000 MT of the country's 119,000 MT in imports in 2017/18. Soy oil imports were 97,000 MT, of which 8,000 were from the U.S. Soybean meal imports were 306,000 MT.

Cuba: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	754	856	812	846	811	725
Total Supply	754	856	812	846	811	725
Exports	1	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	753	856	812	846	811	725
Domestic Consumption	753	856	812	846	811	725
Ending Stocks	0	0	0	0	0	0

Source: USDA PS&D, 2019

DOMINICAN REPUBLIC



Market access

The Dominican Republic is member of the CAFTA-DR agreement which also includes the United States. U.S. wheat, corn, soybeans, soybean meal, and crude soybean oil enter duty-free; there is a small (4%) tariff on refined soybean oil.

The country's double-digit value added tax, ITBIS (currently 18%), doesn't apply to many agricultural commodities, but it is applied to soybean oil.

Import permits are required for agricultural products. Importers also need to obtain a certificate to benefit from the duty-free preference allowed under trade agreements. However, the government passed Decree 569-12 which included corn in its Automated License System, expediting the import process.

Corruption can be a serious problem in the Dominican Republic, with the country scoring only 30 out of 100 on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

The Dominican Republic imports large volumes of wheat (515,000 MT in 2017/18) and corn (1.3 million MT). The US supplies over half the wheat, followed by Canada. Substantial volumes of wheat and wheat products move from the Dominican Republic to Haiti. The US and Brazil supply almost all the corn.

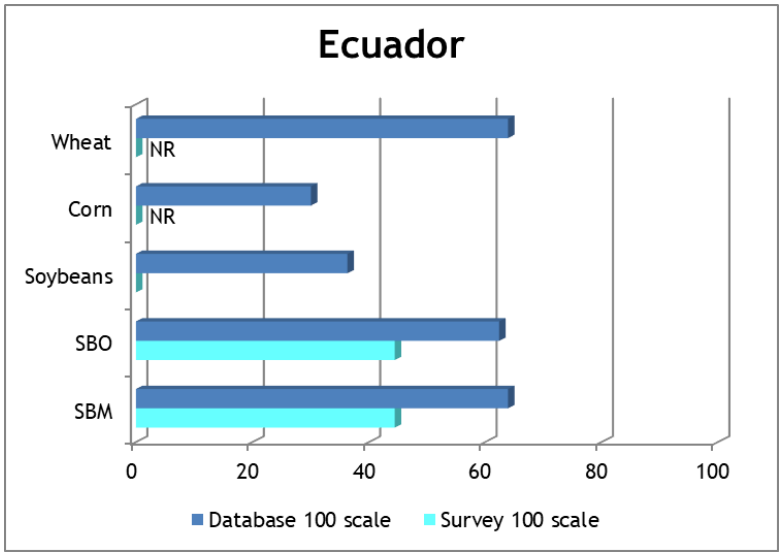
The Dominican Republic imports only small volumes of soybeans (9,000 MT from the U.S. in 2017); however, it is a major export market for U.S. soybean meal (#3, 500,000 MT in 2018) and soybean oil (#7, 150,000 MT).

Dominican Republic: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	80	76	84	86	77	72
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	518	573	542	536	535	520
Total Supply	598	649	626	622	612	592
Exports	132	160	130	130	125	125
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	390	405	410	415	415	415
Domestic Consumption	390	405	410	415	415	415
Ending Stocks	76	84	86	77	72	52

Source: USDA PS&D, 2019

ECUADOR



Market access

Ecuador is a member of the Andean Community (CAN) and applies its common tariff rates: 0% to 20% for most of the commodities under review in the GOMAI. These rates are adjusted, based on world prices, according to the Andean Price Band System (APBS), which increases tariffs when world prices drop below a threshold value, and lowers tariffs when world prices are high.

As a CAN member, Ecuador maintains preferential treatment for Uruguay, Paraguay, Argentina, and Brazil: tariffs and the APBS impact were originally discounted for them, then phased out completely in 2018. In 2016, Ecuador also suspended wheat and soybean meal tariffs and APBS duties on all suppliers. This suspension has been extended through the end of 2019.

Ecuador has a value added tax (VAT, known as IVA) of 12% on most goods; this tax does not apply to unprocessed agricultural foods or to edible oils (excluding olive oil).

Prior authorization is required to import grains and oilseeds. In addition, anti-GMO legislation is on the books but remains unenforced.

Corruption can be a serious problem in Ecuador, with the country scoring only 34 out of 100 on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

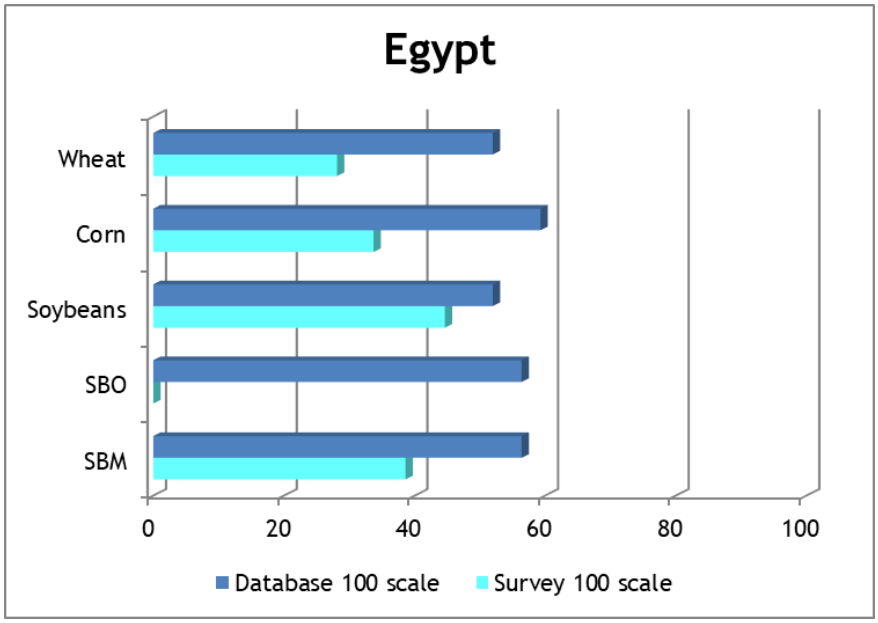
Ecuador is not a major producer of most grains and oilseeds. Wheat imports slightly exceeded one million tons in 2017/18. Canada is the top supplier, followed by the US. Under policies encouraging domestic production, corn imports are minimal.

Ecuador produces and imports only small volumes of soybeans, though it does import SBM in large volumes, 1,050,000 MT in 2017/18. Ecuador also imports approximately 100,000 MT of crude soybean oil from Bolivia annually.

Ecuador: Wheat (1,000 mt)						
Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	8	6	3	5	5	5
Beginning Stocks	87	101	204	216	265	176
Yield	1	1	1	1	1	1
Production	6	7	2	4	4	5
Imports	616	835	949	1,172	1,060	1,200
Total Supply	709	943	1,155	1,392	1,329	1,381
Exports	3	4	4	2	3	5
Feed Dom. Consumption	105	160	310	400	425	475
FSI Consumption	500	575	625	725	725	745
Domestic Consumption	605	735	935	1,125	1,150	1,220
Ending Stocks	101	204	216	265	176	156

Source: USDA PS&D, 2019

EGYPT



Market access

Egypt ranks among the world's largest grain importers, importing about half its wheat and corn and almost all its soybeans. Due to preferential treatment, most U.S. agricultural commodities enter duty free. However, there is a tax of 10% on some agricultural commodities, including soybeans, to encourage domestic production. Duties on other commodities are usually very low, with 2% tariffs on crude SBO and a 5% tariff on soybean meal. There is a 10% tariff on refined soybean oil being put up for retail sale. Egypt generally purchases grains based on price and quality assessments.

Testing procedures for agricultural commodities remain opaque and unevenly applied, causing delays and confusion. The Egyptian Government requires imported corn, soybeans, wheat, rice, soymeal and DDGS to be pre-inspected, involving six inspectors in the exporting country, even though the commodity will be re-inspected at the port of entry. In addition, special measures are in place for wheat by the General Authority for Supply Commodities (GASC). GASC requires imports of wheat to also be pre-inspected by an Egyptian Government agency prior to export. Import permits and phytosanitary certificates are also required for all commodities covered in this study.

There were some serious trade disruptions in Egypt during 2017, but only for wheat. Egypt had set a zero tolerance for the presence of ergot in imported wheat. Traders, however, immediately boycotted Egypt's wheat tenders. After three failed tenders, Egypt reversed its decision and agreed to follow the international standard for ergot of .05%. This did not fix all problems however, as traders have since complained about increased delays and mandatory sieving. It was estimated that Egypt may have lost out on up to 1.4 billion pounds on wheat purchases in 2018, according to FAS.

Corruption remains a problem in Egypt, which ranks in the bottom third of countries. It received a score of 35 on Transparency International's 2018 Corruption Perceptions Index.

Grain-oilseed situation

Egypt is a major agricultural importer and the world's largest wheat importer. Egypt's wheat and corn imports in 2017/18 were 12.4 MMT and 9.4 MMT, respectively. The U.S. has become the predominant soybean supplier to the market, accounting for 90% of soybean imports in 2018.

In the oilseed complex, domestic production of soybeans is negligible. Egypt's soy imports have increased dramatically, up from 2.1 MMT in 2016/17 to 3.2 MMT in 2017/18. Almost all of the increase was from the U.S., which has seen market share grow as a result of lower U.S. soybean prices.

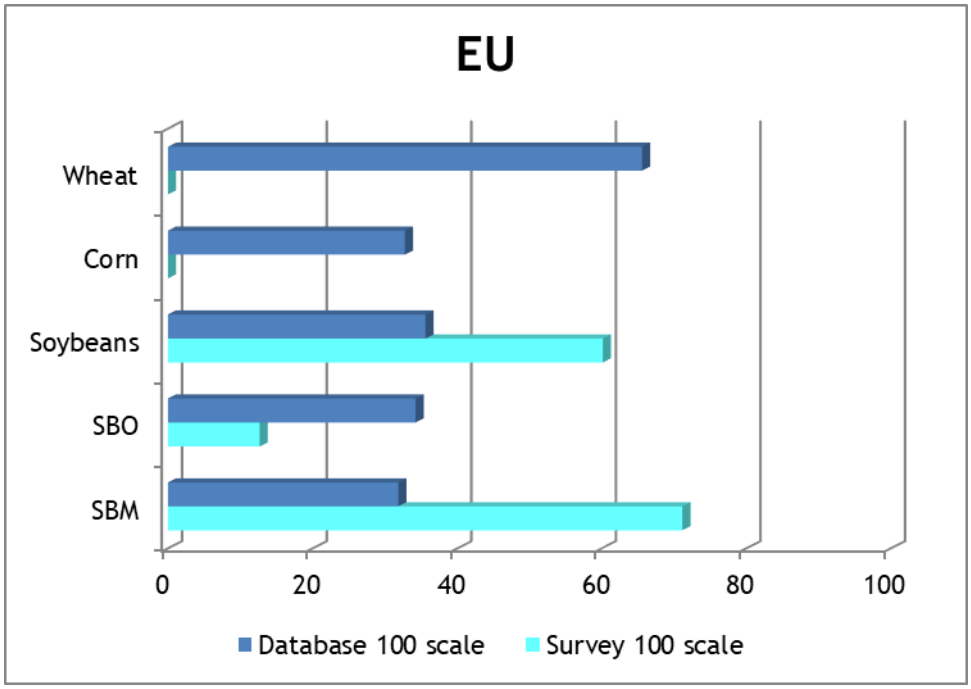
Egypt's consumption of soybean meal has expanded in recent years as the country has built up its crushing capacity. However, import volumes are quite variable. The U.S. shipped just 25,000 metric tons in 2017/18.

Egypt: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	1,350	1,350	1,260	1,260	1,320	1,320
Beginning Stocks	4,425	4,130	4,336	4,607	3,991	4,318
Yield	6	6	6	6	6	6
Production	8,250	8,300	8,100	8,100	8,450	8,450
Imports	10,150	11,300	11,925	11,175	12,407	12,500
Total Supply	22,825	23,730	24,361	23,882	24,848	25,268
Exports	195	294	554	491	730	600
Feed Dom. Consumption	2,000	2,000	1,400	1,400	1,300	1,300
FSI Consumption	16,500	17,100	17,800	18,000	18,500	18,800
Domestic Consumption	18,500	19,100	19,200	19,400	19,800	20,100
Ending Stocks	4,130	4,336	4,607	3,991	4,318	4,568

Source: USDA PS&D, 2019

EU-28



Market access

The EU is a challenging market for several commodities under review. For example, the EU has strict technical barriers to entry that make it a difficult market for wheat, corn, and sorghum from the U.S. Additionally, the EU restricts the import of low-priced grains from non-EU members with import duties and quotas.

The EU produces very few genetically engineered (GE) crops but it imports large amounts of GE feed. In July 2018, the European Court of Justice ruled that organisms created through innovative biotechnologies should be regulated as GE organisms in the EU. European consumers have been exposed to consistent negative messaging from anti-biotech groups, and as a result, attitudes towards GE products are mostly negative. However, these attitudes vary by country; on the one hand, in the United Kingdom and Spain, there are examples of GE-labeled imported food products that have been successful. On the other, in Austria, one variety of GE corn has been banned for import and processing since 2007. Bulgaria has also banned sales in schools of foods containing GE products. The EU has a lengthy and non-transparent process for approving biotech events, with the approval process usually taking several years.

As of 2015 (EU Directive 2015/412), each EU member state can ban the cultivation of GMOs within its territory. The outcome of the Directive has been described as a patchwork of GMO laws. This law does not have any impact on the import of GMOs. That said, in 2016 and 2017, the European Food Safety Authority (EFSA) concluded that several GM soybean varieties were “as safe as the non-genetically modified comparator and other non-genetically modified conventional soybean varieties.”

GM regulations have generally not been a limiting factor in U.S. soybean exports for animal feeds to the EU. The share of GE products as a percentage of total imports is estimated at 90 to 95 percent for soybean products and 20 to 25 percent for corn. The U.S., Brazil, and Argentina are the major suppliers of GE crops. The U.S. is a major supplier of soybeans and corn processing by-products and a relatively minor supplier of soybean meal and corn. The difficulty in sourcing sufficient quantities of competitively priced non-GM corn and soy for animal feed appears to be a large factor contributing to the continued importation of GM corn and soy for feed use.

The EU uses complicated technical barriers to trade such as SPS criteria managed by the industry, as well as stringent MRLs on pesticides to restrict trade. For example, in October 2018, the EU finalized a decision to reduce the MRL of chlorpyrifos-methyl (marketed as Storcide II) from 3 mg/kg to 0.05 mg/kg, essentially eliminating its use in the U.S. on wheat and sorghum destined for the EU after December 5, 2018. In June 2016, the EC made a proposal on scientific criteria to identify endocrine disruptors in the field of plant protection products. This proposal has the potential to present significant market access challenges for U.S. exports.

Country of Origin Labeling (COOL) is another recent technical barrier to trade for some U.S. products. Eight EU Member States—Finland, France, Greece, Italy, Lithuania, Portugal, Romania, and Spain—have implemented or are in the process of developing or implementing a variety of national COOL schemes that apply to different types of ingredients and finished products, have varying implementation times, and require different wording on labels. For example, since February 13, 2018, Italy has imposed COOL requirements on durum wheat used in durum wheat flour pasta. On May 7, 2018, Italy's Ministry of Agricultural, Food and Forestry Policies and the Ministry of Economic Development announced the signing of a decree which codifies that all Italian COOL measures passed since 2017 will expire on March 31, 2020.

Beyond technical barriers to trade, retaliatory tariffs have recently led to trade disruptions for some commodities under review. On June 1, 2018, the U.S. imposed duties of 25 percent and 10 percent on imports of steel and aluminum, respectively, from the EU. In response, on June 21, 2018, the EC published measures to impose tariffs on 2.8 billion euro ($3.2 billion) of U.S. exports including approximately $1 billion in agricultural products. On June 22, the Commission published the Commission Implementing Regulation (EU) 2018/886, which laid out additional rates on products originating from the U.S. ranging from 10 to 25 percent, including a 25 percent tariff on corn.

Corruption is not generally a concern in the EU, except for some of the newer member countries and even then, it is less of a concern than in many other export markets around the world. Turkey is the most problematic member. It scored a 41 on Transparency International's Corruption Perceptions Index, whereas the other countries routinely score in the 60s or higher.

Grain-oilseed situation

The EU is a significant wheat net exporter, but relies on imports of corn, coarse grains, soybeans, and soybean meal. EU wheat production in 2017/18 was 151 MMT, of which 23 MMT were exported. Net corn imports were nearly 17 MMT. The main story here is increased use in the feed sector,

mainly in Spain where increased imports compensated for a domestic shortfall. The primary origin of corn imports is Brazil and Ukraine. Corn imports from Argentina are limited by pesticide issues.

The EU is the world's second largest soybean importer after China, and the EU has imported more U.S. and less Brazilian soybeans lately due to the low price of U.S. beans following China's retaliatory tariffs in June 2018. As a result, in June 2018, EU imports of U.S. soybeans from the U.S. were 6.5 times larger than in June 2017.

Soybean meal consumption in the EU has continued to grow, with demand at over 30 MMT in 2017/18. In 2017/18, production was nearly 12 MMT and imports, 18 MMT. Brazil and Argentina represent approximately 85 percent of the total, with Paraguay and the U.S. also contributing. The EU also imported nearly 15 MMT of soybeans for crushing in 2017/18, roughly 38 percent of which came from the U.S.

U.S. soybean oil exports to the EU have fallen from 40,000 MT in 2012/13 to only a few hundred MT in the last few years.

European Union: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	25,884	26,747	26,829	27,232	26,160	25,701
Beginning Stocks	10,711	9,935	12,692	15,490	10,719	13,995
Yield	6	6	6	5	6	5
Production	144,583	156,912	160,480	145,369	151,141	137,219
Imports	3,976	5,977	6,928	5,299	5,824	5,800
Total Supply	159,270	172,824	180,100	166,158	167,684	157,014
Exports	32,035	35,455	34,760	27,439	23,289	24,000
Feed Dom. Consumption	49,000	55,000	59,000	56,000	58,000	52,000
FSI Consumption	68,300	69,677	70,850	72,000	72,400	71,100
Domestic Consumption	117,300	124,677	129,850	128,000	130,400	123,100
Ending Stocks	9,935	12,692	15,490	10,719	13,995	9,914

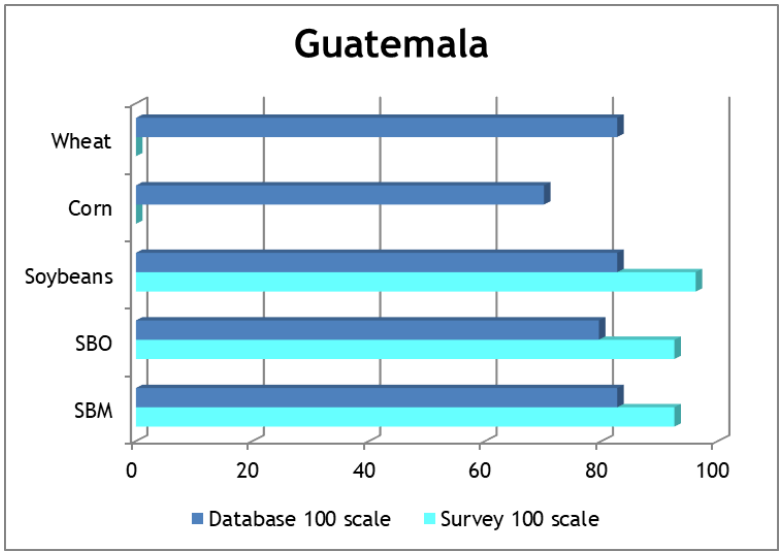
Source: USDA PS&D, 2019

Source: USDA PS&D, 2019

Source: USDA PS&D, 2019

Source: USDA PS&D, 2019

GUATEMALA



Market access

Guatemala is one of the Central American nations that have ratified the Dominican Republic-Central America Free Trade Agreement with the United States. It went into force in 2006. Under the agreement, tariffs and non-tariff barriers on a variety of products have been either eliminated, or in some cases are being gradually eliminated over a 15 to 20-year period. For most products under review, the tariff faced by US exports is 0%, other than out-of-quota yellow/white corn (15%/20%), and refined soybean oil (1%). U.S. wheat, in-quota corn, soybeans, soybean meal, and crude soybean oil enter Guatemala duty free.

Phytosanitary certificates and import permits remained an issue. In addition, corruption is a pretty significant problem: Guatemala's score on Transparency International's 2018 Corruption Perceptions Index was 27.

Grain-oilseed situation

Guatemala does not produce a significant amount of wheat. The country relies primarily on the US (500,000 MT in 2017/18) for its import needs. Corn production is generally 1.8 MMT, primarily white corn. Imports in 2018 were approximately, 1.2 million MT in 2017/18, most of which (over 80%) came from the US.

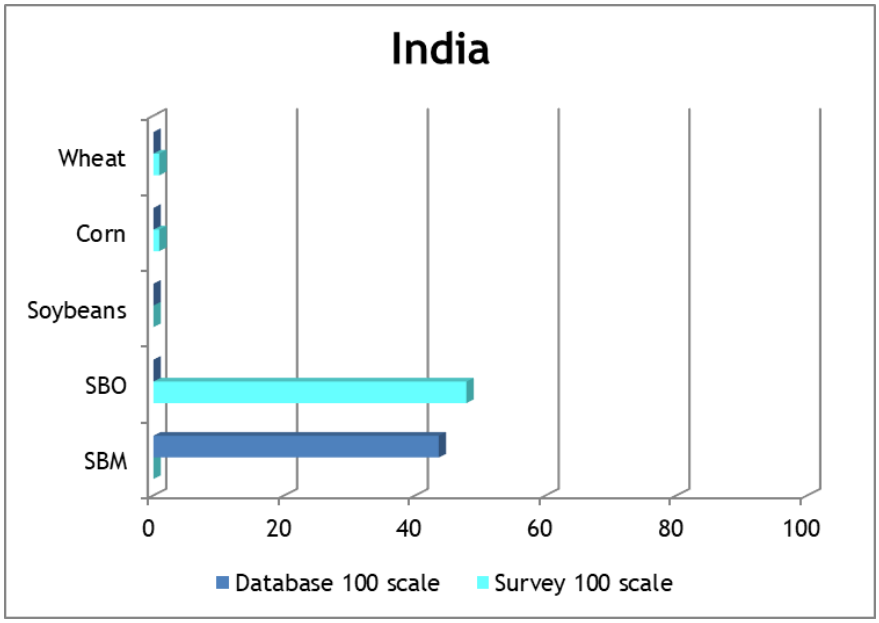
Guatemala does not produce meaningful volumes of soybeans, nor does it have significant soybean crushing capacity. It relies primarily on the U.S. for its import needs, purchasing 404,000 MT of soybean meal and over 70,000 MT of soybean oil in 2017/18.

Guatemala: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	1	1	1	1	1	1
Beginning Stocks	108	119	138	131	138	105
Yield	2	2	1	1	1	1
Production	2	2	1	1	1	1
Imports	613	635	620	644	631	650
Total Supply	723	756	759	776	770	756
Exports	39	43	43	38	45	45
Feed Dom. Consumption	40	40	40	40	40	40
FSI Consumption	525	535	545	560	580	580
Domestic Consumption	565	575	585	600	620	620
Ending Stocks	119	138	131	138	105	91

Source: USDA PS&D, 2019

INDIA



Market access

India maintains its reputation for being a difficult market for U.S. grain exporters to penetrate. With minor exceptions, the country effectively blocks imports of many agricultural commodities including wheat, corn, soybeans, and sorghum.

Most products face tariffs from 30%-50%. Rates had been lower until mid-2018, when India raised the tariff on wheat to 40%. Corn faces a 50% tariff and the tariff on soybeans is 30%. India also raised its import tariffs on soybean oils: crude SBO faces a 35% tariff and refined SBO, 45%. In addition, imports face a 10% social welfare charge (this charge is multiplicative, i.e., turning the 45% refined oil tariff into a 49.5% assessment).

Tariffs are also compounded by taxes levied by city, state, and central authorities, with total impacts much higher than the effective applied rate. Also, India has previously raised tariff rates to WTO bound levels (as high as 100%) to manage prices and supply. In 2018,

Many non-tariff barriers also exist. SPS requirements are particularly restrictive. India wheat tenders frequently include SPS requirements that the U.S. cannot certify. In addition, tender specifications remain all but impossible to meet because of prohibitive wheat disease requirements and unnecessary fumigation requirements. India's SPS requirements have kept U.S. wheat imports out of the country.

To these SPS restrictions can be added opaque customs procedures and import licensing – i.e., the requirement to obtain prior approval from India's Genetic Engineering Approval Committee and mandatory labeling to import genetically modified goods. The government specifies technical requirements on all grains but applies them to exclude specific commodities. In addition, documentation procedures frequently are met with delays.

Corruption remains an issue, as India scored a 40 out of a possible 100 points (with 100 being the least corrupt) on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

India is a sizeable producer of wheat, corn, and soybeans, in any given year producing approximately 100 MMT, 28 MMT, and 11 MMT of each crop, respectively. The country effectively blocks imports of these three commodities, with few exceptions.

Demand for imported oils exceeds domestic production, however. Most imports are of palm oil, though India imported 3.4 MMT of soybean oil in 2018, up sharply from around 1 MMT in 2012 and 2013. Argentina supplied three-quarters of this total, and Brazil most of the rest.

Historically, India has exported excess soybean meal, over 4 MMT in 2012 and 2013. By 2016, however, exports were down to 618,000 MT. Increased production since 2016 forward has led to increased exports, which reached 1.8 MMT in 2018.

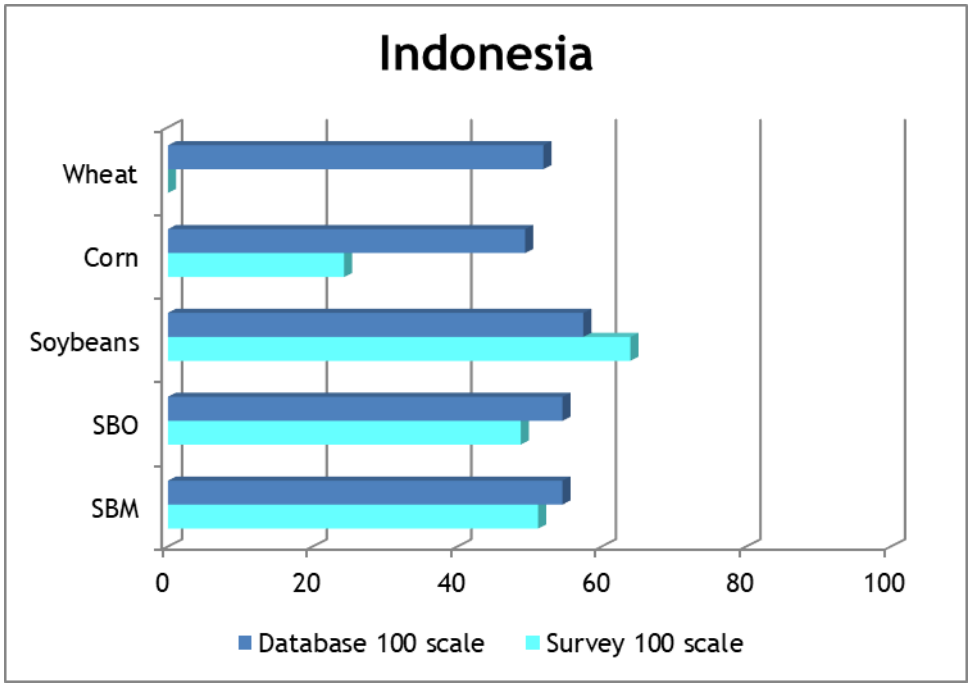
In the name of food security, the Indian government allows for the stockpiling of food grains through extensive government procurement. Much of the stockpile is purchased from Indian farmers. The stockpiles are often dumped onto international markets, distorting trade. In addition, a broad range of assistance - including subsidies for inputs, debt forgiveness and minimum support prices - distorts the market and presents competition for international suppliers.

India: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	30,003	30,549	31,470	30,220	30,785	30,000
Beginning Stocks	24,200	17,830	17,220	14,540	9,800	13,203
Yield	3	3	3	3	3	3
Production	93,506	95,850	86,530	87,000	98,510	99,700
Imports	25	51	471	5,896	1,166	100
Total Supply	117,731	113,731	104,221	107,436	109,476	113,003
Exports	6,053	3,409	1,130	516	439	500
Feed Dom. Consumption	4,800	4,500	4,200	4,700	5,000	5,000
FSI Consumption	89,048	88,602	84,351	92,420	90,834	90,000
Domestic Consumption	93,848	93,102	88,551	97,120	95,834	95,000
Ending Stocks	17,830	17,220	14,540	9,800	13,203	17,503

Source: USDA PS&D, 2019

INDONESIA



Market access

Tariffs on wheat and corn are low—between zero and five percent, depending on the product. However, Indonesia imposes restrictions on feed corn imports, limiting the right to import to the state-owned procurement body, the Bureau of Logistics (BULOG). Some corn imports intended for starch manufacturing are allowed; import volumes are set based on the level of domestic feed production. Indonesian tariffs are also low for the soy complex: soybeans and products are all zero percent. For many products, Indonesia has preferential tariffs for ASEAN trading partners. Most products also face a 10 percent VAT.

Since at least 2012, the Indonesian government has required import licenses for grains and oilseeds, as well as phytosanitary certificates. Additionally, there are product label requirements, pre-shipment inspection requirements, local content and domestic manufacturing requirements, and quantitative restrictions that impede imports of U.S. products. Many of these rules are trade-restrictive, and the U.S. has challenged them under the WTO's dispute settlement procedures. In 2016, the WTO found for the U.S. on 18 out of 18 claims. In August 2018, the U.S. requested authorization from the WTO to take countermeasures. Indonesia has objected to the countermeasures and the matter is now in arbitration.

Although the Indonesian government and the Corruption Eradication Commission (KPK) investigate and prosecute high-profile corruption cases, many stakeholders continue to view corruption as a significant barrier to doing business in Indonesia. The country scored a 38 of a possible 100 points (with 100 being the least corrupt) on Transparency International's 2018 Corruption Perceptions Index.

Grain-oilseed situation

Demand for wheat imports rose in 2017/18, in part due to the Indonesian government's corn import restrictions. The high-end bakery sector also continues to drive edible wheat consumption. While there is no official written document regulating the import of wheat, FAS notes that feed grade wheat imports are unofficially regulated. For example, in 2017/18, Indonesia's Ministry of Agriculture (MOA) only allowed feed mills to import 200,000 MT of feed grade wheat. Many importers work around this barrier by importing wheat for flour milling, then selling it to feed mills for poultry and livestock feed. Australia and Ukraine currently dominate the market with roughly 30 percent market share each, with Russia and Canada each contributing an additional 15 percent. The U.S. represented approximately 12 percent of the import market. Turkey holds the largest wheat flour market share (40%), followed by Romania (27%), South Korea (12%) and Canada (10%).

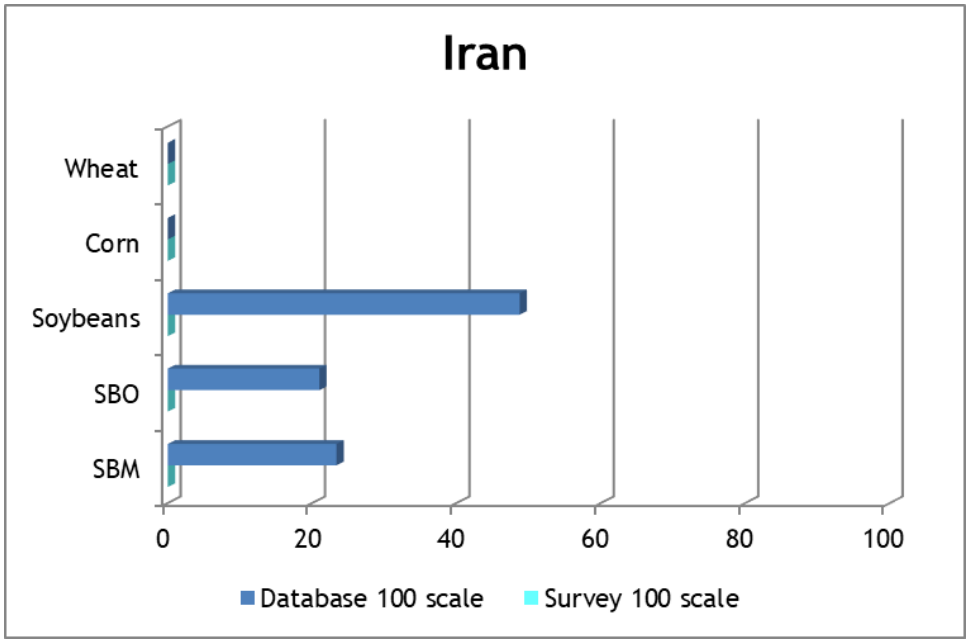
Corn imports for use in poultry and livestock feed are banned, which has led to steady declines in imports, reaching just 530,000 MT in 2017/18. Most corn imports originate from the U.S. (56%), Argentina (21%), and Brazil (17%).

Soybean imports fell slightly to 2.48 MMT from 2.65 MMT in 2016/17. Soybean meal imports reached nearly 4.5 MMT in 2017/18, though more than 90 percent comes from Brazil and Argentina due to their lower prices compared to U.S. soybean meal.

Indonesia: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	1,560	1,485	1,315	1,990	1,862	1,515
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	7,391	7,477	10,045	10,176	10,516	11,000
Total Supply	8,951	8,962	11,360	12,166	12,378	12,515
Exports	301	282	270	304	263	300
Feed Dom. Consumption	165	165	1,600	1,800	2,100	2,000
FSI Consumption	7,000	7,200	7,500	8,200	8,500	8,700
Domestic Consumption	7,165	7,365	9,100	10,000	10,600	10,700
Ending Stocks	1,485	1,315	1,990	1,862	1,515	1,515

IRAN



Market access

On May 8, 2018 the U.S. announced its withdrawal from the Joint Comprehensive Plan of Action (Iran Deal), reinstating sanctions that had been lifted with the deal. This resulted in economic assets being frozen and an embargo on almost all trade with Islamic Republic. Agricultural commodities and food have been exempted from the sanctions, both by U.S. and non-U.S. based actors, according to guidance issued by the Department of the Treasury. Despite these exemptions, potential Iranian customers are limited by asset freezes and banking sanctions.

Iran tariffs vary by commodity but are generally low. Wheat and soybean meal imports face a 10 percent duty, while corn and soybeans face a five percent tariff. Soybean products face higher tariffs, 20 percent for crude soybean oil and 26 percent refined soybean oil. These products are also subject to an eight percent VAT (though raw agricultural commodities are VAT exempt).

Several U.S. agricultural commodities are officially listed as being prohibited, including wheat and soybeans. In the case of soybeans this is not enforced, as the U.S. has been exporting soybeans to Iran since 2015, with volumes dramatically increasing in 2018 (from 25 MT in 2017 to 318 MT in 2018). Apart from import restrictions for wheat and soybeans, there are no quantitative restrictions for imports.

Iran enacted a GMO labeling law in 2018, which impacts corn and soybeans. Iran also has phytosanitary requirements for corn.

Corruption is a major issue in Iran, which scored a 28 of a possible 100 points on Transparency International's 2018 Corruption Perceptions Index.

Grain-oilseed situation

Iran produces of 14 MMT of wheat each year. Imports have been decreasing since 2013/14. Iran keeps large stockpiles of wheat every year, helping ensure demand is met. By contrast, Iran is heavily reliant on corn imports, which have increased by more than 60 percent since 2013/14.

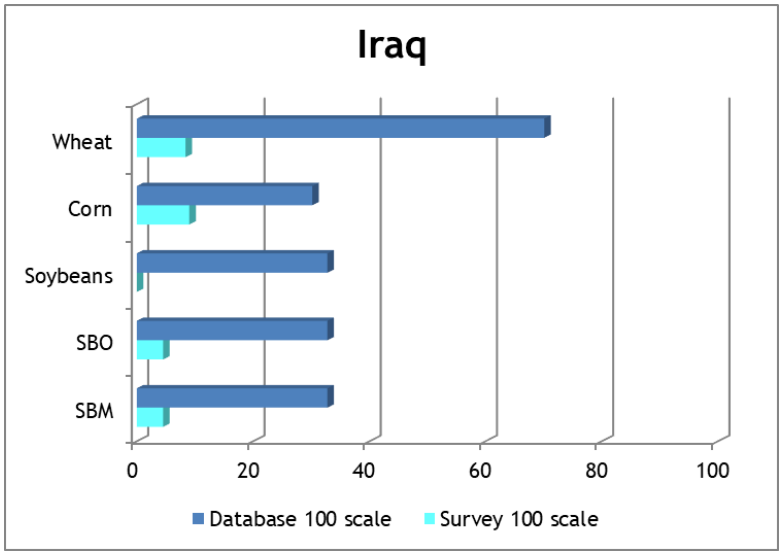
Iran also depends on imports to meet soybean demand; imports were 2.5 MMT in 2017/18, about 91 percent of total supply. Demand has risen dramatically in the past five years, from 447,000 MT in 2013/14 to 2.7 MMT in 2017/18. Almost all soybeans in Iran are crushed. In addition to local soybean meal production, the country has also imported an average of close to 1.5 MMT annually since 2013/14. Iran is a minor importer of soybean oil.

Iran: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	6,400	6,061	6,700	6,700	6,700	6,700
Beginning Stocks	5,316	7,751	9,466	11,166	10,416	8,066
Yield	2	2	2	2	2	2
Production	14,000	13,000	14,500	14,500	14,000	14,500
Imports	4,850	6,315	3,500	1,200	200	250
Total Supply	24,166	27,066	27,466	26,866	24,616	22,816
Exports	165	1,200	200	200	650	400
Feed Dom. Consumption	2,500	2,500	2,000	2,000	1,500	1,500
FSI Consumption	13,750	13,900	14,100	14,250	14,400	14,600
Domestic Consumption	16,250	16,400	16,100	16,250	15,900	16,100
Ending Stocks	7,751	9,466	11,166	10,416	8,066	6,316

Source: USDA PS&D, 2019

IRAQ



Market access

Iraq's import demand for many agricultural commodities has rebounded in recent years. This is likely due to increased demand from the private sector. Before 2014, the Ministry of Trade (MOT) was the primary importer of commodities such as wheat and rice for use in the Public Distribution System (PDS)—a program designed to provide soybean oil, sugar, rice, and wheat flour to nearly all Iraqi citizens each month. Wheat imports have increased in the past two years largely to supply the PDS system as political turmoil in the region has subsided.

Generally, tariff rates are low, in the 5%-10% range, and TRQs are not used in Iraq. However, soybean market access there remains limited due to inconsistent application of laws and regulations, corruption, poor infrastructure, limited working capital, and competition from informal markets. Complex feed test processes and seasonal bans on many imports and requirements for sampling prior to arrival further hinder trade.

Corruption is systemic and widespread in Iraq. Transparency International scores the country 17 out of 100 on its 2017 Corruption Perceptions Index, one of the lowest scores in the world.

Grain-oilseed situation

The GBI (Grain Board Iraq) is a single desk monopoly for the purchase and import of wheat. Wheat production for 2017/18 was estimated at 4 MMT. Wheat is one of five basic commodities distributed through the Iraqi Public Distribution System (PDS), which generally keeps wheat imports in the 3-4 MMT range. However, the political strife in the region has severely hampered the internal distribution channels, forced migration of residents, and disrupted the government revenues affecting its ability to tender more purchases. As a result, imports fell about a million metric tons from 2014 to 2016. Imports recovered in the 2017/18 marketing year and are projected to be over 4 million for the 2018/19 marketing year. Corn production and imports are modest; total supply is approximately 500,000 MT per year.

Approximately 200,000 MT of soybean meal was imported in 2017/18.

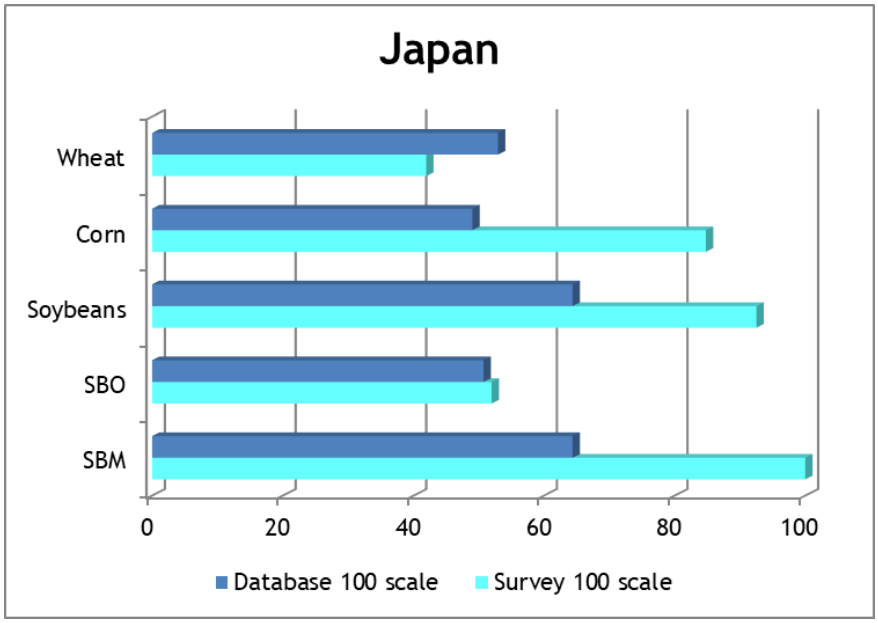
Most domestic and international trade reporting services do not provide recent grain and oilseed trade figures for Iraq.

Iraq: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	2,565	2,460	2,450	2,350	2,200	1,700
Beginning Stocks	783	729	582	810	881	1,289
Yield	1	1	2	2	2	2
Production	3,300	3,500	4,410	4,225	4,000	3,000
Imports	3,246	2,253	2,218	2,446	4,108	4,300
Total Supply	7,329	6,482	7,210	7,481	8,989	8,589
Exports	0	0	0	0	0	0
Feed Dom. Consumption	800	400	650	650	1,300	900
FSI Consumption	5,800	5,500	5,750	5,950	6,400	6,600
Domestic Consumption	6,600	5,900	6,400	6,600	7,700	7,500
Ending Stocks	729	582	810	881	1,289	1,089

Source: USDA PS&D, 2019

JAPAN



Market access

Japan is a critical destination for U.S. agricultural exports and the U.S. is the key grain and oilseed supplier. Official tariffs are mostly zero on GOMAI products, though Japan places high unit tariffs on soy oils, minimizing imports.

In September 2017, the Ministry of Health, Labor and Welfare (MHLW) announced revisions to Japan's Maximum Residue Levels (MRLs) for numerous pesticides, many of which affect soybeans and soybean oil. Japan is expected to finalize a new GE food policy in 2019 or 2020.

The U.S. opened negotiations for a bilateral trade agreement with Japan in late 2018. Japan has indicated that agricultural concessions will be similar to what they would have been under the Trans-Pacific Partnership. Specific changes being sought by the U.S. grain exporters include a rapid response mechanism to address adverse import checks; enhanced technical consultations for SPS disputes; regulatory coherence mechanisms; the promotion of science-based standards and assessments; the inclusion of provisions favorable to biotechnology improvements; and an Investor-State Dispute Settlement System that includes agriculture. The new deal is expected to be put into place in late 2019.

Japan's plant quarantine system frequently bans all imported products when the home country imposes a quarantine of any kind (narrow though it may be).

Grain-oilseed situation

Japan is heavily import-dependent when it comes to grains (other than rice), oilseeds, and oilseed products. The country is a large, reliable importer of US agricultural commodities and US imports usually have a very high market share – typically 50% for wheat, 80% for corn, and 70% for soybeans.

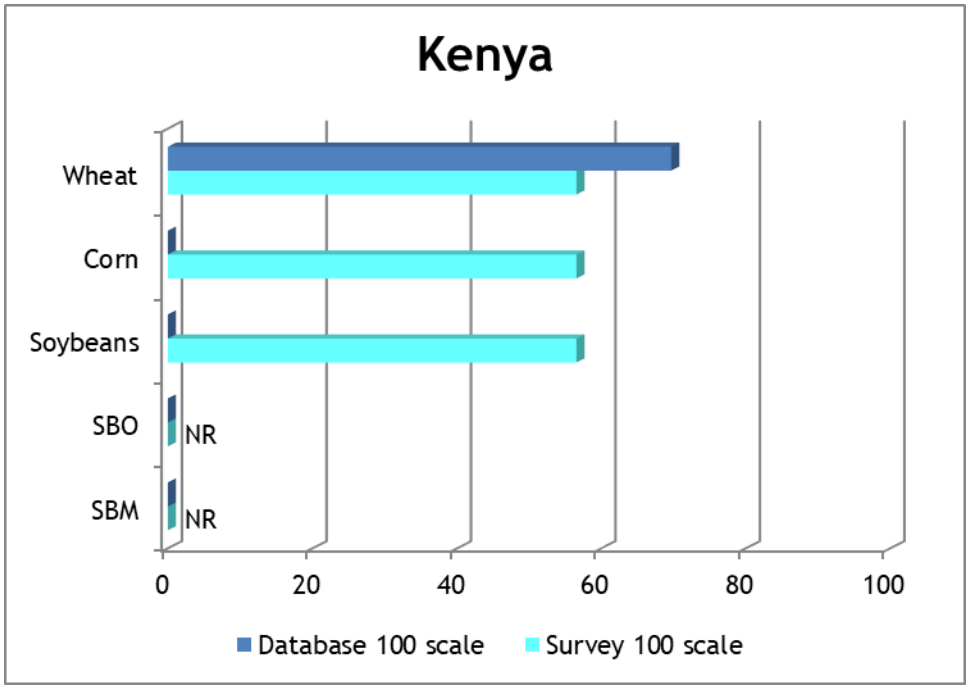
Japan imported 5.9 MMT of wheat, 15.6 MMT of corn, and 3.2 MMT of soybeans in 2017/18. Japan also consistently imports about 1.8 MMT of soybean meal per year. The US had a 13% market share in 2017 (up from 10% the year before). Commodity import volumes have been relatively stable.

Japan: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	210	213	213	214	213	212
Beginning Stocks	1,243	1,159	1,227	1,288	1,210	1,181
Yield	4	4	5	4	5	4
Production	903	903	1,058	891	972	880
Imports	6,123	5,878	5,715	5,911	5,876	5,800
Total Supply	8,269	7,940	8,000	8,090	8,058	7,861
Exports	269	262	258	277	277	270
Feed Dom. Consumption	941	551	654	803	750	680
FSI Consumption	5,900	5,900	5,800	5,800	5,850	5,850
Domestic Consumption	6,841	6,451	6,454	6,603	6,600	6,530
Ending Stocks	1,159	1,227	1,288	1,210	1,181	1,061

Source: USDA PS&D, 2019

KENYA



Market access

Kenya is a mostly open economy, though significant restrictions exist for many GOMAI products. The country tends to impose quantitative restrictions on products for which environment, health, or safety concerns exist. That said, according to USTR, Kenyan officials often seem to exercise discretion when applying these restrictions, with the objective of protecting domestic industries.

Kenya requires all importers to pay an import declaration fee of 2.25 percent of the customs value of imports and to meet other document requirements or goods will be subject to rejection or enhanced inspection. Enhanced inspection costs approximately 15 percent of the total value of the imported goods and they still may be rejected if they fail the inspection.

In November 2012, the Kenyan Ministry of Public Health ordered the removal from the market of all foods, feed, and seeds derived from agricultural biotechnology and banned genetically engineered (GE) food and feed imports. The ban remains in place.

Wheat from the U.S. Pacific Northwest has been banned by Kenya since 2006. The Kenyan government claims the ban is related to concerns over the flag smut fungus. Registered millers in Kenya face a 10 percent ad-valorem tariff when importing, while others face the East African Community (EAC) common external tariff of 35 percent.

Imported corn is subject to a total aflatoxin limit of 10 parts per billion (ppb) and a 13.5 percent maximum moisture content. The aflatoxin limit is lower than the Codex Alimentarius Commission and U.S. standard of 20 ppb. Most U.S. corn also has a moisture content higher than 13.5 percent.

Thus, most U.S. corn exports are denied import permits. Popcorn imports are restricted to a six percent maximum moisture content. The U.S. limit is 12.5-15 percent.

Corruption is a substantial barrier to doing business in Kenya. The country scored a 27 of a possible 100 points (with 100 being the least corrupt) on Transparency International's 2018 Corruption Perceptions Index.

In 2017, the EAC introduced the EAC Elimination of Non-Tariff Barriers (NTBs) Act, which is currently under review by Kenya.

Grain-oilseed situation

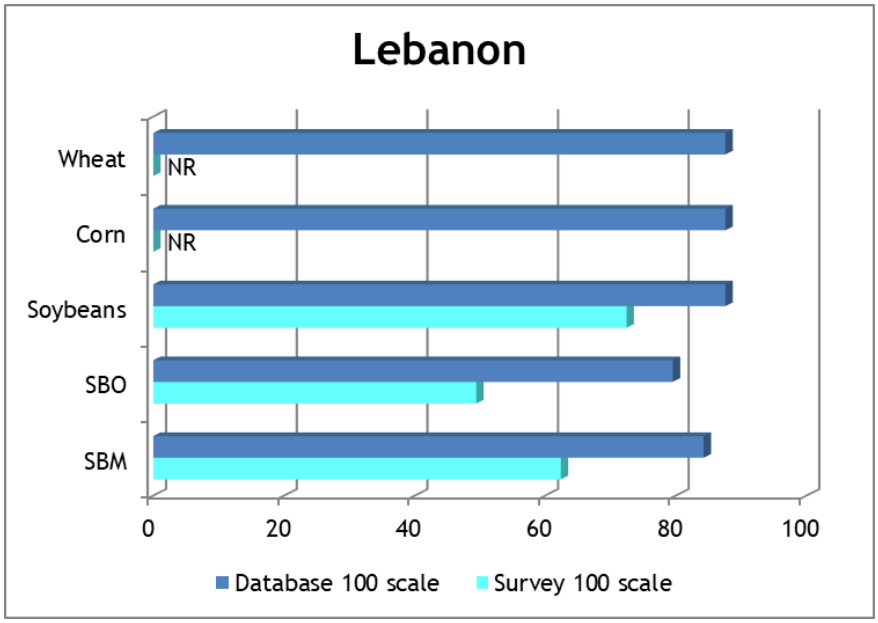
Wheat imports reached 2.16 MMT in 2017/18, mostly sourced from Russia, Argentina, Canada, and Latvia. According to FAS, commercial wheat imports from the U.S. began in 2016/17, although the U.S. has also exported wheat to Kenya in the past as part of various Food Aid programs. Higher corn flour prices, the removal of the VAT tax on wheat flour, and an increase in local milling capacity have contributed to demand growth.

Most corn imports are from the Common Market for Eastern and Southern Africa (COMESA) / EAC countries. Outside of COMESA/EAC, only a few countries—including Mexico, South Africa, Russia, and Ukraine—have penetrated the Kenyan corn market.

Kenya: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	163	147	120	153	86	170
Beginning Stocks	128	237	168	149	141	141
Yield	3	2	2	1	2	2
Production	450	229	239	222	165	360
Imports	1,473	1,507	1,634	1,774	2,157	2,100
Total Supply	2,051	1,973	2,041	2,145	2,463	2,601
Exports	14	5	42	4	22	15
Feed Dom. Consumption	150	150	150	150	150	170
FSI Consumption	1,650	1,650	1,700	1,850	2,150	2,250
Domestic Consumption	1,800	1,800	1,850	2,000	2,300	2,420
Ending Stocks	237	168	149	141	141	166

LEBANON



Market access

Lebanon has comparatively open markets for agricultural commodities. There are no import quotas on any grain or soybean products and there are no import duties on grains or soybeans. Soybean meal and oil do face import duties of five percent and nine percent respectively, but these are protective rates and the applied rate can be zero. In early 2017, Lebanon raised the VAT from 10% to 11%. However, most domestic and imported agricultural products are exempt from the VAT.

There are no current shipments of wheat to Lebanon and only modest shipments of soybean meal and oil. An oil crushing plant will become operational soon. Societe Huiles et Derives (SHD) reopened a factory for crushing soybeans and refining oil in the city of Selaata. Production capacity is 1,000 tons of crushed soybeans (equivalent to 800 tons of soy meal) and 350 tons of soybean oil per day. This resulted in a large increase in soybean volumes exported to Lebanon from the U.S. (from no imports in 2017 to 75,000 MT imports in 2018). Lebanon also imported over 20,000 MT of corn from the U.S. in 2017 and 2018.

Technical and procedural barriers to trade appear to be modest. Corruption is a significant issue, though: bribes for import purposes are illegal but are common. Lebanon scored a 28 of a possible 100 points on Transparency International's 2018 Corruption Perceptions Index.

Lebanon has been facing a large-scale refugee crisis, driven by the warring factions in neighboring Syria. Lebanon has the third highest refugee population in the world, more than a million refugees, and the highest number of refugees per 1,000 inhabitants.

Grain-oilseed situation

Lebanon has significant demand for wheat & corn. The country typically imports about 80% of its wheat needs; imports have increased in the past five years. Imports of wheat average about 500,000 MT and are mostly Black Sea or EU origin due to the geographic proximity of those suppliers. Lebanon does not produce a significant quantity of corn, so it is virtually all imported – over 1 MMT in 2017/18. A small percentage of corn imports comes from the U.S. (2% in 2017/18).

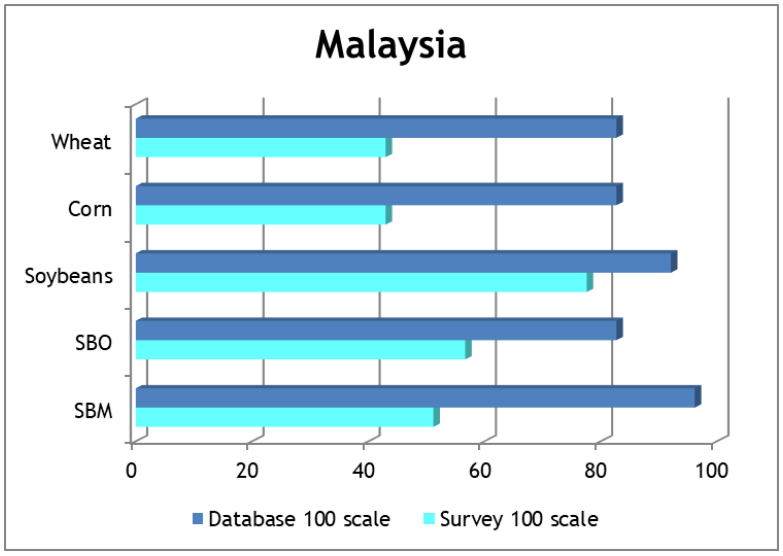
Lebanon has modest demand for soybeans or soybean products. As noted above, soybean imports began in 2018 with the opening of a crushing facility. In addition, 175,000 MT of soybean meal and 12,000 MT of soybean oil were imported in 2017/18. A majority (91%) of soybean meal imports are sourced from Argentina; the U.S. supplied just over 1,000. The U.S. is the largest supplier of soybean oil (1,900 MT), followed by the Netherlands and Russia.

Lebanon: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	48	48	40	42	39	40
Beginning Stocks	15	0	6	100	131	156
Yield	3	3	3	3	3	3
Production	140	140	139	140	130	130
Imports	580	624	1,058	1,493	1,596	1,550
Total Supply	735	764	1,203	1,733	1,857	1,836
Exports	15	4	3	2	1	0
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	720	754	1,100	1,600	1,700	1,700
Domestic Consumption	720	754	1,100	1,600	1,700	1,700
Ending Stocks	0	6	100	131	156	136

Source: USDA PS&D, 2019

MALAYSIA



Market access

Malaysia produces no wheat or soybeans and very little corn. Consequently, it must meet its needs through imports and thus has few price barriers: GOMAI products are duty free, except for a 5% tariff on soybean oil.

In November 2010, Malaysia began enforcing mandatory labeling of food and food ingredients obtained through modern biotechnology, a consequence of the Biosafety Act of 2007. The biotech-labeling requirement went into effect in 2014 but has not yet been enforced.

Malaysia implemented a goods and services tax (GST) in April 2015, which was expected to dampen future demand for corn and wheat imports. However, it does not appear that trade was hindered at all; according to the latest PSD data, imports have grown. The tax applies to both domestic and imported goods.

Grain-oilseed situation

Malaysia is the world's second largest palm oil producer, but relies on imports for its wheat, corn, and soybeans. Annual imports of the three commodities were 1.6, 3.6, and 0.7 MMT, respectively, in 2017/18. Corn imports are expected to grow as the livestock sector expands to meet consumer demand for pork and poultry.

Australia is Malaysia's largest wheat supplier, providing about half of its imports. For corn, Argentina and Brazil combine to supply over 90% of the market.

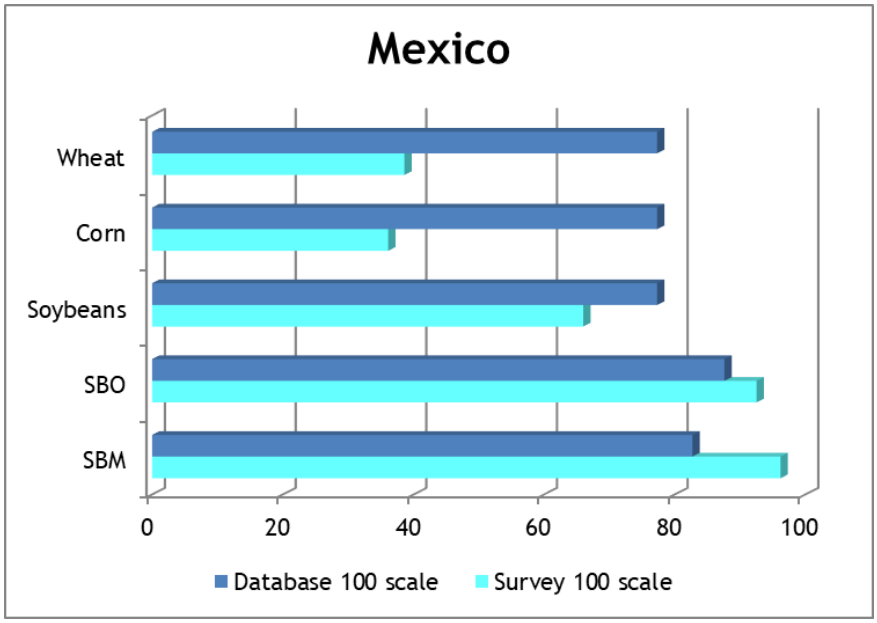
The US supplied close to 500,000 MT of Malaysia's 690,000 MT of soybean imports in 2017/18. Malaysia also imported 1.5 MMT of soybean meal, primarily from Argentina, which is reported to have a freight advantage to the Malaysian market.

Malaysia: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	270	334	260	313	410	256
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	1,683	1,572	1,699	1,790	1,612	1,700
Total Supply	1,953	1,906	1,959	2,103	2,022	1,956
Exports	164	171	156	153	176	150
Feed Dom. Consumption	40	40	40	40	40	40
FSI Consumption	1,415	1,435	1,450	1,500	1,550	1,600
Domestic Consumption	1,455	1,475	1,490	1,540	1,590	1,640
Ending Stocks	334	260	313	410	256	166

Source: USDA PS&D, 2019

MEXICO



Market access

Mexico is the largest market for U.S. grain and oilseed products in the Americas. NAFTA eliminated tariffs on all varieties of U.S. grains and oilseeds. The U.S. has been renegotiating the North American Free Trade Agreement, and as of this writing a Statement of Administrative Action has been submitted to Congress, which indicates the new deal would have to be passed within 90 days. Outside of improving access for U.S. dairy to Canada the new United States-Mexico-Canada Agreement (USMCA) is expected to maintain the same agricultural provisions as NAFTA.

Trade administration procedures and regulations continue to be complex, however. Lack of administration and regulation transparency periodically hampers importers and creates unnecessarily complicated procedures. U.S. commodities are subjected to multiple SPS measures and other requirements, which have created ongoing problems with delayed and blocked shipments of U.S. commodities.

Mexico's stance on biotech varies among crops and is still evolving. Mexico has grown biotech crops, on a field trial basis, since 1988. In late 2018, Mexico set out new requirements for assessing the risks of GM organisms. Each new GM product is to be evaluated on a case by case basis. Evaluations are required to obtain a permit for experimental release of a GM organism into the environment.

Mexico is one of the more corrupt countries reviewed by Transparency International. Mexico scored a 28 on the Corruption Index in 2018.

Grain-oilseed situation

Mexico imported 5.2 MMT of wheat in 2017/18, more than half its wheat needs. The US was the largest outside supplier to the market, with almost 71% import market share. The market for corn is much larger, yet despite 27.5 MMT of production, in 2017/18 Mexico still imported 14 MMT of corn, 98% from the U.S.

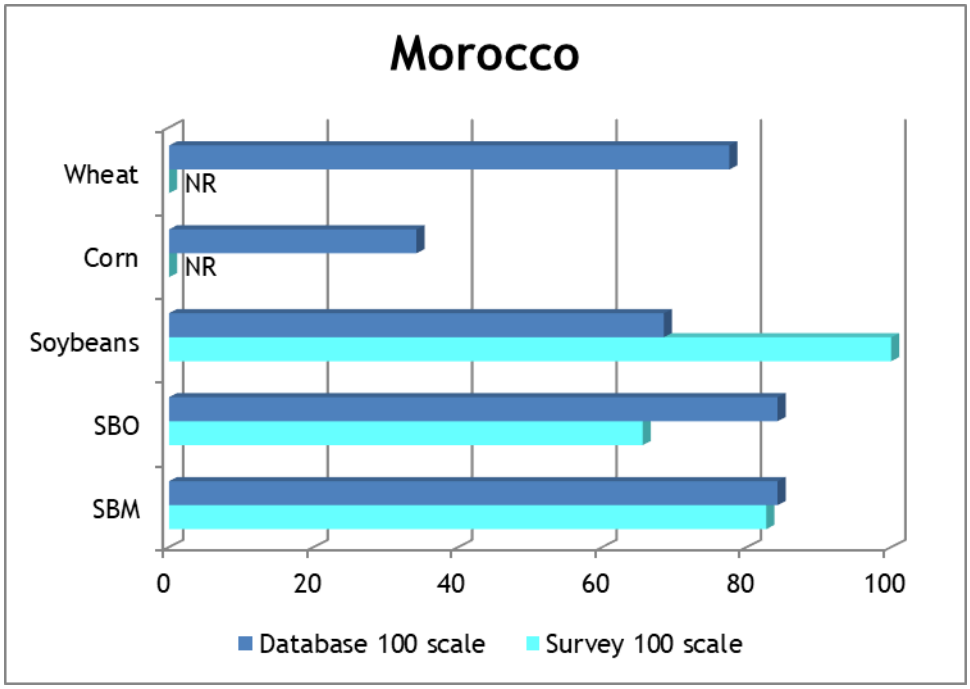
Mexico relies heavily on imported soybeans, soybean meal, and soybean oil. In 2018, it imported 3.8 MMT, 1.5 MMT, and 241,000 MT of each, respectively, from the U.S. For all three products, Mexico was the U.S. #2 export market. The U.S. import market share was almost 90% for soybeans and more than 90% for soybean meal and soybean oil.

Mexico: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	634	707	820	724	667	540
Beginning Stocks	501	525	712	660	876	768
Yield	5	5	5	5	5	6
Production	3,357	3,670	3,711	3,865	3,494	3,000
Imports	4,639	4,471	4,805	5,370	5,245	5,300
Total Supply	8,497	8,666	9,228	9,895	9,615	9,068
Exports	1,322	1,104	1,568	1,119	1,147	700
Feed Dom. Consumption	350	400	400	700	400	300
FSI Consumption	6,300	6,450	6,600	7,200	7,300	7,400
Domestic Consumption	6,650	6,850	7,000	7,900	7,700	7,700
Ending Stocks	525	712	660	876	768	668

Source: USDA PS&D, 2019

MOROCCO



Market access

The United States-Morocco Free Trade Agreement (USMFTA) went into force in 2006, gradually eliminating duties on more than 95 percent of all goods and services. The phase-out period ended on December 31, 2015. Almost all U.S. exports to Morocco are duty free, including most agricultural products.

Morocco relies on imported wheat to meet all its consumption needs. Wheat and durum have preferential access for U.S. (and EU) exporters through two TRQs, but the administration of the TRQs continues to be fraught with difficulties. Durum wheat tariffs are low and predictable most of the year (except for June and July), but import duties for common wheat remain somewhat unpredictable.

At the October 2017 Sanitary and Phytosanitary (SPS) and Agriculture Sub-Committee meeting of the USMFTA Joint Committee, Morocco committed to ensuring that wheat quota tenders would be delivered in a timely fashion. However, in 2018, Morocco was late in issuing the fall durum tender and did not announce the common wheat tender. Also, at the Sub-Committee meeting, Morocco upheld its commitment to retain Deoxynivalenol (DON) levels consistent with Codex Alimentarius Commission for wheat import tolerances.

In December 2018, Morocco issued a circular enforcing its accelerated tariff phase out for several products, including wheat. The circular also contained the 2019 TRQ amounts and updated tariff rates for wheat.

Tariffs are zero on corn, soybeans, soybean oil, and soybean meal. Conditions for exports have greatly improved over the years since GOMAI began, with low tariffs, better infrastructure, and more predictable shipping services. Furthermore, customs service reforms have allowed for more timely and efficient processing and administration.

However, Morocco is still plagued by burdensome procedures and corruption remains an issue. Morocco scored a 43 in the 2018 report out of a possible 100 points (with 100 being the least corrupt) on Transparency International's Corruption Perceptions Index.

Morocco also bans GE products from local cultivation and from products for human consumption.

Grain-oilseed situation

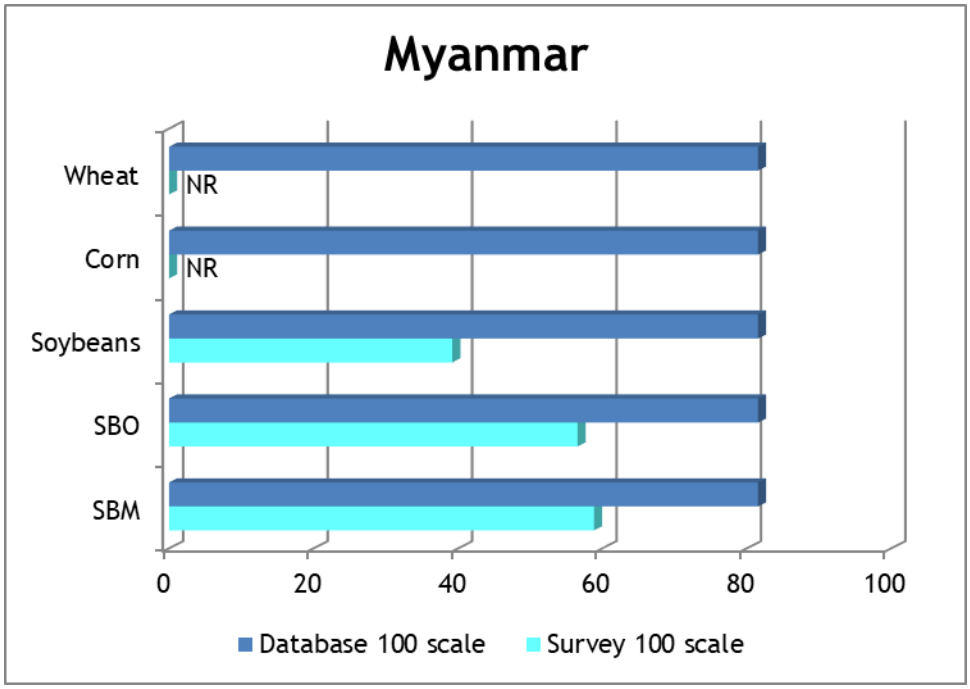
Wheat imports fell significantly, to their lowest level in 2017/18, due to substantial local production. Morocco imported 3.7 MMT of wheat, approximately ten percent of which came from the U.S. Corn imports reached 2.6 MMT, about thirty percent of which is sourced from the U.S.

Morocco does not produce soybeans and imports are minimal, just 80,000 MT in 2017/18, about 40 percent of which came from the U.S. However, Morocco does import approximately 600,000 MT of soybean meal (83% from the U.S.) as well as 490,000 MT of soybean oil (2% from the U.S.) annually.

Morocco: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	3,204	2,986	3,274	2,414	3,321	2,850
Beginning Stocks	2,813	4,513	4,417	6,974	4,926	5,133
Yield	2	2	2	1	2	3
Production	6,934	5,116	8,075	2,731	7,091	7,340
Imports	3,981	4,126	4,400	5,479	3,676	4,000
Total Supply	13,728	13,755	16,892	15,184	15,693	16,473
Exports	215	238	118	58	60	60
Feed Dom. Consumption	600	400	800	800	800	800
FSI Consumption	8,400	8,700	9,000	9,400	9,700	9,900
Domestic Consumption	9,000	9,100	9,800	10,200	10,500	10,700
Ending Stocks	4,513	4,417	6,974	4,926	5,133	5,713

MYANMAR



Market access

Myanmar, still occasionally referred to as Burma, does not have significant import restrictions. Tariffs tend to be low, especially for agricultural commodities. They are 1% for soybeans and soybean oil and 1.5% for soybean meal. Tariffs for wheat and corn are slightly higher, at 5%. In addition, the customs tax is only 2% and the value-added tax (specific goods, or SGT) is not levied on agricultural commodities.

There are only minor quantitative and technical barriers to entry. Import licenses are required but no phytosanitary measures are in place yet, although the U.S. government is concerned about the potential implementation of non-science based phytosanitary measures. Corruption is a serious issue in Myanmar: the country scored 28 out of 100 on Transparency International's Corruption Perceptions Index.

Grain oilseed situation

Due to having limited area suitable for cultivation, Myanmar imports a sizeable amount of wheat. Myanmar imports from a variety of countries, including the U.S., but most imports come from Australia. Myanmar produces its own corn and imports very little.

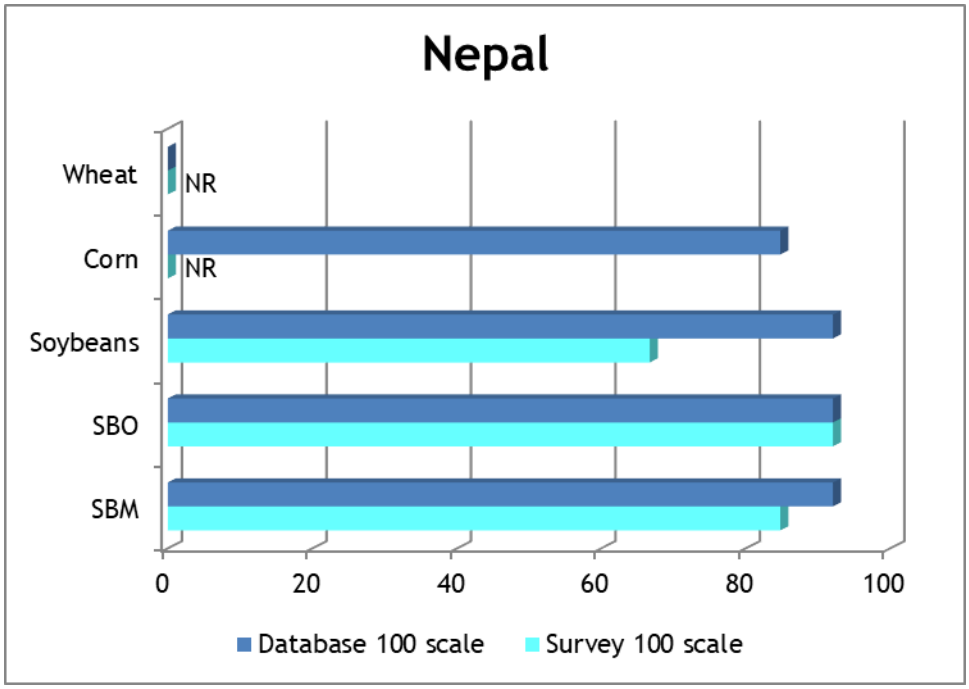
Myanmar is a small player in the soy product trade. It has no crushing facilities. Soybean imports from the U.S. were 18,000 metric tons in 2017/18. The U.S. also shipped more than 91,000 metric tons of soybean meal to Myanmar, but no soybean oil.

Myanmar Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	100	98	110	100	87	85
Beginning Stocks	0	0	0	95	132	96
Yield	2	2	2	2	2	2
Production	186	185	198	180	135	130
Imports	344	290	447	482	479	500
Total Supply	530	475	645	757	746	726
Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	530	475	550	625	650	675
Domestic Consumption	530	475	550	625	650	675
Ending Stocks	0	0	95	132	96	51

Source: USDA PS&D, 2019

NEPAL



Market access

Nepal is a landlocked state, making market access a challenge. To ship goods to Nepal, exporters typically use the seaport in Kolkata, India, approximately 460 miles from the Nepal-India border. However, due to poor infrastructure, surface transport is difficult. The U.S. Department of Commerce notes that the one reliable road route from India to the Kathmandu Valley is 84 miles and takes a minimum of six hours to traverse. Nepal also has just one international airport. That said, the Nepalese government is in the process of negotiating a Trade and Transit Protocol with China. The aim for Nepal is to gain access to one or more Chinese ports, especially Tianjin.

Regarding food and agriculture, only 17 percent of Nepal's land is arable, and productivity is generally low, though grain logistics infrastructure is improving: there are at least five feed milling companies with steel silos for corn storage. The Kentucky-based feed additive company, Alltech, also opened an office in Kathmandu in 2018. Together, these realities have resulted in a vibrant import market for food and agricultural products, though the U.S. continues to be at a price disadvantage to Nepal's neighbors India and China. At the same time, U.S. food and agricultural products are becoming more popular and now represent ten percent of the Nepalese import market. The U.S. Department of Commerce lists dried pastas, bread, and vegetable oil as some of the leading importing opportunities to Nepal.

Tariffs are generally low. Durum wheat has a duty of 10%, but all other grain commodities have no tariff. Soybeans and products have tariffs of 1% except for soybean meal which has a tariff of 1.5%. There are no quantitative restrictions. Nepal requires import permits and phytosanitary certificates but does not have other any other measures.

While the political environment is now improving, as recently as 2016 political disruptions and general strikes interrupted the movement of goods in and out of Nepal, sometimes for months at a time.

Corruption can also be a significant problem in Nepal, and the country scored a 31 in the 2018 report out of a possible 100 points (with 100 being the least corrupt) on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

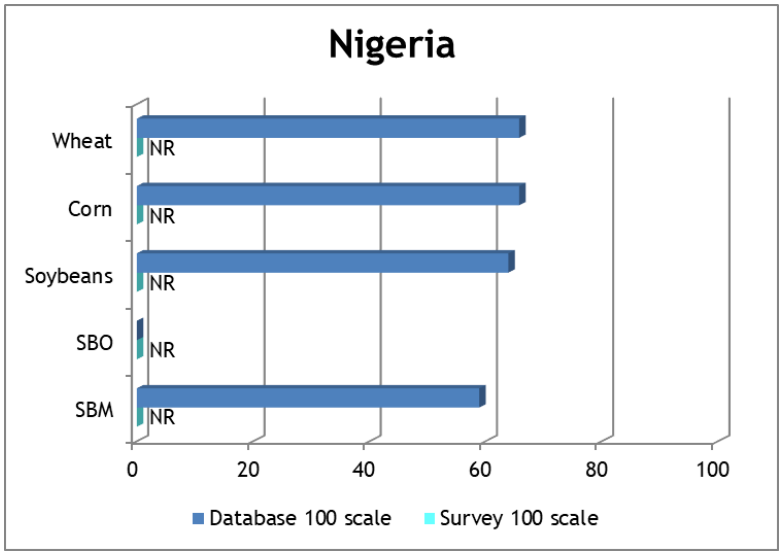
Nepal imported only 126,000 MT of wheat in 2017/18, reflecting just seven percent of total wheat supply. Similarly, corn imports were only 496,000 MT, just 15 percent of the overall market. Compound poultry feed production in Nepal has exploded in recent years. Nearly two-thirds of corn used in feed milling is imported from India, mainly due to quality considerations. None of the wheat or corn imports are sourced from the U.S.

There are at least two soybean crushers in Nepal. The largest, Probiotech, recently upgraded its plant with dehulling equipment to produce the country's first high protein soybean meal.

Nepal: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	767	762	746	761	770	760
Beginning Stocks	0	0	0	0	0	0
Yield	2	3	2	2	2	2
Production	1,883	1,976	1,737	1,834	1,780	1,786
Imports	134	100	191	184	126	150
Total Supply	2,017	2,076	1,928	2,018	1,906	1,936
Exports	7	10	7	9	8	10
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	2,010	2,066	1,921	2,009	1,898	1,926
Domestic Consumption	2,010	2,066	1,921	2,009	1,898	1,926
Ending Stocks	0	0	0	0	0	0

NIGERIA



Market access

Declining oil prices in recent years have caused Nigerian government revenues to fall. This in turn has resulted in a monetary policy restricting foreign exchange access for 41 imported goods and services, including soybean oil. Government sponsored domestic agricultural policies remain in limbo as the government is cash strapped. Yet imports remain a necessity.

Nigeria's wheat and corn tariffs are 5%; soybeans and SBM are assessed a 10% tariff. In addition to the import duty there is an additional 15% duty on wheat. There is also a 7% port charge and 1% levy added to all incoming shipments. Historically, soybean oil had been banned. In 2008, the ban was lifted and high tariffs established. In 2016, the 35% tariff was lowered to 10% for crude SBO and 20% for refined SBO. However, refined vegetable oil is currently banned.

Application of the import duties is not transparent or consistent. Nigeria frequently uses nontariff measures to block imports. Nigeria's import policies and restrictions are designed to protect local production and limit imports.

Technical barriers present challenges for exports. Nigeria requires phytosanitary certificates, import permits, and destination inspection for all imports. Moreover, a long list of prohibited items and declaration requirements results in almost all containers being physically examined, which adds additional delays and costs to imports.

The Nigerian government is generally supportive of biotechnology. In 2015, Nigeria established the National Biosafety Management Agency (NBMA) to regulate the country's biotechnology law and provide oversight for the use and commercialization of biotech crops. Public officials have announced their interest in commercializing herbicide tolerant soybeans.

International monitoring groups routinely rank Nigeria among the most corrupt countries in the world. The Transparency International 2018 Corruption Perceptions Index scored Nigeria a 27, in

the bottom third of countries. Nigeria's corruption levels remain high and its main anticorruption institution, the Economic and Financial Crimes Commission, set up to stop corruption, has not produced significant results.

Grain-oilseed situation

Nigeria produces limited quantities of wheat and imports almost all the wheat consumed. In 2017/18 Nigeria imported 5 MMT, with more than one-quarter from the US, making Nigeria a primary destination for US wheat exports. The country also produces corn (about 7 MMT) but imports minimal volumes.

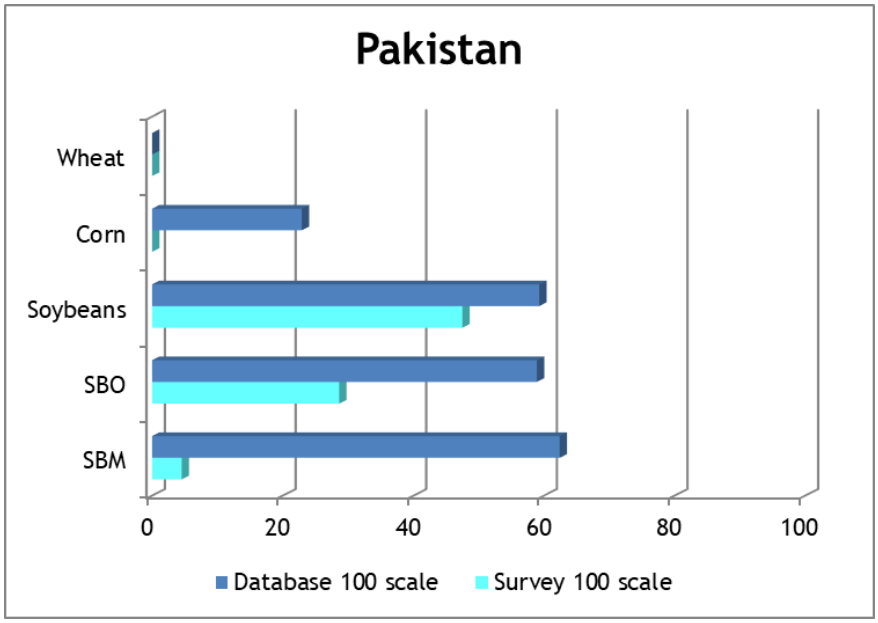
Nigeria produces approximately 600,000 MT of soybeans annually and in 2017/18, the country produced 217,000 MT of soybean meal and 50,000 MT of soybean oil. Historically, imports of these products have been minimal or non-existent.

Nigeria: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	80	70	60	60	71	60
Beginning Stocks	200	200	200	200	200	200
Yield	1	1	1	1	1	1
Production	80	91	60	60	67	60
Imports	4,580	4,244	4,410	4,972	5,085	5,000
Total Supply	4,860	4,535	4,670	5,232	5,352	5,260
Exports	500	400	400	400	400	400
Feed Dom. Consumption	50	50	50	50	50	50
FSI Consumption	4,110	3,885	4,020	4,582	4,702	4,610
Domestic Consumption	4,160	3,935	4,070	4,632	4,752	4,660
Ending Stocks	200	200	200	200	200	200

Source: USDA PS&D, 2019

PAKISTAN



Market access

Pakistan is a minor export market for U.S. agricultural goods, apart from soybeans.

The government controls the entire wheat marketing system, including setting prices, managing inventories, and controlling imports and exports. Wheat and corn tariffs are nominally 11%, but the government also apples a 60% "regulatory duty" to wheat and a 30% duty to corn. These effectively keep imports out of the market.

With good crop years, exports have been authorized, but often require export subsidies due to higher prices than Black Sea wheat. At the end of 2018, the Government of Pakistan authorized a wheat export subsidy of $105/MT. Afghanistan is a major importer of Pakistani wheat (when the prices are low enough).

Pakistan is a substantial market for whole soybeans, however. The country continues to shift from imports of soybean meal to whole soybeans in response to the changes in tariff and tax structure several years ago. The differential between the soybean tariff (3%) and the tariff on soybean meal (11%) encourages domestic industry.

Crude and refined SBO are assessed a flat ad valorem tariff which as of the end of 2018, based on exchange rates, was $64.25/MT on crude oil and $72.42/MT on refined oil. These rates were the equivalent of a tariff slightly above 10%. In addition, Pakistan levies a 16% excise duty on edible oils.

These commodities are exempt from the country's 17% value added tax.

Quantitative restrictions on US agricultural exports are minimal; however, technical barriers are prohibitive for most commodities. US wheat is subject to SPS obstacles in the form of an unreasonable test for rye disease. White wheat exports are also blocked by an unusually high wet gluten content requirement. In addition, Pakistan customs requires that commercial invoices and packing lists be included inside each shipping container. Currently there are no restrictions on importing genetically modified products from the US if it meets US standards.

Domestic security is an issue and Pakistan is plagued with corruption, scoring a 33 out of a possible 100 points on Transparency International's 2018 Corruption Perceptions Index. Moreover, a weak judicial system makes law and contract enforcement difficult for foreigners. Lack of transparency is a recurrent and substantial problem in many areas, including government procurement and customs valuation.

In 2017, detection of weed seeds and bacteria in U.S. soy product shipments raised the possibility of restrictions by Pakistan's Department of Plant Protection (PPD). PPD and U.S. Animal and Plant Health Inspection Service (APHIS) have worked collaboratively to avoid disruptions.

Grain-oilseed situation

For feed ingredients, Pakistan is self-sufficient in wheat and corn. The government sets a price floor for wheat that tends to be significantly above the world price, encouraging production. The 2017/18 wheat crop was the largest one to date at 26.6 MMT. Corn production was 5.7 MMT.

Wheat bread is a staple in Pakistani diets, comprising up to 70% of their caloric intake. As a result, wheat is grown by 80 percent of Pakistani farmers, who produce a significant surplus most years. Until recently, most wheat exports went to neighboring Afghanistan.

By contrast, Pakistan relies heavily on imported oilseeds and soy production is negligible. Pakistan produced 3.9 MMT of oilseeds in 2017/18, while importing 3.3 MMT (2.0 MMT soybeans, 1.2 MMT canola, and 100KMT sunflower seed). Domestic oilseed meal production (from soy, cotton, and rapeseed) was 4 MMT and was supplemented by 580 KMT of imports, 370 KMT of which was SBM.

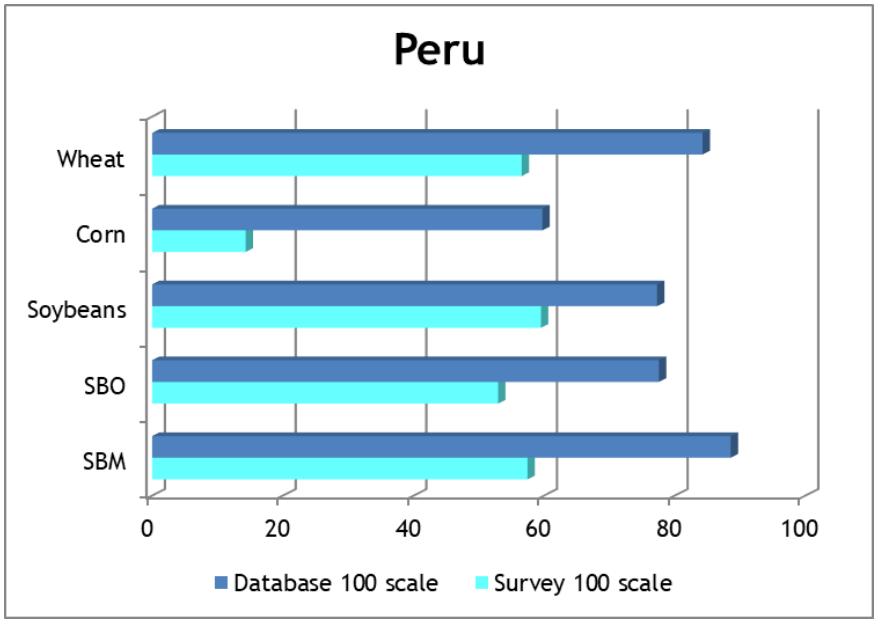
The country is the fourth largest importer of edible oil in the world, relying on imports for 70% (3.5 MMT) of its needs (5 MMT). Almost all imports are of palm oil (~95%), with soy accounting for most of the rest.

Pakistan: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	8660	9199	9204	9224	9050	8800
Beginning Stocks	2444	2191	3710	3815	4351	4754
Yield	2.8	2.82	2.73	2.78	2.94	2.85
Production	24211	25979	25086	25633	26600	25100
Imports	386	740	19	3	3	5
Total Supply	27041	28910	28815	29451	30954	29859
Exports	750	700	600	600	1200	1500
Feed Dom. Consumption	600	1000	800	800	1000	1200
FSI Consumption	23500	23500	23600	23700	24000	24100
Domestic Consumption	24100	24500	24400	24500	25000	25300
Ending Stocks	2191	3710	3815	4351	4754	3059

Source: USDA PS&D, 2019

PERU



Market access

The U.S. Peru Trade Promotion Agreement (PTPA), which went into effect in 2009, immediately eliminated tariffs on almost all agricultural products, including wheat, soybeans, soybean meal, and crude soybean oil.

For corn, the US has a large tariff-rate quota which began at 500,000 MT in 2009 and has been increasing at 6% per year; it was 844,739 MT in 2018. The quota was set to grow over 11 years and then be eliminated, along with tariffs, after 12 years. The US has been fully using the quota and shipping additional corn beyond the quota. However, on July 13, 2018, the Peruvian Consumer Defense and Intellectual Property Rights Agency (INDECOPI) initiated a countervailing duty investigation into U.S. corn.

Peru uses the Andean Price Band System (APBS), which either reduces or increases corn duties, depending on international prices. At the end of 2018, this variable tariff surcharge was $9 per MT or the equivalent of about 5%. The US out-of-quota rate was reported to be approximately 2%.

Under PTPA, the U.S. has had a growing duty-free quota for refined soybean oil; as of the end of 2018, the quota was 10,342 MT; beyond the quota, U.S. refined soybean oil faces a 1.2% tariff. As of February 1, 2019, the quota will be eliminated, and all U.S. refined soybean oil will enter the market duty free.

Peru also has relatively high value-added taxes (IGV); these were 16% on most agricultural commodities.

Corruption remains a problem in Peru. In 2018, Peru scored a 35 on Transparency International's Corruption Perceptions Index

Grain-oilseed situation

Peru produces little wheat – less than 200,000 MT in 2017/18 – and must import 90% of its wheat requirements. In recent years, about one-fourth of the almost 2 million tons of wheat imported has been of US origin. Canada is the market's primary wheat supplier.

Corn demand in Peru has been growing because of a large and growing poultry sector. Production was 1.7 MMT in 2017/18, with additional imports of 3.4 MMT, more than 90% of which came from the U.S.

Peru imports approximately 300,000 MT of soybeans annually; in the 2017/18 marketing year, over 230,000 MT came from the U.S. Peru is also a significant soybean meal importer, buying approximately 1 MMT annually. Bolivia is Peru's key supplier; the U.S. supplied 237,000 MT in 2017/18; Paraguay and Argentina supplied almost all the rest.

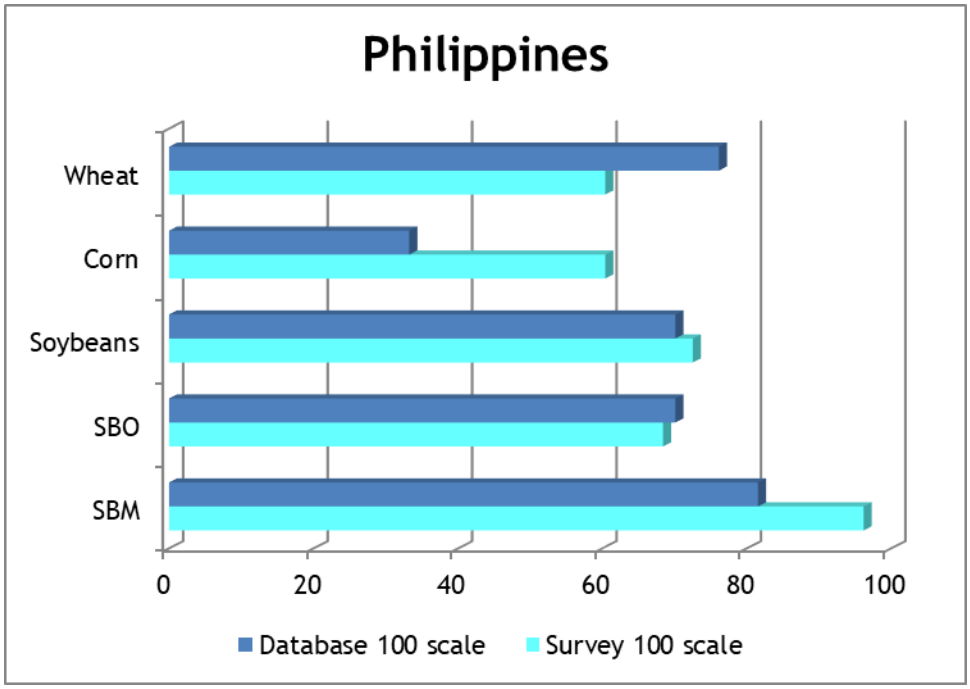
Peru's key soybean oil supplier is Argentina, which provides approximately 400,000 MT per year.

Peru: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	152	139	127	130	128	138
Beginning Stocks	347	400	453	351	276	254
Yield	1.52	1.58	1.69	1.62	1.5	1.59
Production	231	219	215	210	192	220
Imports	1853	1922	1879	1961	2030	2050
Total Supply	2431	2541	2547	2522	2498	2524
Exports	86	73	71	76	64	60
Feed Dom. Consumption	70	70	75	80	80	80
FSI Consumption	1875	1945	2050	2090	2100	2125
Domestic Consumption	1945	2015	2125	2170	2180	2205
Ending Stocks	400	453	351	276	254	259

Source: USDA PS&D, 2019

PHILIPPINES



Market access

The Philippines has relatively open market access, especially since the 2010 implementation of the ASEAN FTA that reduced tariffs to 0-5 percent for all goods. Milling wheat imports in 2017/18 had a zero percent tariff but were subject to a 12 percent VAT on the subsequent flour sales, payable at the time the wheat is imported. Feed wheat imports were subject to a seven percent MFN duty but were not subject to VAT. Wheat flour imports were also levied a seven percent MFN rate. Corn imports have a two-tiered MFN tariff structure: 35 percent in-quota duty and a 50 percent out-of-quota rate. For 2018, the in-quota threshold was 217,000 MT. Corn imports from ASEAN countries are levied at a much lower five percent duty under the ASEAN Trade in Goods Agreement (ATIGA).

Soybean duties remained at one percent in 2017/18 while soybean meal entered duty free and soybean oil faced a seven percent MFN rate. That said, soybeans can enter duty free under the Agricultural and Fisheries Modernization Act (AFMA) if they are inspected and certified by the Philippine Bureau of Plant Industry (BPI) and the Bureau of Customs (BOC). Soybeans originating from ASEAN countries, and others with regional free trade agreements, were duty free in 2018.

The Philippines Department of Agriculture (DA) requires importers to obtain a sanitary and phytosanitary permit prior to shipment of any agricultural product. Since 2016, the process for import permits has included an additional requirement that permits be signed by the Secretary of Agriculture, introducing some delays in the online application procedure.

Also, in 2016, the Philippines adopted a Joint Department Circular (JDC) for the import of genetically engineered crops that requires the approval of five agencies (the Departments of Agriculture, Health, Science and Technology, Environment and Natural Resources, and Interior and

Local Government). Philippine regulations require that shipments of imported bulk commodities be accompanied by a *"Declaration of GMO Content"* signed by one of the following: the responsible officer from the originating country, an accredited laboratory, the shipper, or the importer. Delays in the processing of biosafety permits under the JDC have the most potential to disrupt U.S. exports of GE products, although there have been no reported trade disruptions so far.

Corruption is a pervasive and longstanding problem in the Philippines. National and local government agencies, particularly Bureau of Customs, are plagued with various corruption issues. The Corruption Perceptions Index rated the Philippines at 36 out of a possible 100.

Grain-oilseed situation

With no commercial wheat production in the Philippines, the country is entirely reliant on imports to satisfy demand. The Philippines was the third largest U.S. wheat market globally, with sales reaching 2.6 MMT in 2017/18, accounting for 43 percent of the market. Wheat and soybean meal were the two largest U.S. agricultural exports to the Philippines in 2017/18.

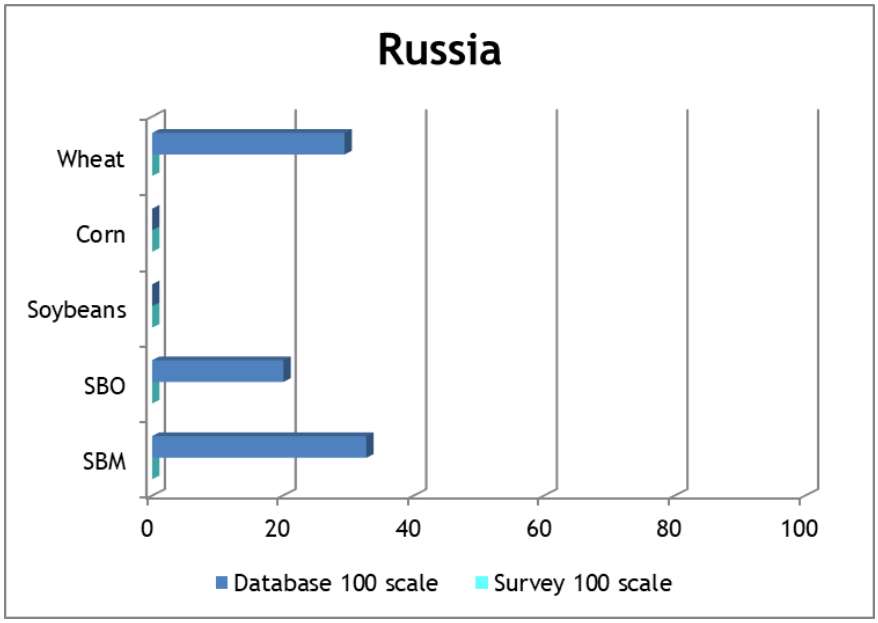
Corn imports reached 724,000 MT in 2017/18, most of which is sourced from Thailand (59%), followed by the U.S. (26%) and Argentina (23%).

U.S. soybeans dominate the Philippines' growing import market. The expansion of imports is being driven by an increasing preference for full fat soybeans for feed use. The Philippines is the largest U.S. soybean meal export market (2.1 MMT in 2017/18). Strong feed demand from local livestock and poultry industries drives soybean meal demand.

Philippines: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	798	697	1,127	1,191	1,491	1,723
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	3,476	5,054	4,918	5,704	5,987	7,000
Total Supply	4,274	5,751	6,045	6,895	7,478	8,723
Exports	32	49	54	79	55	60
Feed Dom. Consumption	1,250	2,100	2,200	2,450	2,500	2,900
FSI Consumption	2,295	2,475	2,600	2,875	3,200	3,700
Domestic Consumption	3,545	4,575	4,800	5,325	5,700	6,600
Ending Stocks	697	1,127	1,191	1,491	1,723	2,063

RUSSIA



Market access

On August 22, 2012, Russia became the WTO's 156th member. That December, President Obama signed legislation revoking the Jackson-Vanick amendment, allowing for resumption of normal trade relations between the U.S. and Russia. While nominally open to imports of most grains and oilseeds, serious technical and procedural barriers remain. More recently, trade relations between the U.S. and Russia have been deteriorating due to a series of sanctions by the U.S. government and countersanctions by the Russian government.

On February 15, 2016, Russia suspended U.S. corn and soybean imports due to the threat of quarantine pest in U.S. shipments. The Russian Federal Veterinary and Phytosanitary Surveillance Service (VPSS) also suspended U.S soybean imports due to the presence of weed seeds, including ambrosia, in soybean shipments. These bans are still in effect as of August 2018.

Despite reversing decisions that banned GE crops, on July 3, 2016 Russia amended its legislation governing agricultural biotechnology. The amendments prohibit cultivation of GE crops, breeding of GE animals, and the importation of GE planting seeds. Although Russia has a registration system for GE foods and feeds, U.S. exporters continue to have concerns about how it will be implemented. Russia still does not have a system for approval of GE stacked events and products containing GE stacked events.

Ostensibly, imports of grain and byproduct feeds are subject to a 5% duty. Soybeans and soybean meal are duty free. Soybean oil for edible use faces a 15% duty.

Although Russia no longer requires import licenses (as of 2013) for anything except alcohol, it continues to maintain several import barriers, including discriminatory and prohibitive charges and fees, activity and warehouse licenses and registration, and certification regimes. U.S. companies

report that Russian standards and procedures for certifying imported products are non-transparent, expensive, time-consuming, and redundant.

Corruption is a pretty serious issue as Russia is one of the most corrupt countries reviewed. Russia consistently ranks in the bottom third of countries. Russia scored 28 out of 100 on the Corruption Perceptions Index.

Grain-oilseed situation

Russia does not permit planting of genetically engineered crops, but conventional plantings of soybeans have been expanding, to 2.6 million hectares in 2017/18, more than double the acreage in 2012/13.

As meat consumption increased in Russia, more soybeans and soybean meal have been needed for livestock feed. Soybean production has grown rapidly, and imports have grown to 2.3 million metric tons in 2017/18. Recently, GDP has contracted due to the fall in petroleum prices and sanctions imposed by trading partners in response to Russian actions in Ukraine. Soybeans from the U.S. are banned. Nor does the U.S. export SBM to Russia. Russia did import 5.5 metric tons of soybean oil in 2017/18. US grain and oilseed trade with Russia has been negligible and is likely to remain so in the near future.

Russia–U.S. relations have deteriorated since President Obama signed legislation revoking the Jackson-Vanick amendment in 2012. Relations have deteriorated, given that Russian and the U.S. have taken different sides in the Syrian conflict, with Russia supporting the Bashar al-Assad regime, while the U.S. supported opposition fighters.

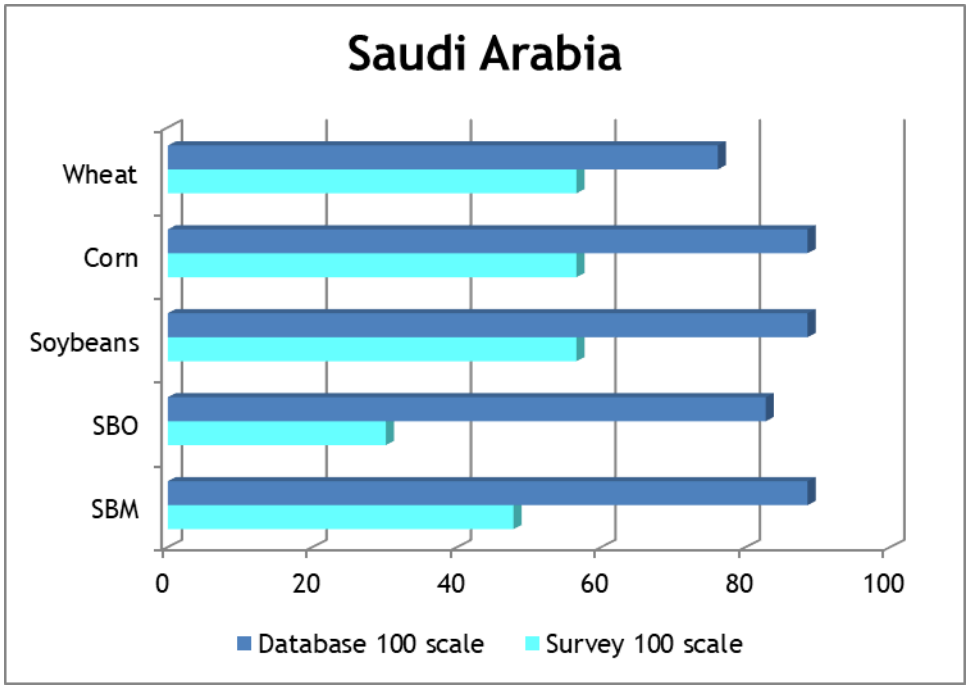
Both the EU and the U.S. have been imposing sanctions on Russia for the last 6 years or so in response to various conflicts. Russia has retaliated with its own import restrictions, bans, and sanctions. Prospects for improved trade relations are currently poor.

Russia: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	23,399	23,636	25,577	27,004	27,370	26,344
Beginning Stocks	4,933	5,177	6,287	5,607	10,830	12,043
Yield	2	3	2	3	3	3
Production	52,091	59,080	61,044	72,529	85,167	71,685
Imports	862	330	819	503	465	500
Total Supply	57,886	64,587	68,150	78,639	96,462	84,228
Exports	18,609	22,800	25,543	27,809	41,419	37,000
Feed Dom. Consumption	12,500	13,000	14,000	17,000	20,000	18,000
FSI Consumption	21,600	22,500	23,000	23,000	23,000	22,500
Domestic Consumption	34,100	35,500	37,000	40,000	43,000	40,500
Ending Stocks	5,177	6,287	5,607	10,830	12,043	6,728

Source: USDA PS&D, 2019

SAUDI ARABIA



Market access

Saudi Arabia has become completely dependent on foreign suppliers for soybeans and produces only limited volumes of wheat, corn, and sorghum. Saudi Arabia does produce some soybean meal and oil from the beans that it imports.

Given that there is virtually no staple food production in Saudi Arabia, the market is mostly open and likely to remain so. There have been no significant access changes in Saudi Arabia over the last few iterations of the GOMAI reports. There are no quantitative barriers for U.S. products and soybeans and soybean meal are duty free. The tariff for crude soybean oil is five percent; refined soybean oil is 12 percent. That said, in October 2018, Saudi Arabia proposed maximum residue limits applicable for grains and horticultural products, many of which do not conform to those set by Codex. Saudi Arabia is also considering a ban on several pesticides widely used in the U.S.

There are few technical or procedural barriers to trade. Even though Saudi Arabia began implementing agricultural biotech labeling in 2001, the labeling requirement has not affected imports of biotech agricultural products. However, no retail packed food products with positive biotech labeling have been imported into Saudi Arabia to date (in general, Saudi importers of retail-packed food products do not import foods with GE content over one percent because it requires labeling). Locally produced food products that use imported biotech oil, corn or soybean by-products are not labeled for biotech contents.

The Saudi Arabia Grains Organization (SAGO) is the exclusive importer of food grade wheat in Saudi Arabia. SAGO purchases wheat from a wide range of origins, including the EU, North America, South America and Australia. While wheat is exclusively imported by SAGO, feed corn is imported

freely by the private sector with no import duties. Indeed, the government encourages corn imports by providing an import subsidy of $82.40 per MT to importers.

Grain-oilseed situation

Saudi Arabia imported 3.4 MMT of milling wheat in 2017/18, seven percent lower than in 2016/17. Germany has been the leading wheat supplier in the past with approximately 50 percent market share, followed by Poland (28%) and Lithuania (9%).

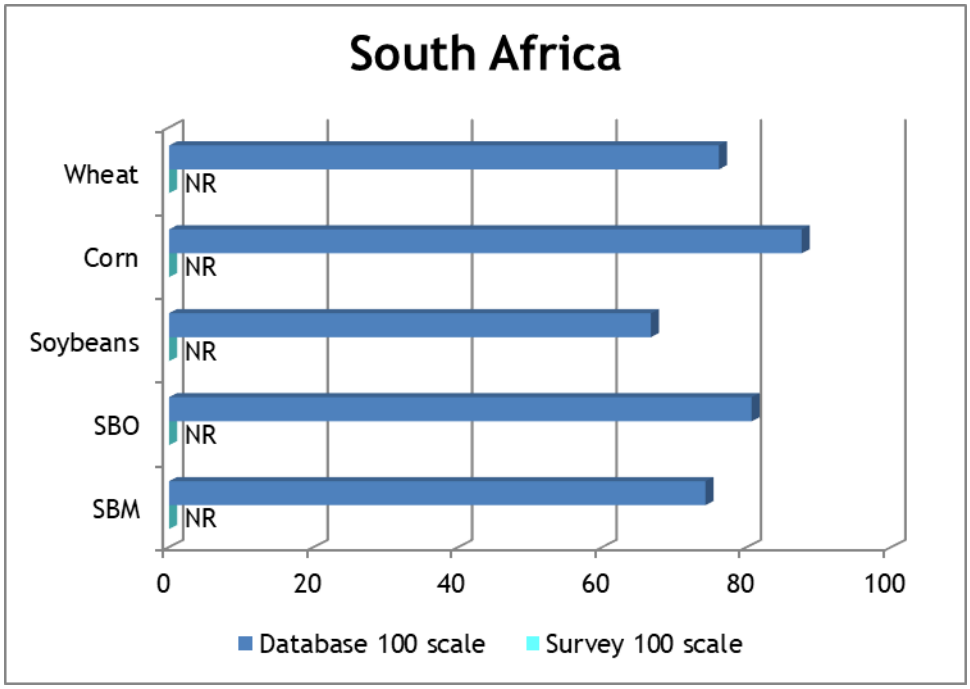
The decline in Saudi barley imports is benefiting substitute feed grains, such as corn. The growth in poultry farms and animal feed processing facilities have driven demand for feed corn recently. Saudi corn imports were nearly 5 MMT in 2017/18, an increase of almost 50 percent from 2013/14. Approximately 38 percent of corn imports are sourced from the U.S. Argentina and Brazil are the main competitors in the corn market.

Saudi Arabia is not a major soybean importer but did import 590,000 MT in 2017/18, primarily from Brazil and from the U.S. (148,000 MT), but also from Canada and Paraguay. Soybean meal imports hit 833,000 MT in 2017/18, approximately half of which came from Argentina. The U.S. accounted for 88,000 MT of soybean meal imports. Soybean oil imports into Saudi Arabia are minimal.

Saudi Arabia: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	102	122	2	2	2	2
Beginning Stocks	2,371	3,112	3,864	3,366	3,415	3,214
Yield	6	6	5	5	5	5
Production	660	722	10	10	10	10
Imports	3,441	3,499	2,931	3,716	3,440	3,000
Total Supply	6,472	7,333	6,805	7,092	6,865	6,224
Exports	10	14	9	2	1	10
Feed Dom. Consumption	50	55	55	115	100	100
FSI Consumption	3,300	3,400	3,375	3,560	3,550	3,550
Domestic Consumption	3,350	3,455	3,430	3,675	3,650	3,650
Ending Stocks	3,112	3,864	3,366	3,415	3,214	2,564

SOUTH AFRICA



Market access

South Africa has significant domestic production capabilities for grain and oilseed commodities. It does import some wheat to help supplement the domestic production. Exports are minimal for all commodities except corn. South Africa is a member of the Southern Africa Development Community (SADC) and has preferential trade agreements with other SADC members, the European Union (EU), the Southern Common Market (MERCOSUR), and the European Free Trade Area.

Even with the preferential duties, South Africa is a relatively open market for grain commodities with the exception of non-durum wheat. Durum wheat and corn are duty free and there is a 7¢ per kilogram tariff (which works out to roughly 33%) for non-durum wheat. Soybeans and products have higher tariffs, and the EU faces no tariff for these products. There are no quantitative restrictions on imports.

South Africa has GMO labeling laws that require products with at least 5% GM content to be labeled as GM. Vegetable oils are expected to follow CODEX standards. Phytosanitary standards vary by commodity but typically don't require any fumigation.

There are some concerns regarding the recent enactment of several laws that would allow the Government of South Africa expropriation of property to redress historical injustices that includes those who are investing in the country. While there hasn't been a case of these measures being used on foreign investors the potential remains. There are also some issues with corruption, as South Africa was scored a 43 out of 100 for corruption

Grain-oilseed situation

South Africa produces and imports wheat to meet its significant domestic demand. In the 2017/18 marketing year, South Africa produced 1.5 MMT of wheat and imported 2.2 MMT, 5% of which were from the U.S. South Africa is a major corn producer and imports primarily when there is a production shortfall.

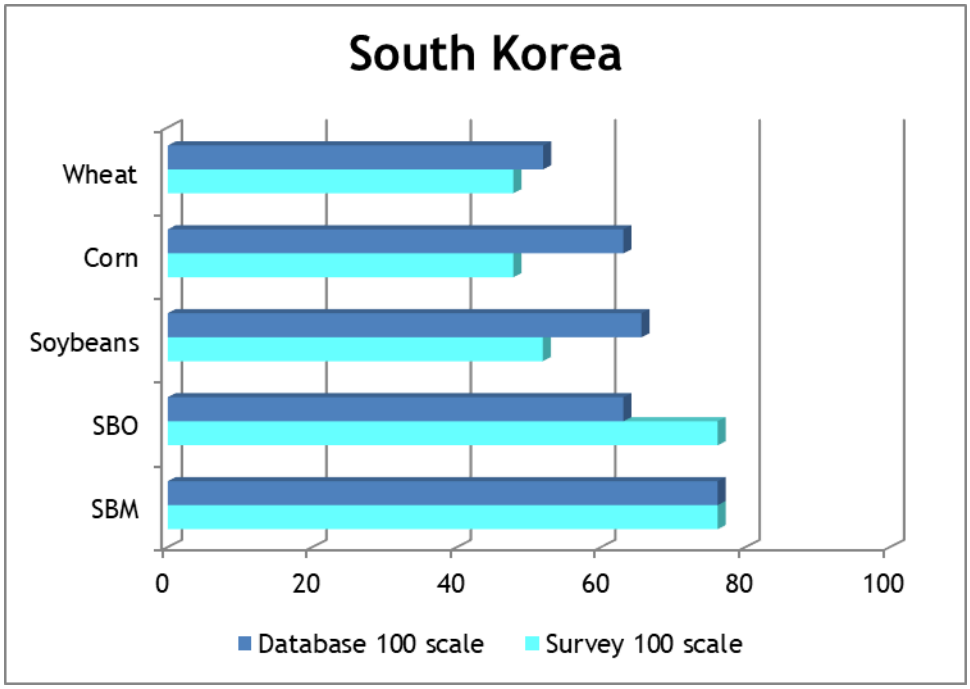
The favorable trade conditions for the E.U. have essentially eliminated U.S. exports of soy and soy products to South Africa. South Africa produces over 1.5 MMT of soybeans which generally suffices to meet domestic needs. The country does import soybean meal, mostly from Argentina.

South Africa: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	505	477	482	508	492	503
Beginning Stocks	580	610	734	973	494	834
Yield	4	4	3	4	3	4
Production	1,870	1,750	1,440	1,910	1,535	1,840
Imports	1,771	1,929	2,170	1,046	2,291	1,700
Total Supply	4,221	4,289	4,344	3,929	4,320	4,374
Exports	266	292	69	105	110	150
Feed Dom. Consumption	55	30	30	30	30	30
FSI Consumption	3,290	3,233	3,272	3,300	3,346	3,380
Domestic Consumption	3,345	3,263	3,302	3,330	3,376	3,410
Ending Stocks	610	734	973	494	834	814

Source: USDA PS&D, 2019

SOUTH KOREA



Market access

The U.S.-Korea (KORUS) FTA went into effect in 2012, lowering many tariffs or eliminating them altogether. U.S. wheat and corn face no tariff. With the FTA, though many items now have unlimited access, others are subject to import quotas. South Korea import quotas are mostly non-restrictive, though they are in effect for edible soybeans. For 2018, the duty-free quota for food-grade identity preserved soybeans was 28,137 MT. The quota is administered by an association of food-grade soybean processors, giving U.S. suppliers direct market access to these processing companies. Under KORUS, the duty on U.S. soybeans for crushing and soybean meal fell to zero in March 2012. In 2018, the tariff on U.S. crude soybean oil was 1.62 percent, while refined U.S. soybean oil has entered duty free since 2016.

South Korea has stricter mycotoxin limits than most other countries, which concerns U.S. wheat exporters. Furthermore, South Korea now requires the establishment of new import tolerances for agrochemicals that previously had MRLs but were not registered for use in the country, as well as for new substances that do not have any MRLs in South Korea. To minimize trade disruptions, the South Korean government delayed the elimination of existing MRLs for agrochemicals not registered for use in the country until the end of 2021. Several thousand temporary MRLs have been published in the interim that are expected to be in place until the end of 2021. Although South Korea has been consulting U.S. stakeholders on setting MRLs, there is concern they will not be set at appropriate levels. On October 19, 2018, South Korea's Ministry of Food and Drug Safety (MFDS) published its second draft list of temporary MRLs. Proposed MRLs for wheat, corn, sorghum, and soybeans were included in the list.

MFDS is also working to establish a new positive list system (PLS) for agrochemical residues. The new system will no longer allow imports of food with agrochemical residues unless: 1) an MRL has been established for the substance; and 2) the substance has been approved for the given commodity. The PLS was implemented in December 2016 for oilseeds and other products such as tree nuts and tropical fruits. All other plant products were subject to the PLS starting January 1, 2019.

South Korea's biotechnology regulatory system continues to present challenges to U.S. agricultural exports. The approval process for new biotechnology crop varieties is a long and burdensome process due to redundant reviews and data requests. That said, South Korea imports biotechnology crops and products for food and feed, but not for propagation. Until an event is approved it may not be imported or sold in the South Korean market. In general, there has been strong consumer and government resistance to biotech products, especially for human consumption. This negative public perception has caused some companies to seek out non-GMO soybeans, primarily from China. Non-GMO soy must be certified as such, by either an import permit or official government certification. U.S. organic processed products are exempt from labeling requirements.

Grain-oilseed situation

South Korea imports virtually all its wheat and corn needs. Wheat imports were 4.3 MMT in 2017/18, of which the U.S. accounted for 35 percent, followed by Australia (27%) and Ukraine (23%). Approximately two-thirds of wheat imports are used for milling while the remaining third is used for animal feed. Corn imports were 10 MMT, about half from the U.S., 15 percent each from Brazil and Argentina, and 10 percent from Russia. Most U.S. corn exports to South Korea (58%) were feed grade corn. The U.S. also exported 700,000 MT of food grade corn to South Korea in 2017/18.

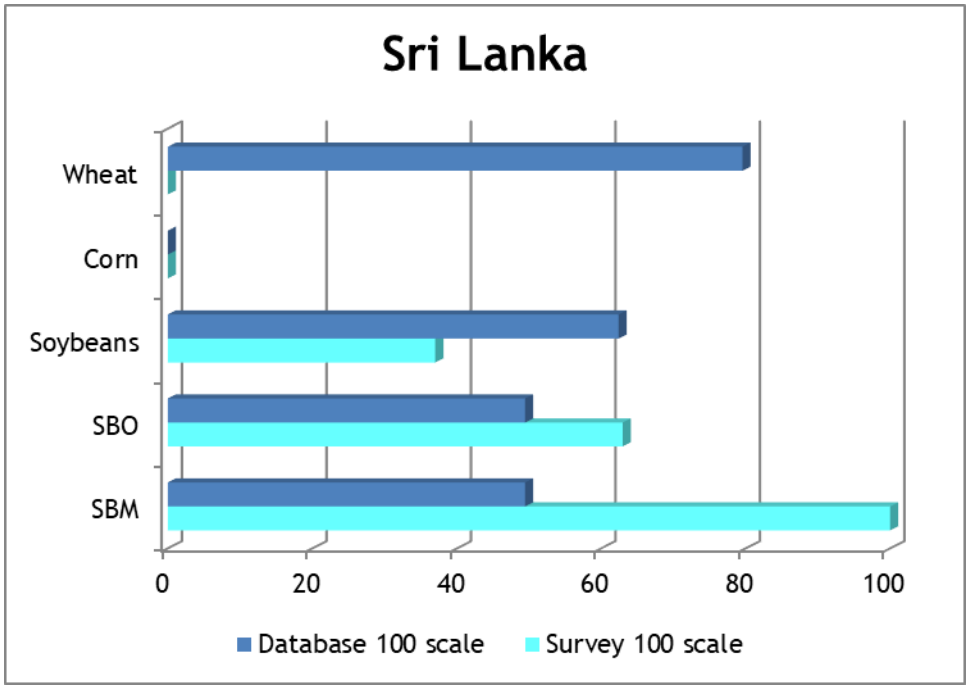
Soybeans accounted for more than 82 percent of total oilseed imports, of which approximately 83 percent are used for crushing. Imports were nearly 1.3 MMT in 2017/18, mostly from Brazil (45%), the U.S. (42%), and Paraguay (12%). The U.S. also accounts for approximately 70-80 percent of the import market for food grade soybeans.

Imported soybeans also account for most of the oilseed meal produced in South Korea. Soybean meal imports were 1.8 MMT, mostly from Brazil and Argentina. Soybean oil imports reached 276,000 MT in 2017/18, most of which is also sourced from Argentina. That said, the U.S. has begun to make inroads here lately due to recent drought conditions in Argentina, the colorless oil provided by U.S. exporters, and a tariff of just 1.62 percent for U.S. crude soybean oil in 2017/18 and an out-of-quota rate of five percent. Soybean oil is the most commonly used oil in South Korea for food processing and restaurants because of its low cost and physical properties.

South Korea: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	7	7	10	10	9	7
Beginning Stocks	1,521	1,437	1,400	1,507	1,446	1,300
Yield	4	3	3	4	4	3
Production	27	23	26	39	37	24
Imports	4,288	3,942	4,420	4,667	4,269	4,000
Total Supply	5,836	5,402	5,846	6,213	5,752	5,324
Exports	144	153	177	237	292	300
Feed Dom. Consumption	1,936	1,490	1,728	2,117	1,800	1,400
FSI Consumption	2,319	2,359	2,434	2,413	2,360	2,400
Domestic Consumption	4,255	3,849	4,162	4,530	4,160	3,800
Ending Stocks	1,437	1,400	1,507	1,446	1,300	1,224

SRI LANKA



Market access

Sri Lanka maintains tariffs for most of the GOMAI commodities at between 15 and 25 percent. Durum wheat is imported duty free, while the duty on common wheat is 15 percent. Corn and soybean meal also have a duty of 15 percent. Sorghum, soybeans and soybean oil have a duty of 25 percent.

The Export Development Board (EDB) levy, often referred to as a "cess", ranges from 10 to 35 percent *ad valorem* on any imports that are "nonessential" or compete with local industry. When determining the EDB levy, an imputed profit margin of 10 percent is added to the import price. A Ports and Airports Development Levy (PAL) is also applied on most imports. The PAL was raised from five to 7.5 percent in 2016, but in 2018, the government removed 1,000 items from being subject to the PAL. Locally manufactured goods do not pay the PAL. VAT taxes are also assessed on imports and were raised from 11 to 15 percent in late 2016. Again, an imputed profit margin of 10 percent is added to the import price before calculating the duty. Local products must also pay VAT but are not subject to the imputed profit margin. A special commodity levy (SCL) is charged on some imported food items, including vegetable oil and margarine.

Sri Lanka does not impose any quotas or other quantitative barriers. Sanitary and phytosanitary restriction are in place but consist of import permits and phytosanitary certificates. Import permits are required for all types of wheat in the husk. Raw grains, however, are unrestricted. Sri Lanka's Consumer Affairs Authority (CAA) also sets maximum retail prices for essential consumer items, including wheat flour.

Sri Lanka requires the approval of its Chief Food Authority for the importation or the sale of products derived from genetic engineering (GE) intended for human consumption. However, Sri Lanka does not have a functioning approval mechanism for GE products and thus, in effect, has a ban on seeds and other agricultural products derived from GE. Sri Lanka requires all agricultural commodity imports to be accompanied by a certification that the commodity is "non-GE." Food that contains GE ingredients in amounts less than 0.5 percent can be imported for human consumption, if the presence of GMOs are considered technically unavoidable and the organisms have been subjected to a scientific risk assessment.

Imports of animal feed are governed by the Animal Feed Act No. 15 of 1986. The Act does not restrict the import of animal feeds containing GE content, however, the Department of Animal Production and Health (DAPH) prevents the import of GE animal feed by provisions in the existing regulations.

Public sector corruption, including bribery of public officials, is a significant challenge for U.S. firms operating in Sri Lanka. While the country has generally adequate laws and regulations to combat corruption, enforcement is weak and inconsistent. Sri Lanka ranked in the bottom third of countries on the Corruption Perceptions Index, scoring a 38 out of 100.

Grain-oilseed situation

Wheat imports reached 964,000 MT in 2017/18, an increase of nearly 10 percent from the year before and the second highest volume in the last five years. Approximately four percent of wheat imports are sourced from the U.S.

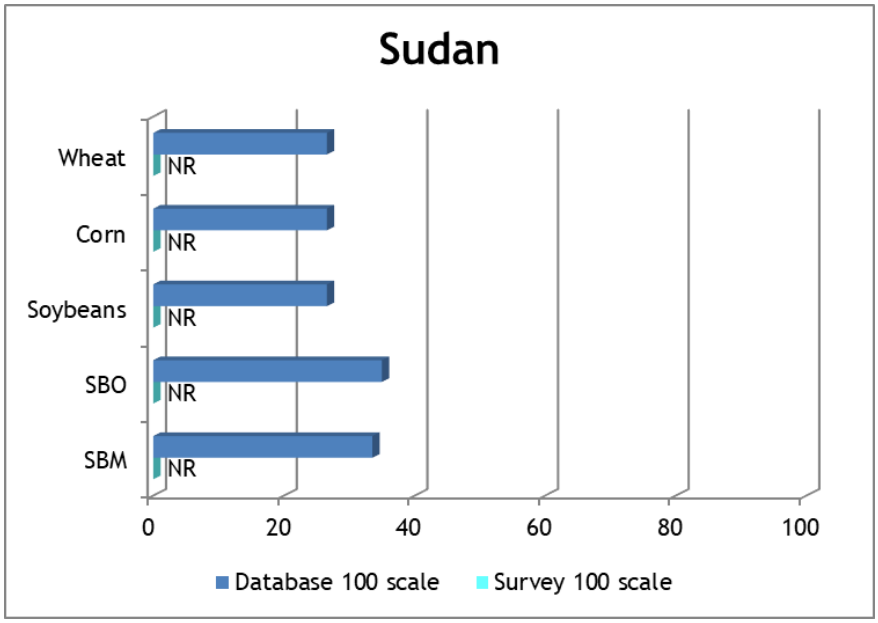
Corn imports were just 100,000 MT in 2017/18, about two percent of which came from the U.S.

Sri Lanka imported a modest amount of soybean meal in 2017/18 (226,000 MT). Approximately 78 percent of that came from the U.S.; the balance was sourced from India.

Sri Lanka: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	167	17	202	184	162	215
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	773	1,112	899	878	964	750
Total Supply	940	1,129	1,101	1,062	1,126	965
Exports	123	117	97	80	71	75
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	800	810	820	820	840	800
Domestic Consumption	800	810	820	820	840	800
Ending Stocks	17	202	184	162	215	90

SUDAN



Market access

Sudan is a member of COMESA, the Common Market for Eastern and Southern Africa. In theory, this group of countries constitutes a free trade area, moving towards a customs union with a common external tariff of 0% for capital goods and raw materials, 10% for intermediate products, and 25% for finished products. In practice, there is little correlation between the stated duty rates and actual import duty rates, which can vary. The common wheat tariff is 10% most of the year, but 25% from January to March. Sudan's other tariffs are 25% for corn, soybeans, and soybean meal and durum; 3% on crude soybean oil; and 40% on refined soybean oil. In place of TRQs, Sudan routinely applies seasonal bans to control imports.

Sudan applies a variety of significant service fees for shipping, clearing and forwarding services, as well as several additional taxes. In addition, Sudan applies a 10% VAT on imported products. Importers also face storage cost at port facilities, because the clearing process frequently takes longer than the allocated 21 days.

Certificates of origin and phytosanitary certificates are required. Genetically modified seeds are prohibited. Corruption is a major problem in Sudan, scoring among the lowest in the world, at just 16 out of a possible 100 on Transparency International's index.

Grain-oilseed situation

The bulk of Sudan's population of 40 million is involved in subsistence farming and about 80% of employment is in agriculture. Wheat production in 2017/18 was 463,000 MT. Imports were 2.5 MMT. US exporters have only occasionally managed to sell small quantities of US wheat to the country.

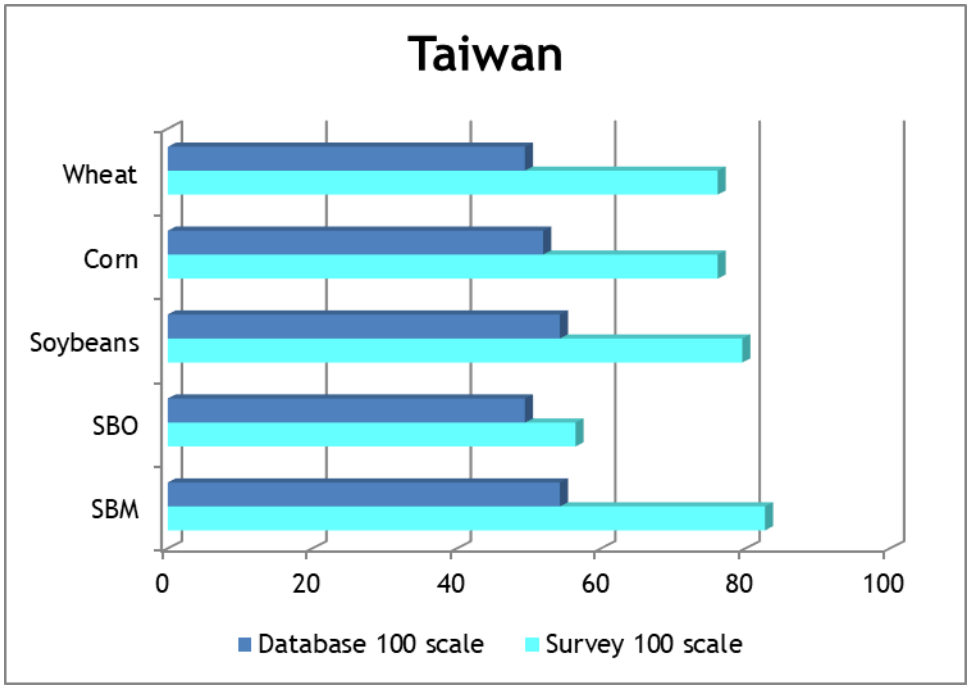
Sudan has virtually no active trade in the oilseed sector. Domestic disappearance of oilseed meals is about 400,000 MT and this requirement is met primarily from domestic production of groundnut (peanut), cottonseed, and sesame meals. The country consumes a similar quantity of fats and oils; imports are only about 100,000 MT, but soybean oil is not imported.

Sudan: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	136	223	226	217	168	200
Beginning Stocks	392	492	472	322	296	287
Yield	2	2	3	2	3	3
Production	265	473	779	516	463	595
Imports	2,664	2,632	2,021	2,458	2,578	2,500
Total Supply	3,321	3,597	3,272	3,296	3,337	3,382
Exports	4	0	0	0	0	0
Feed Dom. Consumption	25	100	100	100	100	100
FSI Consumption	2,800	3,025	2,850	2,900	2,950	3,000
Domestic Consumption	2,825	3,125	2,950	3,000	3,050	3,100
Ending Stocks	492	472	322	296	287	282

Source: USDA PS&D, 2019

TAIWAN



Market access

U.S. grains and oilseeds have relatively open market access in Taiwan and the U.S.-Taiwan Trade and Investment Framework Agreement (TIFA) is the key mechanism for trade dialogue between the two countries. Due to high commodity prices between 2007 and 2010, Taiwan lowered or eliminated tariffs and reduced the VAT on many feedstuffs. Both durum and common wheat face 10 percent tariffs while corn faces a 2.5 percent tariff. Soybeans and soybean meal enter duty-free, and tariffs on crude and refined soybean oils are 8 percent. Taiwan has other minor price measures in place such as business taxes, trade promotion fees, import inspection fees, port charges, quarantine inspection fees, harbor construction fees, and customs clearance fees. They are generally a fraction of one percent and are not a significant obstacle. VAT taxes of five percent are also levied on GOMAI products.

In 2017, the Ministry of Finance announced changes to Taiwan's *de minimis* threshold, below which import duties are not collected. Effective January 2018, the *de minimis* value for each import dropped from NT $3,000 (~ U.S. $100) to NT $2,000 (~U.S. $67).

Although Taiwan accepts Codex or U.S. pesticide residue standards for a limited number of already recognized chemicals, Taiwan's slow process for establishing MRLs for pesticides, low number of approved MRLs, and zero tolerance policy for pesticides without established MRLs have resulted in U.S. shipments being stopped at ports of entry. The MRL situation has also dissuaded some trade due to the high risk of rejection and acted as a *de facto* restriction on some U.S. agricultural exports to Taiwan. Taiwan's inability to keep pace with requests to establish new MRLs has resulted in the rejection of various U.S. agricultural shipments, including wheat, barley, and corn, and has created a significant level of uncertainty for the U.S. agricultural industry.

Biotech food ingredients and processed food with biotech ingredients are banned in school meals. In 2017, Taiwan's Council of Agriculture (COA) published a draft regulation that would create separate Harmonized System (HS) codes for genetically engineered (GE) soybeans for food and feed uses. This would bring the total number of HS codes for soybeans to four (GE food, non-GE food, GE feed, non-GE feed). Taiwan has not indicated a proposed date of adoption or entry into force for this regulation. Also, in 2017/18, Taiwan's Ministry of Health and Welfare proposed a new regulation that would require importers and manufacturers of GE products to establish traceability systems for GE products from imports and to keep records for five years. Taiwan has not provided a proposed date of adoption or entry into force date.

Grain-oilseed situation

Taiwan relies on imports for over 99 percent of its wheat, importing 1.3 MMT of the product in 2017/18. The Taiwan Flour Millers' Association uses group purchases to import U.S. wheat via bulk vessels. These purchases account for approximately 80 percent of imports. The remaining 20 percent mostly consist of containerized shipments from Australia and Canada. About half of the U.S. wheat imported under group purchases was Dark Northern Spring, one-third was Hard Red Winter, and approximately 14 percent was low protein wheat.

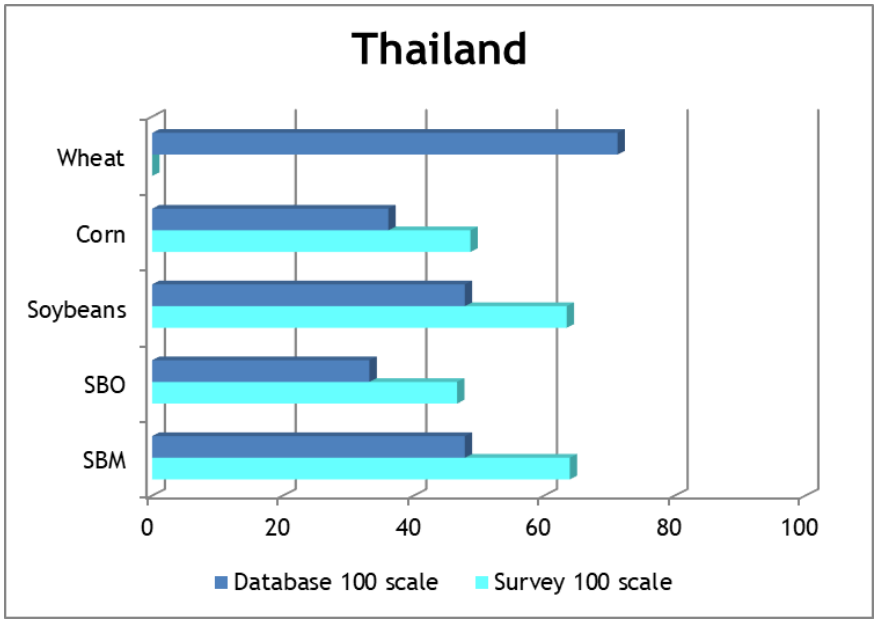
The U.S. supplied approximately 75 percent of Taiwan's 4.4 MMT corn imports in 2017/18, with most of the balance coming from Brazil. Corn has recently begun facing competition from other grains and feed products, such as DDGS and corn gluten feed. The feed inclusion rates for corn substitutes varies from year to year depending on relative prices. Sorghum imports increased 33 percent (from 48,000 MT to 64,000 MT) as China's retaliatory tariffs caused cargoes to be diverted to Taiwan.

Taiwan relies on imports to meet almost all its soybean demand. Soybean imports reached 2.7 MMT in 2017/18, and the U.S. commanded about 86 percent of that market as trade tensions with China pushed down the price of U.S. soy relative to South American competitors. Most soybean meal in Taiwan is produced and consumed domestically.

Taiwan: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	2	3	2	2	3	3
Beginning Stocks	490	444	485	567	569	451
Yield	2	2	3	3	2	2
Production	4	7	5	5	6	6
Imports	1,297	1,407	1,492	1,430	1,329	1,300
Total Supply	1,791	1,858	1,982	2,002	1,904	1,757
Exports	57	63	65	68	68	75
Feed Dom. Consumption	40	0	25	25	25	25
FSI Consumption	1,250	1,310	1,325	1,340	1,360	1,380
Domestic Consumption	1,290	1,310	1,350	1,365	1,385	1,405
Ending Stocks	444	485	567	569	451	277

THAILAND



Market access

Thailand is the 15th largest export market for U.S. agricultural goods. However, U.S. goods are not always price competitively due to high tariffs and shipping charges. Thailand has a number of FTAs with countries in Asia and with Chile and Peru. Price and quantitative controls and non-tariff barriers substantially restrict U.S. market access to Thailand. Sales of agricultural products remain exempt from the value-added tax implemented in 1992.

Thailand has TRQs on corn, soy, soybean oil, and soybean meal. TRQ restrictions on corn have remained consistent since initially negotiated with the WTO. The government of Thailand maintains a zero-tariff and quota-free corn import window from February 1 to August 31 for Laos, Cambodia, and Myanmar. Corn imports from other countries are subject to a TRQ of 54,700 metric tons with a 20 percent in quota tariff, and an out-of-quota tariff of 73 percent. The out-of-quota tariff is accompanied by a surcharge of 180 baht per metric ton ($6/MT).

Thailand's soybean tariff rate quota (TRQ) is 10,922 MT, with an in-quota tariff of 20 percent and an out-of-quota tariff of 80 percent. In 2017, this quota was extended through 2019; however, the updated policy limits imports to six trade associations and 16 food processing companies, and all importers face a domestic soybean purchasing requirement at a floor price of approximately $500/MT for crushing, $507/MT for feed, and $5064 for human food use.

On April 12, 2016, the Thai government lifted a long-standing ban on soybean meal exports. Trade sources reported that this was a response to requests by soybean crushers who foresee increased export opportunities in shipping soybean meal to neighboring ASEAN countries where livestock sectors are growing.

Soybean meal imports are nominally subject to a quota of 239,559 MT and a 20 percent tariff rate. In July 2014, the National Council for Peace and Order (NCPO) approved an unlimited soybean meal import quota for two years (2015-2017). The tariff rate applied to the quota is set at 2%, compared to the 20% bound rate. The out-of-quota tariff rate is 119 percent. This was extended to the two year set of 2018-2020 at the end of 2017.

Similar to soybean imports, the Thai government still issues import permits and eight trade associations, representing a group of soybean meal importers, are required to purchase domestic soybean meal at government-determined prices.

The quota and rates for cooking oils are especially restrictive. The TRQ for soybean oil is limited to 2,281 tons and is subject to a 20 percent tariff rate. The tariff rate for out-of-quota imports is prohibitively high at 146 percent. This has resulted in no imports in recent years.

Although the government of Thailand maintains relatively open access according to WTO tariff quota rules, U.S. exporters report restrictive and burdensome requirements for import permits and licenses, including compulsory purchase of local feed ingredients. Thailand maintains a complicated and burdensome import permit regime. Feed and livestock price controls are non-transparent. Importers report inconsistent application of WTO transaction valuation methodology for customs clearance of fees and taxes. Thailand's customs pricing system often disregards the declared transaction price of products.

In January 2017, Thailand implemented new maximum residue limits in food products. This would affect U.S. soybean oil imports if there were any.

Corruption is a problem Thailand. In 2018, Thailand scored a 36 on the Corruption Perceptions Index.

Grain-oilseed situation

Thailand largely meets its wheat needs through imports; consumption has decreased due to a variety of factors, including a decrease in demand for feed wheat due to disease.

Corn consumption, on the other hand, has increased, with imports of 700,000 MT in 2017/18 helping the country meet its annual demand of 5.5 MMT.

Thailand is heavily reliant (90%) on soybean imports to meet its needs. In 2017/18, the U.S. supplied 1.2 million metric tons, while Brazil supplied the remaining two-thirds. Soymeal import volumes were comparable, at 2.6 MMT in 2016, again mostly supplied by Brazil at over 1.5 million metric tons. The United States shipped 507,000 metric tons in 2017/18. Thailand does not import soybean oil, as the domestic market is dominated by palm oil.

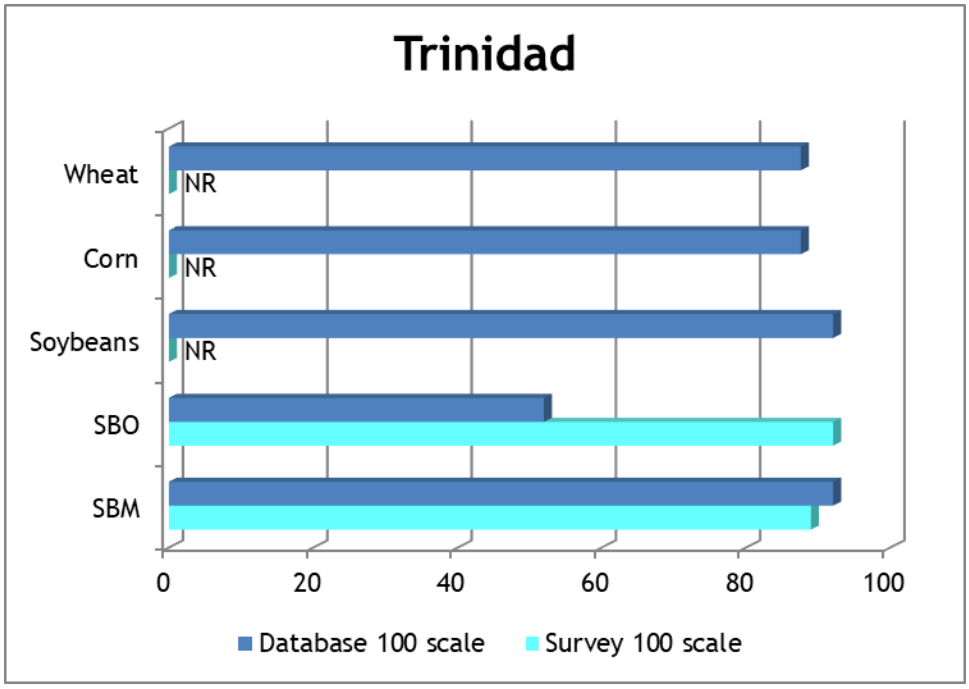
Thailand feed demand is expected to grow by about 4% for the foreseeable future, according to the USDA.

Thailand: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	797	572	865	1,066	813	654
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	1,759	3,492	4,872	3,689	3,098	3,000
Total Supply	2,556	4,064	5,737	4,755	3,911	3,654
Exports	214	219	235	242	257	250
Feed Dom. Consumption	700	1,850	3,276	2,500	1,800	1,700
FSI Consumption	1,070	1,130	1,160	1,200	1,200	1,200
Domestic Consumption	1,770	2,980	4,436	3,700	3,000	2,900
Ending Stocks	572	865	1,066	813	654	504

Source: USDA PS&D, 2019

TRINIDAD & TOBAGO



Market access

The Trinidad market, though small, is highly accessible and has few barriers to entry. Tariffs follow the Caribbean Community's common external tariffs and are zero for all GOMAI products except soybean oil, which faces a 40 percent tariff. The country's value-added tax does not apply to unprocessed foods, soybean oil, or animal feedstuffs.

Trinidad has phytosanitary requirements for unprocessed commodities, requiring phytosanitary certificates and import permits for grain and oilseeds, but these have not been used as a barrier to trade.

The Ministry of Health is responsible for regulating pesticide/contaminant residues in foodstuffs by way of the Pesticides & Toxic Chemicals Act No. 42 of 1979. Authorities follow the Stockholm Convention on Persistent Organic Pollutants in terms of banned products. Health officials also follow internationally accepted Codex standards in terms of pesticide MRLs and frequently refer to U.S. standards as well.

In 2018, Trinidad and Tobago scored a 41 on the Corruption Perceptions Index.

Grain-oilseed situation

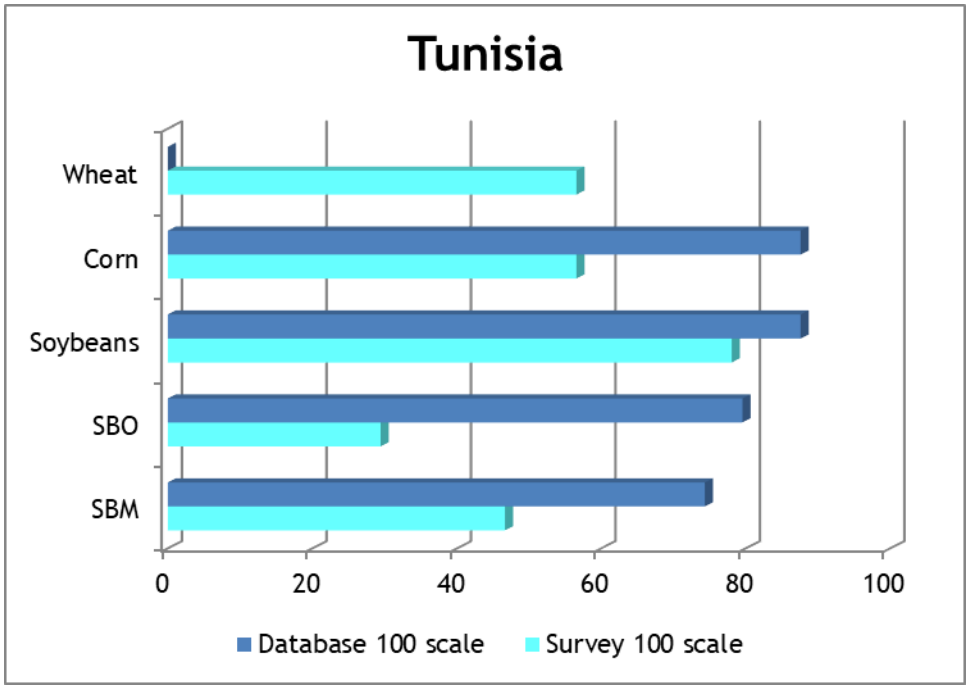
Trinidad and Tobago has a population of 1.37 million; it is not a large market. However, it has a surprisingly vibrant economy that manufactures food and beverage products both for domestic use and for export to other Caribbean countries. There is no significant production of grains or oilseeds on the islands, so basic agricultural commodities are imported. The U.S. is the dominant supplier.

Trinidad annually imports about 130,000 MT of wheat, 90,000 MT of corn, 40,000 MT of soybean meal, and 18,000 MT of soybean oil. Nearly all the wheat, corn, and soybean meal and over half the soybean oil is sourced from the U.S.

Trinidad and Tobago: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	5	5	5	5	5	5
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	137	124	130	128	135	135
Total Supply	142	129	135	133	140	140
Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	137	124	130	128	135	135
Domestic Consumption	137	124	130	128	135	135
Ending Stocks	5	5	5	5	5	5

TUNISIA



Market access

Tunisia has limited agricultural production capabilities, producing no corn or soybeans and needing imports to supplement domestic production of wheat. The country has high tariffs, inconsistent grading standards, and grants preferential treatment to competitors, all of which limit the ability of the U.S. to export.

Tunisia is party to 80 bilateral free trade agreements and joined the Common Market for eastern and Southern Africa (COMESA) in July 2018. It also has an Association Agreement with the European Union covering trade of goods and is working on a more wide ranging free trade agreement with the EU that would cover agricultural products.

For countries not in a free trade agreement with Tunisia, tariffs on agricultural products can be quite high. Tunisia has a 36% tariff on both durum and non-durum wheat and a 15% tariff on soy products. Corn and soybeans are duty free. Most agricultural products are exempt from the 19% VAT, but soymeal is taxed at the full rate. There are no quantitative restrictions on imports, although the Office des Cereales (Cereal Board) controls all wheat imports though tenders issued to international traders.

Phytosanitary measures vary by crop but typically require an import permit and phytosanitary certificate as well as additional declarations. There are no fumigation requirements at this point. Tunisia has had a biotech law pending since 2014 but the government has not enacted it and continues to import biotech products.

Tunisia has some issues with corruption, scoring a 41 out of 100 on Transparency International's Corruption Index. According to the 2018 NTE report, exporters have expressed lack of confidence over the state run bidding system for agricultural commodities.

Grain-oilseed situation

Reports are that the U.S. has been effectively frozen out of the Tunisian wheat market, as the Cereal Board's specifications for U.S wheat is stricter than the specifications for wheat of other origins. The U.S. has not exported wheat to Tunisia since marketing year 2015/16.

With no domestic production, Tunisia is reliant on imports to meet domestic demand. Tunisia imports over 1 MMT of corn each year, the majority of which comes from Ukraine. The U.S is a minor exporter of corn to the market, 30,000 MT in 2017, which has been consistent for the past three years.

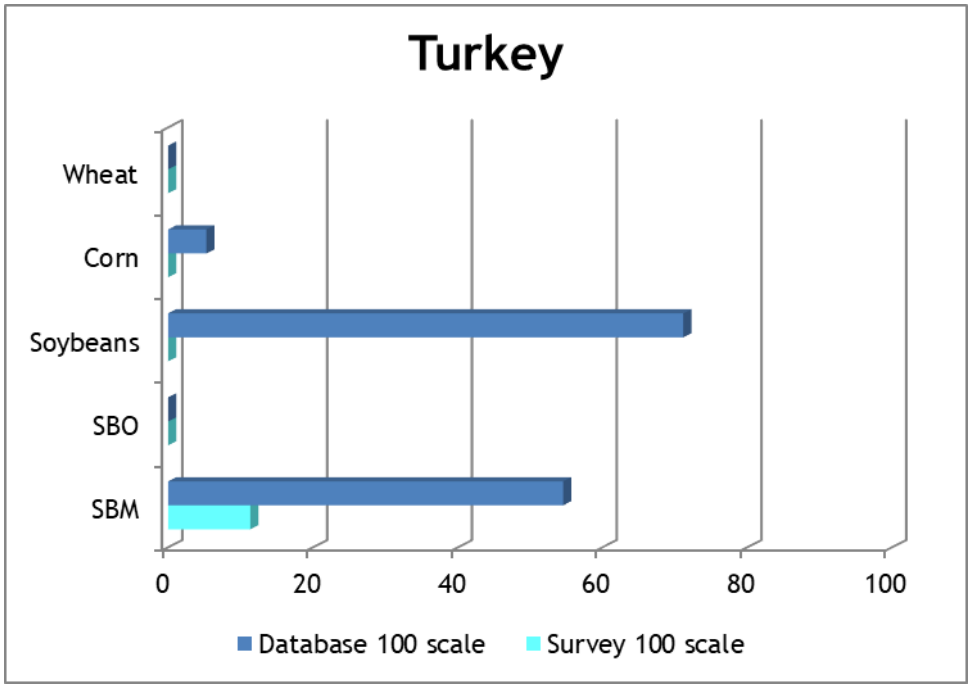
Having opened a crushing facility in 2010, Tunisia has imported over 400,000 MT of soybeans every year since. The U.S. is the number one supplier of soybeans to Tunisia. The crushing facility was expanded in 2017, leading to increased imports, and the U.S. is expected to increase exports as a result.

Tunisia: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	516	703	546	516	579	536
Beginning Stocks	1,008	722	781	758	742	784
Yield	2	2	2	2	2	2
Production	975	1,513	912	927	1,104	1,070
Imports	1,634	1,461	1,976	2,016	1,923	1,800
Total Supply	3,617	3,696	3,669	3,701	3,769	3,654
Exports	20	15	11	9	10	20
Feed Dom. Consumption	75	75	75	100	100	100
FSI Consumption	2,800	2,825	2,825	2,850	2,875	2,875
Domestic Consumption	2,875	2,900	2,900	2,950	2,975	2,975
Ending Stocks	722	781	758	742	784	659

Source: USDA PS&D, 2019

TURKEY



Market access

Turkey maintains high tariffs on agricultural imports, though several Turkish agricultural exports benefit from Turkey's inward processing regime (IPR) policy, which allows duty free imports of certain products (such as wheat and corn) when used for exporting products. Turkey's quantitative barriers also include TRQs (with preferences given to the EU and other countries in the region) and licensing requirements. According to USTR, Turkish documentation requirements for food imports are onerous, inconsistent, and non-transparent, often resulting in shipments delayed at Turkish ports.

In August 2018, Turkey began applying tariff quotas on wheat and corn. For wheat, the government will apply no tariff on imports up to 750,000 MT through May 31, 2019; for corn, there will be no duty up to 700,000 MT through July 31. Above the quotas, wheat faces a 45 percent tariff while corn faces a 25 percent tariff. Sorghum faces a 130 percent tariff, soybeans enter duty free, soybean meal faces a five percent duty, and soybean oil faces a 31.2 percent tariff.

Since 2010, food or feed derived from genetically modified (GM) products must be labeled if the GM content exceeds a specified threshold. Some GMO food products must also include health warnings. The Biosafety Law also requires traceability procedures for all movement of GM-derived animal feed, including a requirement that each handler maintain traceability records for 20 years. Developers of biotech products in the U.S. are often reluctant to seek regulatory approval in Turkey for individual traits because of the liability requirements imposed by the Biosafety Law.

In 2018, the Biosafety Board established under the Biosafety Law was abolished and the approval process and authority for GM approvals is being updated. The former Biosafety Board rejected

applications for approval of several GM corn and soybean traits. There are 36 traits (26 for corn and 10 for soybeans) that have been approved for use in animal feed in Turkey. No GM products have been approved for food use and no traits have been approved since August 2017. Thirteen applications are still pending.

U.S. wheat faces additional market access issues. Following a detection of an unapproved GM wheat trait in 2013, Turkey has required that every shipment of U.S. wheat be tested. The U.S. has not exported wheat to Turkey since.

Despite Turkey's ratification of the Organization for Economic Cooperation and Development (OECD) anti-bribery convention and passage of implementing legislation making it illegal to bribe foreign and domestic officials, corruption of some government officials and politicians remains a serious problem. Turkey scored 41 of a possible 100 points on Transparency International's Corruption Index.

Grain-oilseed situation

Turkey imported 6 MMT of wheat in 2017/18, but none of that was sourced from the U.S. Russia, Ukraine, and Lithuania were the largest wheat suppliers. Russia is the main supplier of milling wheat.

Turkey also imported 2.7 MMT of corn in 2017/18. Russia, Ukraine, and Romania were the largest corn suppliers. The U.S. was a small, marginal contributor.

Turkey does not produce many soybeans but has increased its crush capacity and imported nearly 2.8 MMT in 2017/18. Brazil is the market's leading supplier of soybeans (1.2 MMT). Ukraine (608,000 MT), the U.S., (428,000 MT) and Paraguay (328,000 MT) were the other key suppliers.

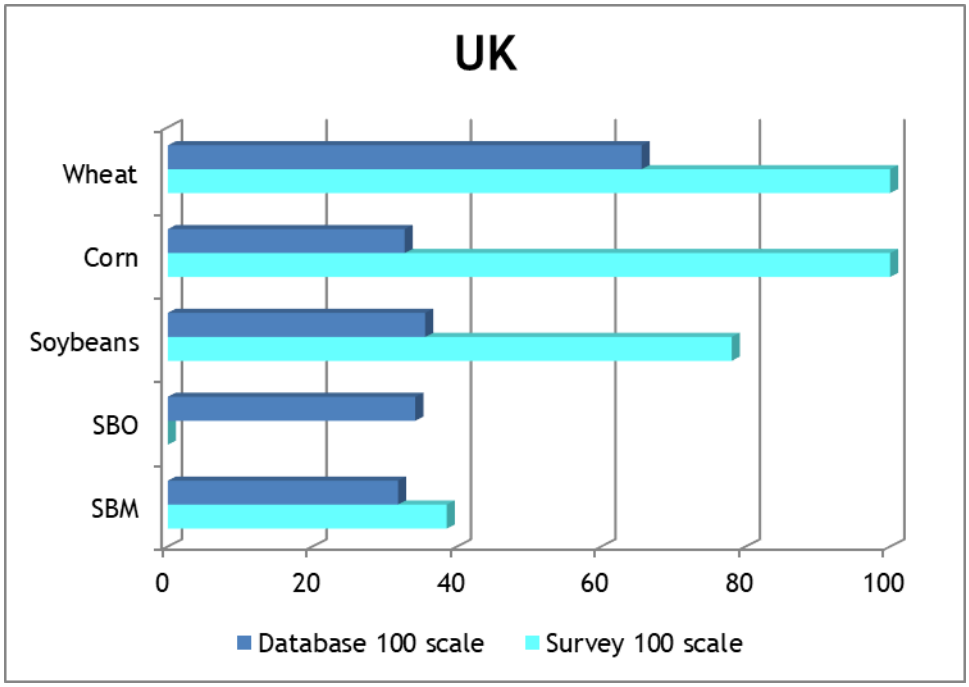
Total soybean meal imports reached 557,000 MT in 2017/18. Argentina is the leading supplier of soybean meal (420,000 MT); approximately five percent came from the U.S.

Due to substantial domestic crushing, Turkey did not import soybean oil in 2017/18.

Turkey: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	7,700	7,710	7,860	7,815	7,800	7,615
Beginning Stocks	2,902	3,596	3,079	3,100	1,289	4,138
Yield	2	2	2	2	3	3
Production	18,750	15,250	19,500	17,250	21,000	19,000
Imports	4,135	5,792	4,052	4,513	6,043	5,500
Total Supply	25,787	24,638	26,631	24,863	28,332	28,638
Exports	4,441	4,059	5,531	6,174	6,194	6,300
Feed Dom. Consumption	950	700	1,200	700	1,300	1,200
FSI Consumption	16,800	16,800	16,800	16,700	16,700	16,800
Domestic Consumption	17,750	17,500	18,000	17,400	18,000	18,000
Ending Stocks	3,596	3,079	3,100	1,289	4,138	4,338

UNITED KINGDOM



Market access

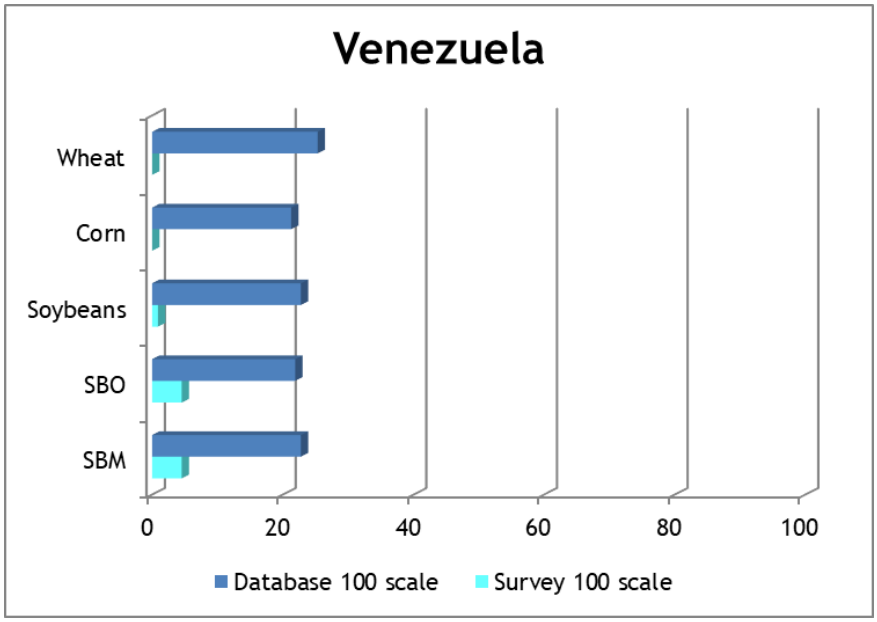
As of this writing the United Kingdom is still part of the European Union, and all trade must follow EU regulations. FAS believes that even upon leaving the EU, The UK's policy towards biotechnology will not change in the short to medium term.

The current BREXIT deadline is now the end of October 2019. A "soft" BREXIT would likely lead to the UK remaining in the EU customs union. In the short to medium term, it is possible that trade conditions in the UK will not be significantly different than what they are in the rest of the EU.

Grain-oilseed situation

Data for the UK is often reported as part of the EU and typically cannot be easily separated. According to FAS, the UK typically makes up 10 to 15% of the EU market for animal feed products. The UK is a significant producer of wheat, 14 MMT in 2017. The UK is not a large producer of corn or soy, as those are produced in other areas of the EU.

VENEZUELA



Market access

Venezuela is a restricted market because it has foreign exchange controls, SPS barriers, severe corruption, and pervasive and arbitrary government intervention in commerce.

Venezuela has moderate nominal tariffs (10% to 20% on most GOMAI products, except for durum wheat and commodity seeds which are duty free) and provides tariff preferences to South American trading partners for many goods – tariffs that are being phased out. Venezuela also has a high value-added tax of 16%, but which is applied only to refined soybean oil.

Fortunately for U.S. exporters, because of Venezuela's production shortages, it needs staple goods, and its geographical proximity to the U.S. makes it an attractive destination for U.S. agricultural commodities. Although there are tariff rate quotas in place for all soy commodities, they were not being enforced.

Venezuela ranks among the world's most corrupt countries, scoring just 18 on the 2017 Corruption Perceptions Index.

Grain-oilseed situation

Economic decline in Venezuela, driven by aggressive government intervention in the market, has led to an ongoing decline in incomes, purchasing power, and production of basic goods.

Venezuela does not produce wheat and must import to meet demand (1.5 MMT in 2017/18; Canada is the leading supplier, followed by 272,000 MT from the U.S.). Corn production is down to 600,000 MT; imports were 1.6 MMT in 2017/18, 400,000 MT from the U.S.

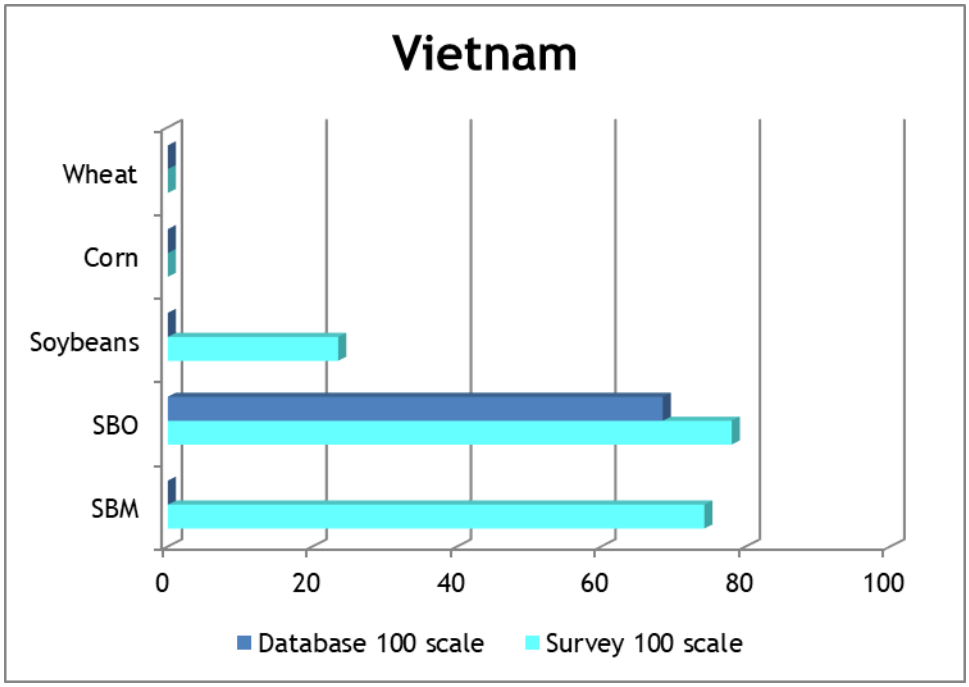
Venezuela imported 260,000 MT of soybeans in 2017/18, 145,000 MT from the U.S. The country imported 328,000 MMT of soybean meal in 2017/18 (188,000 MT from the U.S.). Soybean oil imports were 226,000 MT: most from Argentina, with 48,000 MT from the U.S.

Venezuela: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	332	433	223	98	87	109
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	1,951	1,540	1,375	1,139	1,522	1,000
Total Supply	2,283	1,973	1,598	1,237	1,609	1,109
Exports	0	0	0	0	0	0
Feed Dom. Consumption	0	0	0	0	0	0
FSI Consumption	1,850	1,750	1,500	1,150	1,500	1,050
Domestic Consumption	1,850	1,750	1,500	1,150	1,500	1,050
Ending Stocks	433	223	98	87	109	59

Source: USDA PS&D, 2019

VIETNAM



Market access

Vietnam's MFN tariffs are mostly 0-5 percent for the GOMAI commodities under review. Import licensing procedures can be burdensome, however, and importers report that the Vietnamese customs clearance procedures are inconsistent with WTO customs valuation principles.

In September 2017, Vietnam's Plant Protection Department (PPD) announced it would begin issuing import permits for U.S. origin DDGS and grains. Import permits may be valid for up to one year, depending on the product. That same month, Vietnam issued Decree 123/2018, amending and supplementing several conditions for trade and business in agriculture. The Decree aimed to combine the regulation of genetically engineered (GE) food and feed as it pertains to imports, production, and trade. The Decree also requires GE products to obtain a certificate satisfying conditions for food/feed use prior to importation into Vietnam.

The agricultural biotechnology approval process is generally slow and non-transparent and significant delays in the approval process for GE crops are common, though the government of Vietnam claims Decree 123/2018 makes improvements in this space. That said, in 2017/18, the Ministry of Agriculture and Rural Development (MARD) continued its delay in the review and approval of GE events for food and feed use, including biotech hybrid corn varieties, with no new approvals since late 2016. According to USDA, between December 2016 and December 2017, developers submitted eight applications for new biotech hybrid corn varieties to MARD. By October 2018, MARD had yet to approve any of them. In fact, MARD has approved only 21 out of 51 dossiers registering GE events for approval for use as food and feed with the remaining 30 cases still outstanding. Pending submissions for approval include events for corn, soybeans, and other agricultural commodities. Generally, products with GM content over five percent must be labeled.

Regarding plant quarantine and SPS issues, in 2015, MARD issued a decision (No. 2515/2015) subjecting several products to plant quarantine inspection upon importation into Vietnam and requiring a SPS certificate from the exporting country to accompany any shipment of these products. Frozen sweet corn is subject to these requirements.

On April 12, 2016, PPD issued the Official Letter 611/BVTVQLT suspending any new registrations of plant products containing the active ingredients Glyphosate, Diazinon, Malathion, and Tetrachlorvinphos.

In 2017, changing Vietnam PPD requirements regarding fumigation led U.S. APHIS to try to work on measures to ensure that shipments arrive without pests, yet avoid the need for methyl bromide fumigation.

In 2018, MARD/PPD sent the U.S. non-compliance notifications on wheat grain and soybean shipments contaminated with *Cirsium arvense* (Canadian Thistle). Other trading partners also received non-compliance notifications of Canadian thistle detections in other commodities with MARD/PPD announcing that, starting November 1, 2018, Vietnam would enact stricter measures for plant quarantine, such as rejection and re-export of contaminated shipments. MARD also proposed to ban the use of glyphosate in 2018, following the product's registration suspension in 2016.

Food Safety laws in Vietnam have undergone changes recently. On February 2, 2018, Vietnam adopted Decree 15 on the enforcement of the Food Safety Law. According to USTR, Decree 15 provides new guidance on registrations, announcements, certificates, labels, advertisements, working conditions, origins of food and food additives, and jurisdiction for food safety issues. The Decree simplifies many import procedures for food and agricultural products but complicates issues elsewhere. Anecdotally, different Vietnamese government ministries, and even departments within MARD, contradict each other regarding the interpretation of the Decree. Moreover, Decree 15 transfers the authority to propose MRLs from the Ministry of Health (MOH) to MARD, even though MOH continues to officially authorize MRLs. U.S. exporters have complained about the uneven enforcement and lack of transparency of the original Food Safety Law and it remains unclear whether this issue has been resolved with Decree 15.

The lack of transparency, accountability, and media freedom, as well as widespread official corruption and inefficient bureaucracy remain serious problems in Vietnam. Competition among government agencies for control over business and investments has created confusing and overlapping jurisdictions, and overly bureaucratic procedures and approvals, which in turn create opportunities for corruption. Low pay for government officials and inadequate accountability systems contribute to these problems. Both domestic and international firms have identified corruption as an obstacle to their business activities. Vietnam scored a 33 on the Corruption Perceptions Index.

Grain-oilseed situation

Wheat imports reached nearly 4.7 MMT in 2017/18. The important factor for buyers choosing between feed wheat and other feed ingredients is wheat's selling price relative to corn. In 2018, feed wheat prices were moving with corn prices and were consistently at lower price points. At similar prices, millers prefer feed wheat due to protein content, color, and binding factors. Russian wheat imports—mainly feed wheat—increased substantially in 2018 at the expense of Australia, Argentina, and Canada. Demand for feed wheat is driving the change, along with rising Australian and falling Russian prices. Australian wheat is mainly used as milling wheat, but Russian wheat—which is deemed to be lower quality—will also be milled if the price is right. The U.S. exported 173,000 MT of wheat to Vietnam in 2017/18.

As local rice and cassava farmers continue to eye export markets, the domestic animal feed industry has had to rely on imported corn to fuel the feed sector. Low corn prices from the U.S., South America, and Eastern Europe have encouraged demand. Vietnam imported 8.6 MMT of corn in 2017/18, 1.9 MMT from the U.S.

Vietnam only produced 90,000 MT of soybeans in 2017/18 and imported nearly 1.9 MMT. The U.S. has remained the leading soybean exporter with 61 percent market share, followed by Brazil at 31 percent. The domestic crush was nearly 1.5 MMT in 2017/18. Soybean meal imports (including soy flour and other residues) have been large and growing steadily, due to higher demand from the feed and food processing industries. Soybean meal imports reached 4.8 MMT in 2017/18 and Argentina remained the largest supplier, accounting for 61 percent market share. Brazil and the U.S. were the other main suppliers. U.S. exports of soybean meal to Vietnam reached 591,000 MT in 2017/18, 40 percent of which was soy flour.

Vietnam: Wheat (1,000 mt)

Attribute	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
Area Harvested	0	0	0	0	0	0
Beginning Stocks	263	368	284	629	1,022	886
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	2,157	2,292	3,070	5,535	4,655	4,000
Total Supply	2,420	2,660	3,354	6,164	5,677	4,886
Exports	177	226	250	242	291	300
Feed Dom. Consumption	350	600	900	3,100	2,500	1,700
FSI Consumption	1,525	1,550	1,575	1,800	2,000	2,100
Domestic Consumption	1,875	2,150	2,475	4,900	4,500	3,800
Ending Stocks	368	284	629	1,022	886	786