



Grain & Oilseed Market Access Indexes GOMAI 13 - Soybean Report

A Report for:

North American Export Grain Association

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1. GOMAI BACKGROUND

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 2019 and highlights some of the changes that have taken place. It reflects market access conditions for U.S. grains and oilseeds in 46 countries plus the EU as a whole as of the end of 2019. 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, 2017, and 2018. 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 Chile, Israel, Libya, and Yemen for a total of 46 countries plus the EU. Five commodities are covered: Wheat, corn, soybeans, soybean oil, and soybean meal. 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 and NAECA staff 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 was positive in 2019 and was projected to be positive in 2020. World economic Gross Domestic Product (GDP) growth was 3.6 percent in 2018 and 2.9 percent in 2019 and was initially projected to rise to 3.3 percent in 2020, according to the IMF. The IMF forecast for 2020 has since been significantly revised due to the outbreak of COVID-19 and the resulting public health measures which have limited economic activity. Global GDP has been projected to decrease 4.9 percent, with advanced economies specifically decreasing eight percent. Emerging economies are also projected to take a hit, albeit a smaller one, with a projected decrease of three percent. As this report covers market access developments to the end of 2019, changes in market access that result from COVID-19 and subsequent government actions are not considered, but we do anticipate that markets and market access will be impacted for years to come.

For U.S. grain and oilseed exporters, 2019 saw some progress on the market access front. Several of the Trump Administration's trade initiatives came to fruition in 2019, foremost among them the Economic and Trade Agreement between the United States and China ("Phase One Trade Deal") which was completed in December 2019 after years of negotiations and escalations between the two countries. The new deal came with agreements from the Chinese to increase their imports of US goods and services by at least \$200 billion and to reform sanitary and phytosanitary measures. Additionally, the U.S.-Japan Trade Agreement was completed, coming into force in January 2020, and the United States Mexico Canada agreement (USMCA) has been ratified by all three parties.

Overall, the most significant tariff barriers remain. China maintained many of the tariffs implemented in 2018, and the U.S. is still in a trade dispute with the European Union, which has resulted in a large number of retaliatory tariffs being placed on U.S. goods. Tariffs saw a reduction in other markets, due to the trade agreements and other bilateral negotiations. Official quantitative barriers also improved modestly in 2019.

The trend towards the increased use of non-tariff barriers over official tariff barriers continued in 2019. While overall use of SPS and other technical barriers has improved slightly, there has been some adoption of strict phytosanitary standards and GMO bans that have the potential to significantly impact U.S. trade.

GOMAI results show that price and technical/procedural measures improved in 2019, while quantitative measures worsened slightly.

1.2. Summary of database results

The average ratings from the database using the 1-7 scale are shown in the following table. 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 has been 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. The average GOMAI 13 scores by barrier type are compared to the previous year's GOMAI 12 scores below:

2018	Database
Price measures	5.4
Quantity measures	6.3
Technical measures	4.1

2019	Database
Price measures	5.7
Quantity measures	6.2
Technical measures	4.3

In 2019, database scores increased for price measures, decreased slightly for quantity measures, and increased for technical measures. Price measures improved in part because the U.S. signed the U.S. Japan agreement, as well as renegotiated the NAFTA into the new USMCA. Additionally, since the study began in the mid-2000s, countries have in our estimation have generally been moving away from price and quantity barriers, as 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. This is not the case this year, as quantity measures appear to be slightly worse, but still the least impactful of the three types of trade barriers.

The increase in scores is also impacted by the new countries that were added to the study. The U.S. has free trade agreements with Israel and Chile, allowing almost unfettered access for the GOMAI commodities to these countries. Libya and Yemen are both in periods of Civil strife, with severe institutional limitations. This means there is relatively little in the way of formal trade barriers. Instead trade barriers in these countries take the form of corruption, and lack of infrastructure.

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.

Of the 47 countries, 19 had scores of 70 or higher, 13 were between 50-70, six were in the 30-50 range, and nine countries scored below 30. Iran was determined to have no access due to the sanctions in place, and Brazil, India, and China have little to no access. Southeast Asian countries like Thailand and Vietnam¹ have also become much more restrictive with the implementation of strict phytosanitary measures, and, in Thailand's case, a move to ban GMO food products.

¹ In 2019 Vietnam officially implemented SPS measures that it was deducted for in 2018. Vietnam had its score adjusted upwards to reflect continuing exports but has become more restrictive.

The table below compares the current market access indexes for the end of 2019 to the scoring done for the end of 2018. When examined by commodity, access increased for all commodities except for soybean oil. A large driver for the increase soybean access is driven by the increased access and purchasing from China, which is the largest consumer of soybeans globally.

Product	Index 2018	Index 2019	Change
Wheat	30.4	30.6	+0.2
Corn	23.8	28.0	+4.2
Soybeans	20.1	29.8	+9.7
Soybean oil	26.7	18.0	-8.7
Soybean meal	33.7	40.7	+7

Scores fluctuated this time because as several countries had scores adjusted to reflect the movement of U.S. exports, including China and Vietnam (which still has a low market access score due to increasing technical and procedural barriers). Japan has seen its access score increase due to the signing of the United State Japan Agreement.

On the other end of the spectrum, Mexico saw its market access score decrease due to trade disputes between the U.S. and Mexico, as well as other procedural issues. Thailand, which saw its score drop significantly, implemented a number of policies that will hinder U.S. exports, including a GMO ban for food products.

1.3. Summary of survey results

We had approximately the same number of survey participants this time as with the GOMAI 12 study. Outside of Sudan and Trinidad, all countries were scored by representatives from NAEGA and/or USSEC field staff. Not all country-commodity combinations were scored; 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:

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

2019 results	Survey
Price measures	4.3
Quantity measures	4.3
Technical measures	4.2

Soy and grain representatives in the field feel the overall landscape has improved. According to the surveys, market access shifted slightly, down on price and quantitative measures, and up on technical and procedural measures.

The survey results on the 100-point index scale illustrate the diversity in market access across countries. 11 countries have scores of 70 or above and these include major trading partners like Canada and Japan. There are 10 countries in the 50-70 range, including trading partners such as Mexico and South Korea. Nine countries have index scores within the 30-50 range. Six were between 15 and 30. Nine countries have scores below 15, including a “no access” (zero) rating for Iran and Russia. Sudan and Trinidad were not rated this year.

In terms of the individual commodities, soybean meal was determined to have the highest market access, followed by corn, soybeans, soybean oil, and wheat. According to the surveys, all commodities have seen their access improve this year.

Product	Index 2018	Index 2019	Change
Wheat	8.3	11.4	+3.1
Corn	17.8	25.5	+7.7
Soybeans	17.1	22.4	+5.3
Soybean oil	16.5	21.1	+4.6
Soybean meal	27.9	31.4	+3.5

1.4. Comparison of survey and database results

The differences between the average results of the two approaches highlight 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 information highlighted by survey respondents. NAEGA staff and members were asked for a more subjective assessment, scoring countries from 1-7 but without granular scoring definitions. Their responses were necessarily and appropriately influenced by their own experiences working in the trenches of market development. This was particularly true of some of the countries added this year, as Yemen and Libya have little in terms of legal restrictions to trade, but their lack of infrastructure and institutional limitations make trade with them extremely difficult in practice.

Tables 1-3 and Figures 1-5 which follow show how each commodity was scored in the database for each of the 47 countries, ranked from most open at the top of the chart to most protectionist at the bottom. Figures 1-5 show the average of the database and survey score.

Both Agralytica’s scoring and the survey of experts yielded similar results, wheat being the key exception. Agralytica’s wheat score was higher than the survey’s (there was a 26-point difference²). This likely reflects the fact that the GOMAI index credits the EU with some access and that the EU is heavily weighted given its market size. By contrast, NAEGA and USSEC scored the market as completely closed.

² One factor that influences the difference in the two indexes is that this year’s survey scored EU and Turkey wheat at a “1” which is considered to be no access. This had an outsized effect on the index due to Europe’s & Turkey large consumption of wheat, which is factored into the index.

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 GOMAI 13 report will have 47 countries including four new ones: Chile, Israel, Libya, and Yemen.

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

Five commodities were considered for the report:

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 April 2020. NAEGA staff, in conjunction with industry members, 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 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 2018/19 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. Information from the Food and Agricultural Organization of the United Nations (FAO) was used to confirm biotech regulations for countries that are not reported on by USDA.

2.3.1. FAS

Where available, we used the 2017-2020 Grain and Oilseed attaché reports (for coverage through December 2019), 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 2020 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/2020_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>

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 disappeared or have been 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 is free if accessed through the following link:

<http://export.customsinfo.com/Default.aspx>

Note: this database is sometimes out of date; also, it reflects only the 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).

This year we also used a service called Market Access Map. Provided by the International Trade Centre based in Europe, Market Access Map allows one to see any tariff rates for over 200 countries by exporting country. This tool is especially useful in identifying countries that have preferential tariff rates for other countries, allowing us to specifically examine the rates for the GOMAI commodities.

<https://www.macmap.org/>

2.3.5. FAO

FAO collects information on the biotech platforms for a large amount of countries, including those that are not reported on by USDA. This database is useful for confirming what, if any biotech regulations are in place. This information is updated less frequently than GAIN reports, which are updated annually, so GAIN reports are used unless they are unavailable. The FAO database can be accessed at

<http://www.fao.org/food/food-safety-quality/gm-foods-platform/browse-information-by/country/en/#st>

2.3.6. 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. Protocols for scoring the database

First, it is important to remember that we were trying to assess conditions as of the end of 2019. In a few cases we noted any changes scheduled to take place in early 2020, but the scores are based on rules and practices in effect in December 2019.

In each of the three classes of barrier (price, quantity, and technical/procedural), 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. Price measures

Tariffs are the most common barrier and are usually 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 include very 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 2019 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 percent or less and 0.5 if more than 15 percent. 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.

2.4.2. 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.

2.4.3. 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 five percent or more threshold, 2 if between 1 and 5 percent, and 3 if there is a one percent 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. Summary of database results

The average ratings from the database using the 1-7 scale are shown in the following table. 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 has been 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. The average GOMAI 13 scores by barrier type are compared to the previous year's GOMAI 12 scores below:

2018	Database
Price measures	5.4
Quantity measures	6.3
Technical measures	4.1

2019	Database
Price measures	5.7
Quantity measures	6.2
Technical measures	4.3

In 2019, database scores increased for price measures, decreased slightly for quantity measures, and increased for technical measures. Price measures improved in part because the U.S. signed the U.S. Japan agreement, as well as renegotiated the NAFTA into the new USMCA. Additionally, since the study began in the mid-2000s, countries have in our estimation have generally been moving away from price and quantity barriers, as 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. This is not the case this year, as quantity measures appear to be slightly worse, but still the least impactful of the three types of trade barriers.

The increase in scores is also impacted by the new countries that were added to the study. The U.S. has free trade agreements with Israel and Chile, allowing almost unfettered access for the GOMAI commodities to these countries. Libya and Yemen are both in periods of Civil strife, with severe institutional limitations. This means there is relatively little in the way of formal trade barriers. Instead trade barriers in these countries take the form of corruption, and lack of infrastructure.

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.

Of the 47 countries, 19 had scores of 70 or higher, 13 were between 50-70, six were in the 30-50 range, and nine countries scored below 30. Iran was determined to have no access due to the sanctions currently in place, and Brazil, India, and China have little to no access. Southeast Asian countries like Thailand and Vietnam³ have also become much more restrictive with the implementation of strict phytosanitary measures, and, in Thailand's case, a move to ban GMO food products.

The table below compares the current market access indexes for the end of 2019 to the scoring done for the end of 2018. When examined by commodity, access increased for all commodities except for soybean oil. A large driver for the increase soybean access is driven by the increased access and purchasing from China, which is the largest consumer of soybeans globally.

Product	Index 2018	Index 2019	Change
Wheat	30.4	30.6	+0.2
Corn	23.8	28.0	+4.2
Soybeans	20.1	29.8	+9.7
Soybean oil	26.7	18.0	-8.7
Soybean meal	33.7	40.7	+7

Scores fluctuated this time because as several countries had scores adjusted to reflect the movement of U.S. exports, including China and Vietnam (which still has a low market access score due to increasing technical and procedural barriers). Japan has seen its access score increase due to the signing of the United State Japan Agreement.

On the other end of the spectrum, Mexico saw its market access score decrease due to trade disputes between the U.S. and Mexico, as well as other procedural issues. Thailand, which saw its score drop significantly, implemented a number of policies that will hinder U.S. exports, including a GMO ban for food products.

3.2. Summary of survey results

We had approximately the same number of survey participants this time as with the GOMAI 12 study. Outside of Sudan and Trinidad, all countries were scored by representatives from NAEGA and/or USSEC field staff. Not all country-commodity combinations were scored; 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:

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

³ In 2019 Vietnam officially implemented SPS measures that it was deducted for in 2018. Vietnam had its score adjusted upwards to reflect continuing exports but has become more restrictive.

2019 results	Survey
Price measures	4.3
Quantity measures	4.3
Technical measures	4.2

Soy and grain representatives in the field feel the overall landscape has improved. According to the surveys, market access shifted slightly, down on price and quantitative measures, and up on technical and procedural measures.

The survey results on the 100-point index scale illustrate the diversity in market access across countries. 11 countries have scores of 70 or above and these include major trading partners like Canada and Japan. There are 10 countries in the 50-70 range, including trading partners such as Mexico and South Korea. Nine countries have index scores within the 30-50 range. Six were between 15 and 30. Nine countries have scores below 15, including a “no access” (zero) rating for Iran and Russia. Sudan and Trinidad were not rated this year.

In terms of the individual commodities, soybean meal was determined to have the highest market access, followed by corn, soybeans, soybean oil, and wheat. According to the surveys, all commodities have seen their access improve this year.

Product	Index 2018	Index 2019	Change
Wheat	8.3	11.4	+3.1
Corn	17.8	25.5	+7.7
Soybeans	17.1	22.4	+5.3
Soybean oil	16.5	21.1	+4.6
Soybean meal	27.9	31.4	+3.5

3.3. Comparison of survey and database results

The broad differences between the average results of the two approaches highlight 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. NAEGA staff and members 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. This was particularly true of some of the countries added this year, as Yemen and Libya have little in terms of legal restrictions to trade, but the lack of infrastructure and institutional limitations make trade with them extremely difficult in practice.

Tables 1-3 and Figures 1-5 which follow show how each commodity was scored in the database for each of the 47 countries, ranked from most open at the top of the chart to most protectionist at the bottom. Figures 1-5 show the average of the database and survey score.

Both Agralytica's scoring and the survey of experts yielded similar results, wheat being the key exception. Agralytica's wheat score was higher than the survey's (there was a 26-point difference⁴). This likely reflects the fact that the GOMAI index credits the EU with some access and that the EU is heavily weighted given its market size. By contrast, NAEGA and USSEC scored the market as completely closed.

⁴ One factor that influences the difference in the two indexes is that this year's survey scored EU and Turkey wheat at a "1" which is considered to be no access. This had an outsized effect on the index due to Europe's & Turkey large consumption of wheat, which is factored into the index.

Table 1: Average market access rating - database for end of 2019

Average rating	Wheat	Corn	Soybeans	SBO	SBM	Average
Chile	88.6	88.6	88.6	96.2	96.2	91.6
Costa Rica	92.1	88.6	92.1	96.2	84.8	90.7
Canada	79.6	88.6	88.6	92.5	96.2	89.1
Lebanon	88.6	88.6	88.6	90.8	81.1	87.5
Dominican Republic	87.6	77.3	87.6	88.6	87.6	85.7
Malaysia	78.5	72.5	92.1	84.3	96.2	84.7
Colombia	80.7	74.3	80.7	85.2	88.6	81.9
Japan	73.3	65.6	87.6	84.7	92.1	80.6
Guatemala	82.7	70.1	82.7	79.6	82.7	79.6
Egypt	92.1	64.4	87.6	77.3	74.4	79.1
Israel	81.6	81.6	81.6	78.1	70.1	78.6
Peru	84.3	50.7	77.3	84.8	88.6	77.1
Trinidad	77.3	87.6	87.6	34.3	96.2	76.6
South Korea	71.2	71.2	71.2	75.9	92.1	76.3
Tunisia	16.1	87.6	87.6	92.1	76.2	71.9
Yemen	76.2	70.1	70.1	70.1	70.1	71.3
Taiwan	80.7	64.4	64.4	59.3	82.7	70.3
Bangladesh	76.2	68.5	68.5	68.5	68.5	70.1
Indonesia	66.1	69.7	76.2	63.0	74.3	69.8
Mexico	56.5	56.5	56.5	87.6	87.6	68.9
Nepal	0.0	84.8	84.8	88.6	84.8	68.6
Philippines	79.6	33.3	80.7	72.5	74.4	68.1
South Africa	57.0	56.5	62.4	67.7	84.3	65.6
Algeria	63.9	53.2	56.4	61.5	72.5	61.5
Cuba	63.1	60.4	60.4	57.5	60.4	60.4
Libya	63.0	35.9	70.1	63.0	66.7	59.7
Morocco	54.3	34.3	61.9	61.9	84.3	59.3
Saudi Arabia	71.8	43.4	47.1	57.9	64.4	56.9
Ecuador	77.3	33.5	36.3	56.4	77.3	56.2
Nigeria	61.5	62.4	67.7	0.0	80.7	54.5
Myanmar	57.5	52.0	52.0	45.5	57.5	52.9
EU	47.6	25.9	68.5	18.3	88.6	49.8
Pakistan	0.0	27.5	71.2	58.9	72.5	46.0
Sudan	45.9	41.4	45.9	49.8	45.9	45.8
Vietnam	45.5	30.2	32.8	59.9	38.0	41.3
Iraq	70.1	30.2	32.8	32.8	32.8	39.7
Thailand	52.0	0.0	27.1	0.0	73.3	30.5
Turkey	50.8	25.4	32.8	0.0	35.9	29.0

Average rating	Wheat	Corn	Soybeans	SBO	SBM	Average
Sri Lanka	84.3	0.0	0.0	0.0	45.9	26.0
Venezuela	25.4	21.3	22.8	21.9	22.8	22.8
Kenya	72.5	0.0	0.0	0.0	0.0	14.5
Russia	0.0	0.0	0.0	27.5	34.3	12.4
Brazil	11.7	11.7	11.7	0.0	12.4	9.5
India	0.0	0.0	21.1	0.0	23.4	8.9
China	9.5	11.9	20.1	0.0	0.0	8.3
Iran	0.0	0.0	0.0	0.0	0.0	0.0
Weighted average	30.6	28.0	29.8	18.0	40.7	29.4

Table 2: Change in database scores from end of 2018 to 2019⁵

Average rating	Wheat	Corn	Soybeans	SBO	SBM	Average
Vietnam	45.5	30.2	32.8	-8.6	38.0	27.6
Japan	20.3	16.6	23.2	33.9	27.7	24.3
Egypt	40.1	5.1	35.6	20.9	18.0	23.9
Taiwan	31.2	12.4	10.1	9.8	28.4	18.4
Indonesia	14.1	20.3	18.7	8.4	19.7	16.2
Sudan	19.3	14.9	19.3	14.7	12.3	16.1
South Korea	19.3	8.1	5.6	12.8	15.9	12.3
EU	-18.0	-6.9	32.9	-16.0	56.7	9.7
Bangladesh	13.7	6.1	6.1	6.1	6.1	7.6
Algeria	7.5	-9.1	5.6	14.8	17.4	7.3
Brazil	7.7	7.7	7.7	0.0	8.4	6.3
Tunisia	16.1	0.0	0.0	12.5	1.8	6.1
Pakistan	0.0	4.6	11.9	0.0	10.0	5.3
Ecuador	13.4	3.4	0.0	-6.0	13.4	4.8
Nigeria	-4.3	-3.4	3.8	0.0	21.7	3.6
Colombia	0.0	0.0	0.0	7.6	7.9	3.1
Turkey	50.8	20.1	-38.4	0.0	-18.7	2.7
Lebanon	1.0	1.0	1.0	11.2	-3.2	2.2
Philippines	3.4	0.0	10.5	2.3	-7.2	1.8
Canada	18.8	-3.5	-4.0	-3.7	0.0	1.5
Kenya	2.8	0.0	0.0	0.0	0.0	0.6
India	0.0	0.0	21.1	0.0	-20.3	0.2
Costa Rica	0.0	0.0	0.0	0.0	0.0	0.0
Cuba	0.0	0.0	0.0	0.0	0.0	0.0
Guatemala	0.0	0.0	0.0	0.0	0.0	0.0
Iraq	0.0	0.0	0.0	0.0	0.0	0.0
Venezuela	0.0	0.0	0.0	0.0	0.0	0.0
Peru	0.0	-9.0	0.0	7.2	0.0	-0.4
Dominican Republic	0.0	-3.4	0.0	0.0	0.0	-0.7
Malaysia	-4.2	-10.3	0.0	1.6	0.0	-2.6
Nepal	0.0	0.0	-7.3	-3.5	-7.3	-3.6
Russia	-29.5	0.0	0.0	7.4	1.5	-4.1
Trinidad	-10.3	0.0	-4.5	-17.7	4.1	-5.7
China	9.5	11.9	2.6	-34.3	-26.6	-7.4
Morocco	-23.3	0.0	-6.6	-22.3	0.0	-10.5

⁵ Does not include Chile, Israel, Libya, or Yemen as these countries were added to the study this year.

Grain & Oilseed Market Access Indexes
Review of Results

Average rating	Wheat	Corn	Soybeans	SBO	SBM	Average
South Africa	-19.1	-31.2	-4.3	-13.0	10.0	-11.5
Mexico	-20.8	-20.8	-20.8	0.0	4.9	-11.5
Thailand	-19.3	-36.2	-20.7	-33.3	25.4	-16.8
Iran	0.0	0.0	-48.7	-21.0	-23.4	-18.6
Sri Lanka	4.7	0.0	-62.4	-49.5	-3.6	-22.2
Saudi Arabia	-4.3	-45.2	-41.5	-24.9	-24.2	-28.0
Myanmar	-24.1	-29.6	-29.6	-36.0	-24.1	-28.7

Table 3: Average market access rating - survey for end of 2019

Average rating	Wheat	Corn	Soybeans	SBO	SBM	Average
Nepal	NR	NR	92.1	92.1	84.8	89.6
Japan	42.0	84.8	92.5	65.6	100.0	77.0
Taiwan	92.1	82.7	68.8	56.5	82.7	76.6
Dominican Republic	78.1	70.1	60.7	84.3	87.6	76.1
Mexico	38.6	70.1	81.1	92.5	96.2	75.7
Guatemala	48.7	63.0	76.2	92.5	92.5	74.6
Canada	70.1	84.8	83.1	69.7	65.1	74.6
Costa Rica	NR	70.1	66.7	78.1	78.1	73.2
Philippines	63.0	70.1	73.9	59.7	96.2	72.6
Colombia	78.1	70.1	70.0	58.9	84.3	72.3
South Korea	60.4	70.1	62.4	92.1	76.2	72.2
Myanmar	NR	NR	49.4	67.2	66.7	61.1
Morocco	33.3	56.6	59.9	65.6	82.7	59.6
Kenya	56.6	56.6	NR	NR	NR	56.6
South Africa	48.7	36.2	65.5	70.1	60.4	56.2
Thailand	48.7	63.0	60.1	46.7	52.9	54.3
Sri Lanka	NR	NR	33.3	56.6	70.1	53.3
Vietnam	18.1	56.6	33.3	78.1	74.3	52.1
Malaysia	54.3	38.6	73.8	48.8	44.1	51.9
Peru	48.7	33.3	59.5	53.0	57.5	50.4
Tunisia	56.6	56.6	78.1	33.3	26.4	50.2
Bangladesh	54.3	38.6	59.9	47.9	48.7	49.9
Israel	60.4	60.4	62.4	28.7	36.2	49.6
Saudi Arabia	38.6	56.6	56.0	30.2	65.5	49.4
UK	70.1	70.1	67.2	0.0	38.6	49.2
Indonesia	38.6	33.3	68.5	48.8	39.9	45.8
Chile	78.1	70.1	44.1	12.7	12.7	43.5
Lebanon	56.6	36.2	51.2	28.7	36.2	41.7
EU	0.0	24.4	70.9	11.7	71.2	35.6
Egypt	28.7	38.6	48.7	4.5	38.6	31.8
Ecuador	NR	NR	0.0	44.5	44.5	29.6
Algeria	42.0	33.3	48.7	11.4	11.4	29.3
Nigeria	28.7	48.7	26.7	18.0	18.0	28.0
Pakistan	0.0	0.0	49.4	36.2	18.0	20.7
Libya	NR	NR	18.0	11.4	18.0	15.8
Cuba	38.6	38.6	0.0	0.0	0.0	15.4
India	0.0	0.0	0.0	47.9	NR	12.0
Brazil	18.0	18.0	10.4	4.5	4.5	11.1

	Wheat	Corn	Soybeans	SBO	SBM	Average
Average rating						
Iraq	11.4	18.0	8.2	4.5	4.5	9.3
China	7.2	7.2	7.7	4.5	0.0	5.3
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
Yemen	4.5	NR	0.0	0.0	0.0	1.1
Iran	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
Sudan	NR	NR	NR	NR	NR	NR
Trinidad	NR	NR	NR	NR	NR	NR
Weighted average	11.4	25.5	22.4	21.1	31.4	18.6

Figure 1: Wheat

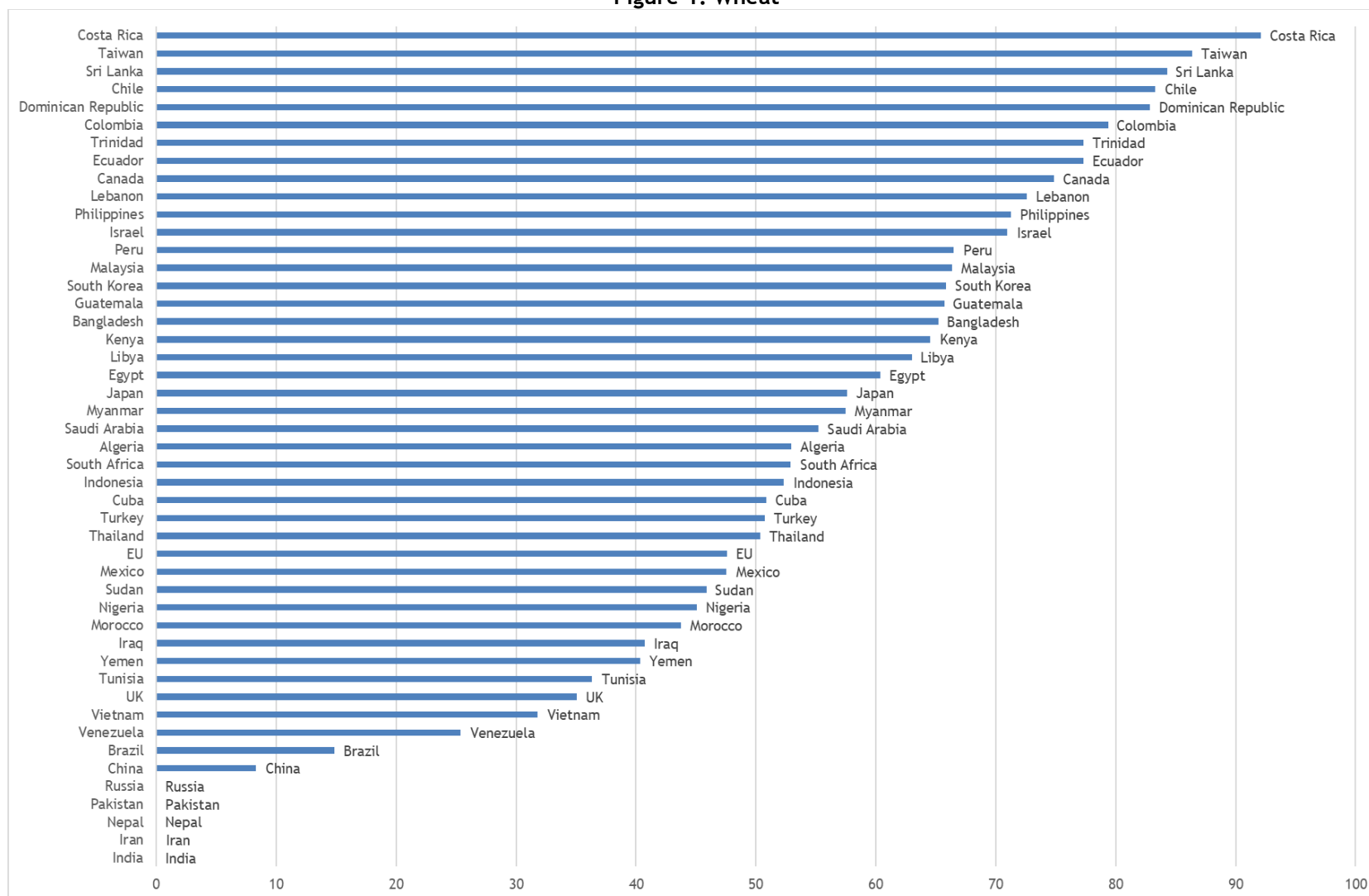


Figure 2: Corn

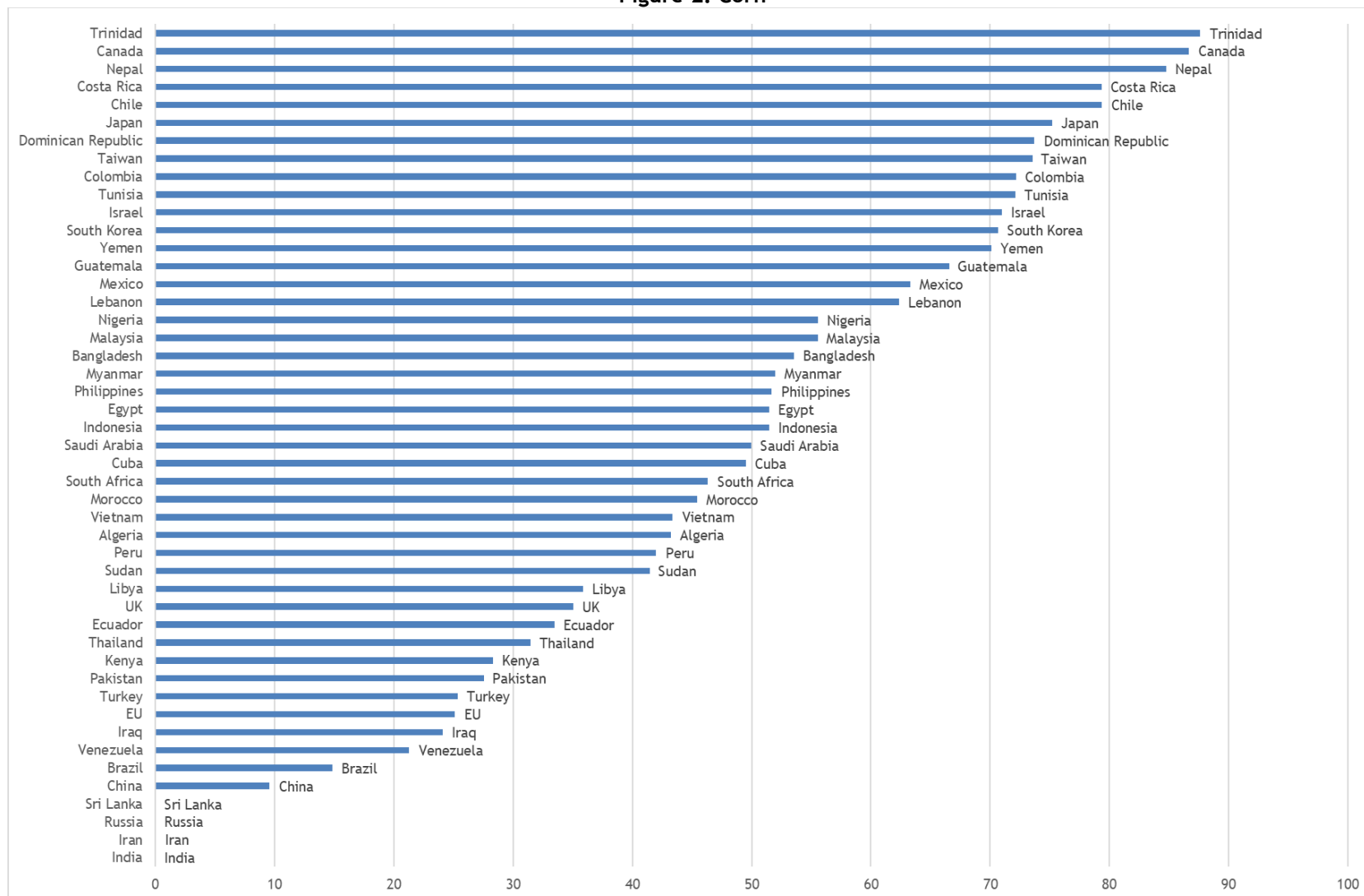


Figure 3: Soybeans

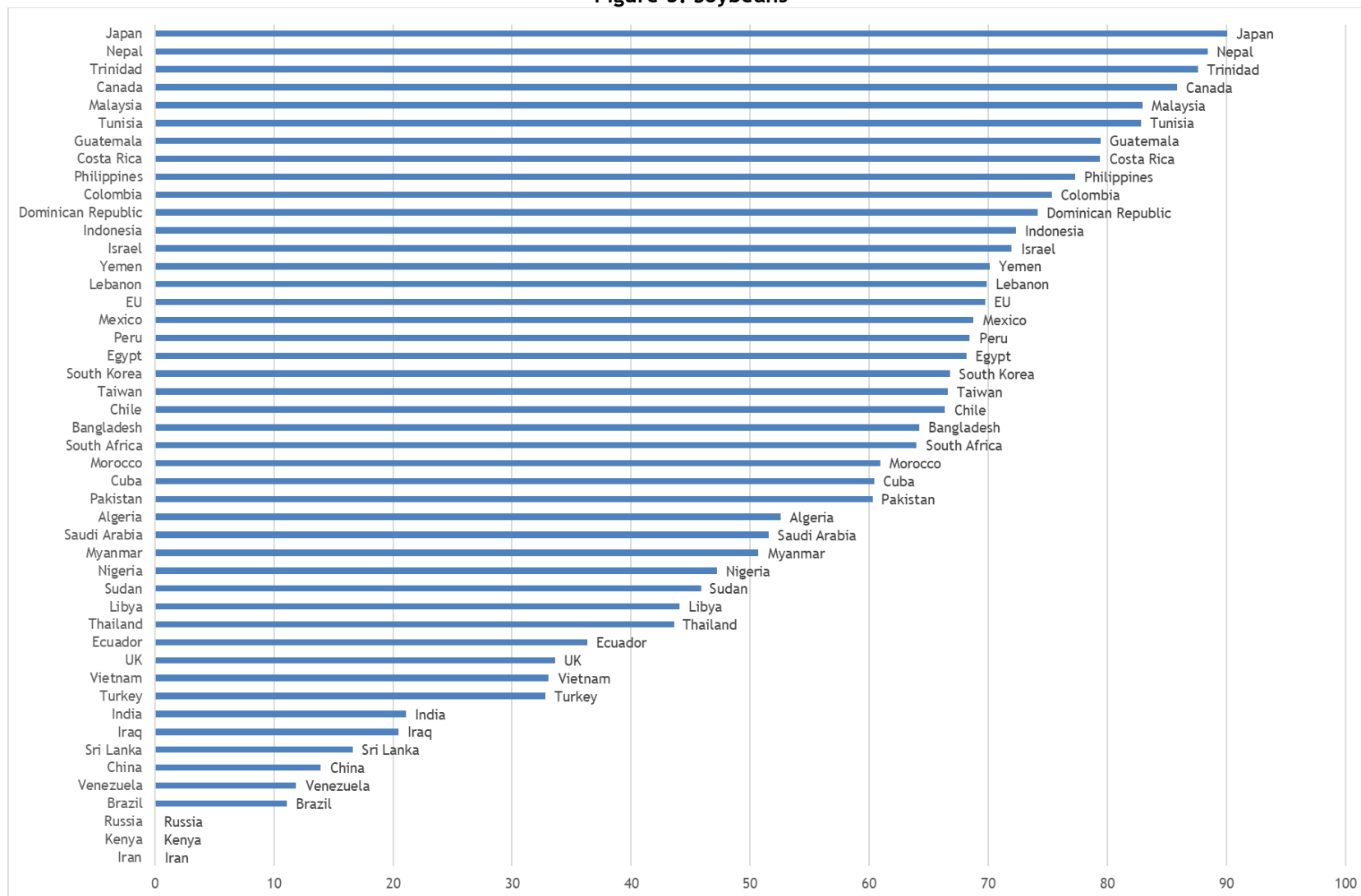


Figure 4: Soybean Oil

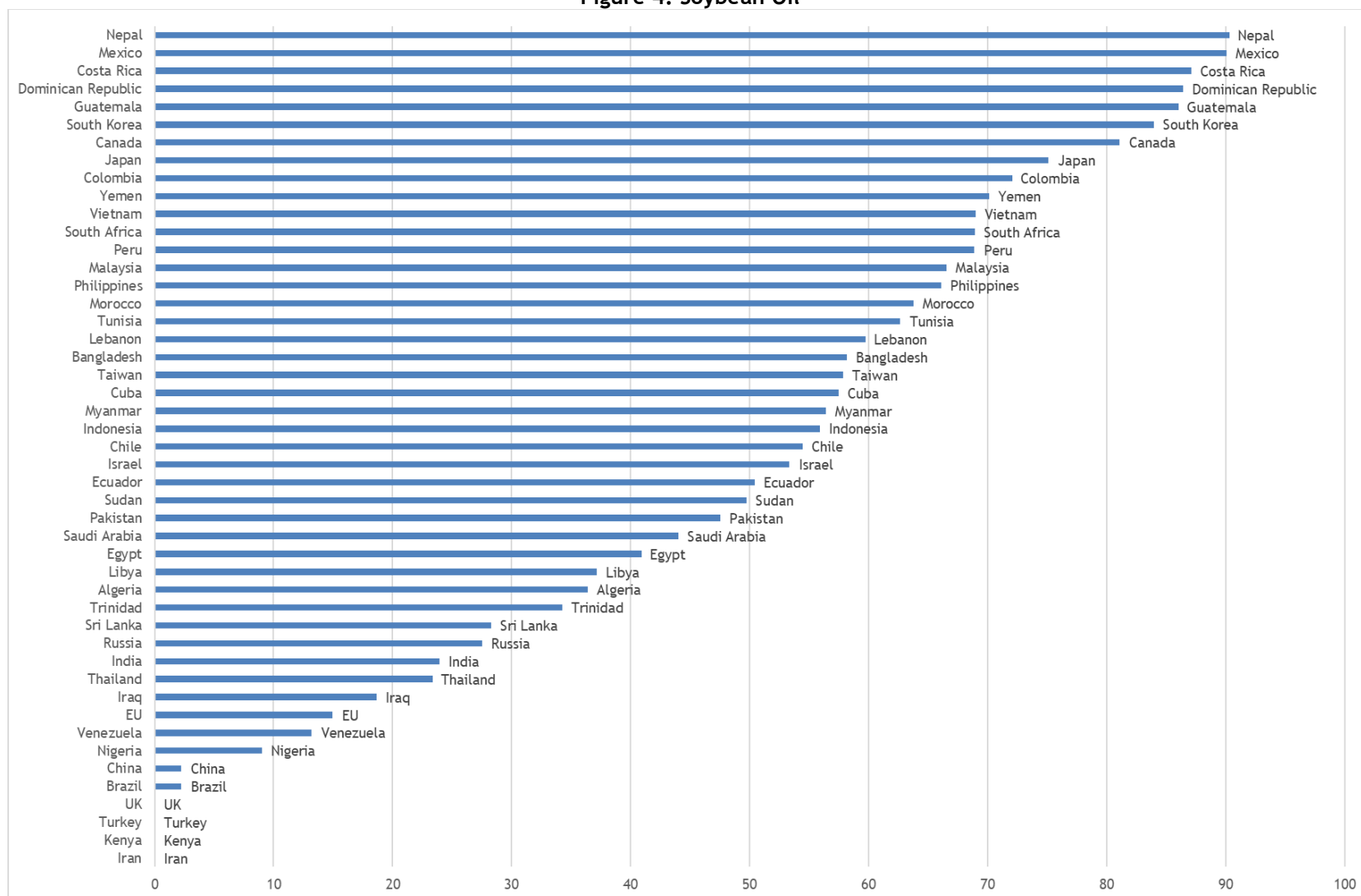
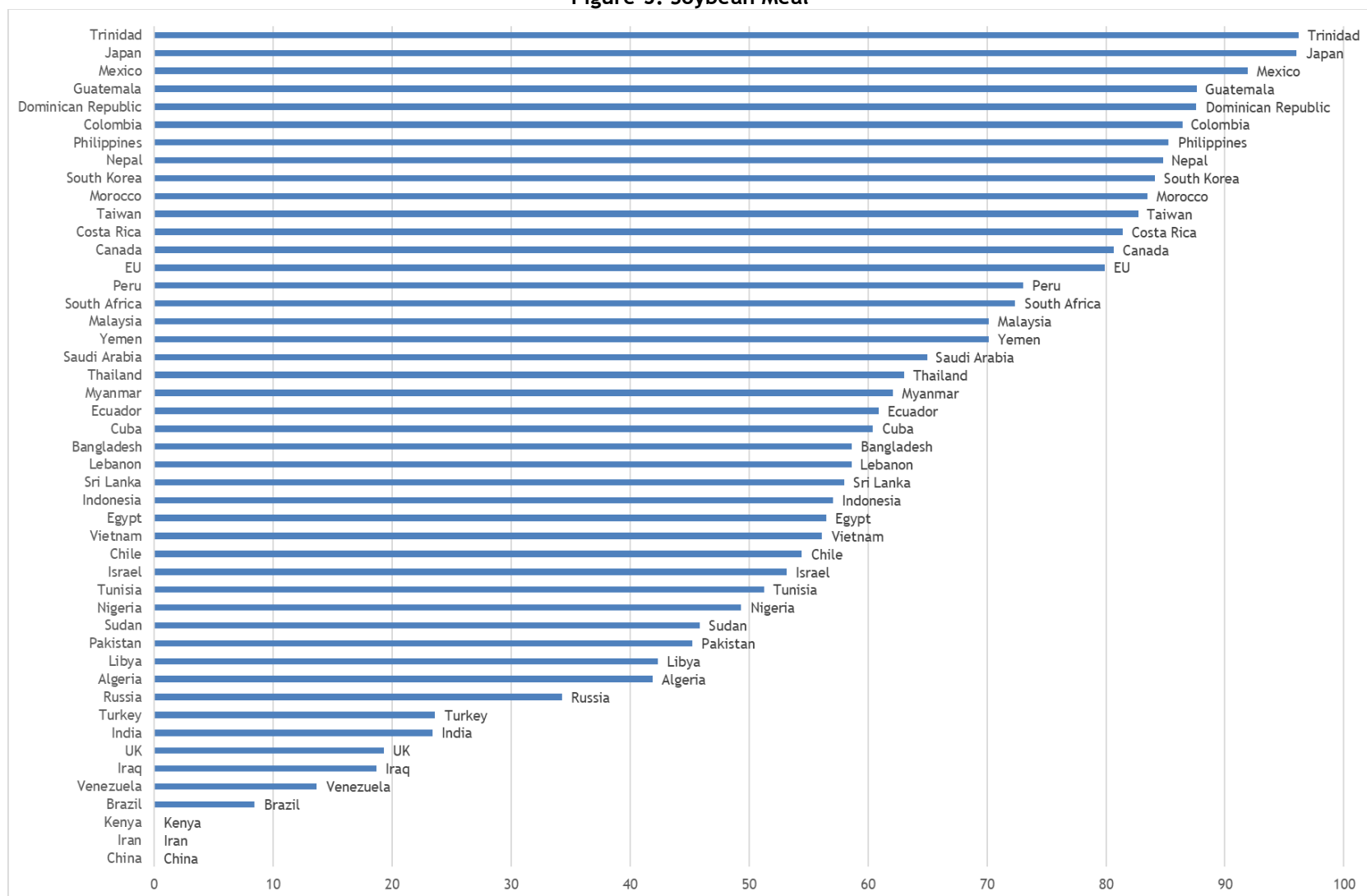


Figure 5: Soybean Meal



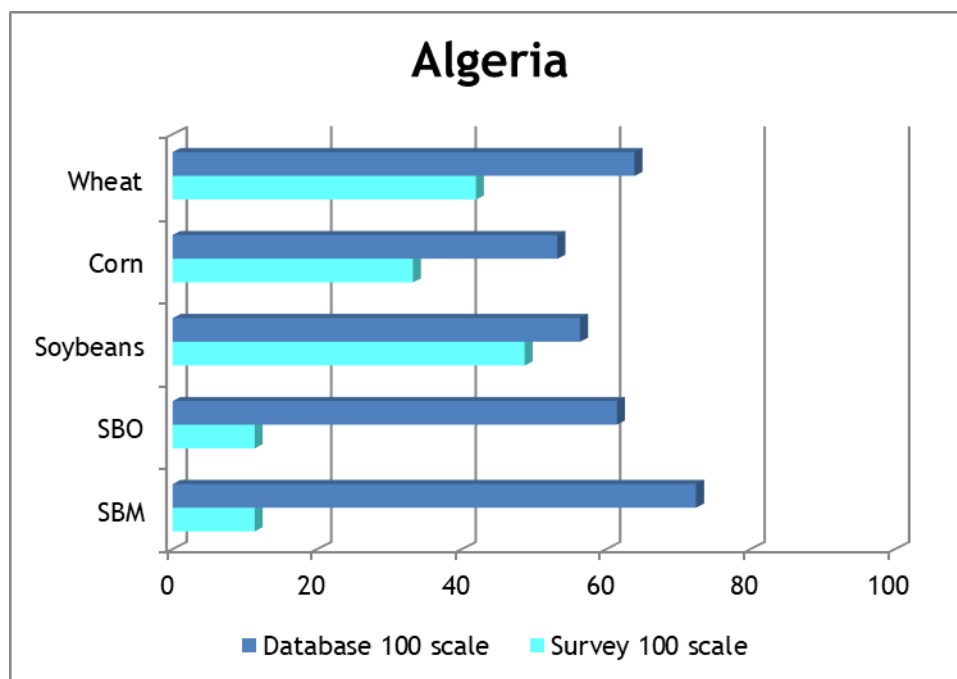
COUNTRY SUMMARIES

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. The 2019/20 marketing year is ongoing so writeups are based on the 2018/19 marketing year.

ALGERIA



Market access

Algeria is reliant on imports for most of its agricultural commodity needs as 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 (5% for grains soybeans), 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 percent 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 percent 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. The EU has a TRQ of 300,000 MTs for wheat and 100,000 MTs for durum in which no tariffs are charged under the quota, and

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.

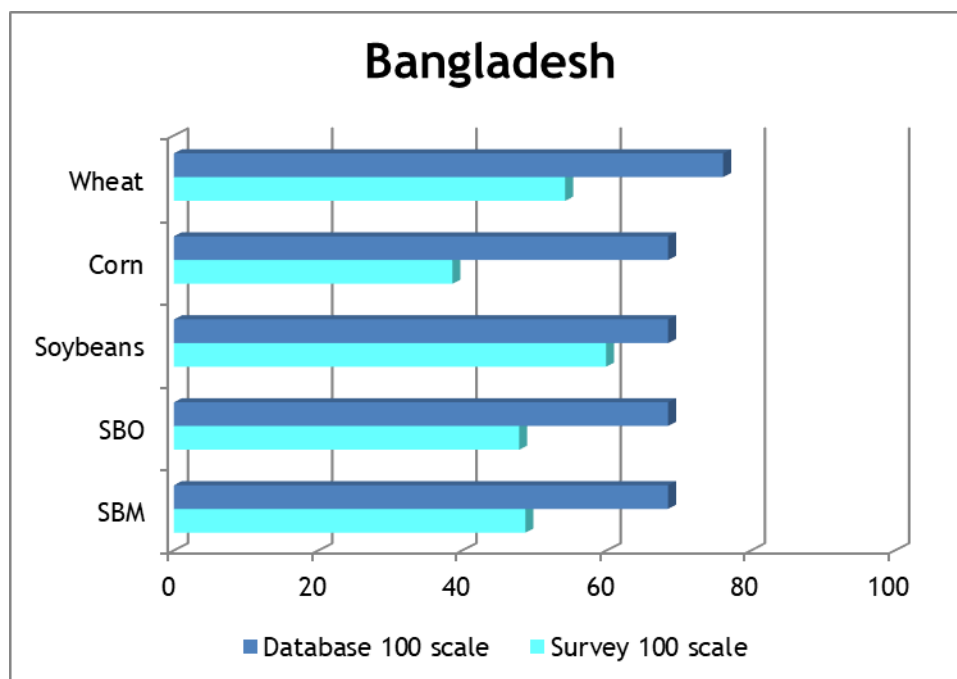
Grain-oilseed situation

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 roughly 596,000 MT in 2019. However, Algerian customs data suggests overall cereal imports are down for the year, in large part due to good domestic production of barley and durum wheat. This downward trend is expected to continue with the recent measures taken by the government to also limit purchases of bread (common) wheat. Business France and FAO reports indicated that the Algerian government recently reported the establishment of an upper import limit of 4 million metric tons (MMT) of bread (common) wheat per year compared to 6 MMT usually imported.

Argentina has been the main supplier of corn to Algeria, supplying over 70 percent of total imports for the past three years. 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. The controls have since been removed, but Algerian producers still prefer Argentina corn for qualitative aspects. According to U.S. customs data, no corn was exported from the U.S. to Algeria in 2019.

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 854,000 MT in 2018/19, respectively. In 2018, Algeria imported no soybean oil or soybean meal from the U.S., opting to import from Argentina and Russia instead.

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.

The Packaged Food Regulations established in 2017 state that labeling “Genetically Modified Food” must be added on the packaging of GE foods. Bangladesh importers usually do not import products with GMO labelling because most do not know the clearance procedure of GMO-labeled processed food products. The importers also fear that the product may not be cleared by customs as the approval process of processed food prepared with GMO ingredients is not functional in Bangladesh.

Durum wheat and common wheat face a five percent customs 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 when canned or wrapped up to 2.5 kilograms (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. Soybean meal faces a tariff of 10 percent, higher than other GOMAI commodities.

Bangladesh is among the most corrupt countries in the world, ranking 146 out of 180 in Transparency International's Corruption Perceptions Index with a score of 26. According to USTR, 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

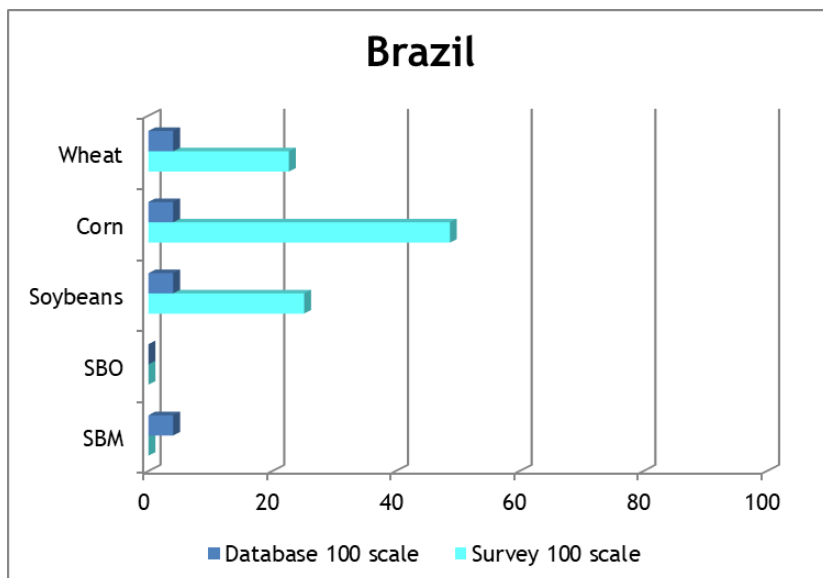
Wheat imports fell to 5.1 MMT in 2018/19 due to higher international prices, a decrease of 1.3 MMT, or 21 percent. Imports are expected to rebound in the 2019/20 marketing year. In general, Bangladesh has seen its wheat consumption, and, by necessity, imports increase dramatically since 2013/14 due to 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 386,000 MT in 2018/19.

Corn imports reached 1.3 MMT in 2018/19, in large part due to competitive pricing from suppliers, particularly Brazil. The U.S. only exported 1,000 MT to Bangladesh in 2018.19, likely due to higher prices.

Soybean imports reached 1.7 MMT in 2018/19, an increase of 46 percent from 2017/18. Bangladesh has seen increasing demand for soybean meal for animal feed and soybean oil for human utilization. U.S. soybeans account for 51 percent market share. Bangladesh also imports significant volumes of soybean oil, over 1 MMT in 2018/19, through little of it is exported from the U.S. The country also imported over 500,000 MT of soybean meal, but only five percent was from the U.S.

Bangladesh: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	74	80	81	82	82	82
Beginning Stocks	84	21	192	49	124	354
Production	133	152	153	156	156	156
Imports	696	1,128	813	1,179	1,733	2,300
Total Supply	913	1,301	1,158	1,384	2,013	2,810
Exports	0	0	0	0	0	0
Crush	883	1,100	1,100	1,250	1,650	2,400
Food Use Dom. Cons.	5	5	5	5	5	5
Feed Waste Dom. Cons.	4	4	4	5	4	5
Domestic Consumption	892	1,109	1,109	1,260	1,659	2,410
Ending Stocks	21	192	49	124	354	400

Source: USDA PS&D, 2020

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 percent range. However, that does not mean that the market is relatively open to imports. 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 percent tariff, SBM 6 percent, and crude and refined SBO are at 10 percent and 12 percent, respectively. However, Brazil is a major soy products exporter and thus does not import them.

In 2019, domestic shortfalls led Brazil to agree to open a 750,000 MT duty-free quota for wheat. The agreement was signed in March and went into effect in November.

Phytosanitary restrictions limit U.S. 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. However, it requires approval for GM events. Non-GMO soybeans and soybean products for human and animal food must contain less than 1 percent GMO soy. Any products with more than 1 percent GMO soy must be labeled as such. This requirement is difficult to enforce on domestic production, but it is easily imposed on imports. Events currently require onerous approval on a case-by-case basis. In 2019,

Mercosur approved a new low-level presence policy that may reduce restrictions on GM imports. It includes regional risk assessment sharing and regional recommendation of LLP threshold levels, with a goal of reducing the risk of trade disruptions.

Brazil also has some 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.

Brazil and the EU came to an “agreement in principle” on a trade agreement in Summer 2019. Published provisions suggest it is unlikely to significantly affect U.S. exports.

Grain-oilseed situation

Brazil is a major U.S. competitor in grain and oilseed markets. It typically produces 5 MMT of wheat, 80 MMT of corn, and soybean production over the last three years has averaged approximately 120 MMT. The government provides price support to farmers for several grain and oilseed commodities.

Despite significant production, Brazil is a major wheat importer, relying on imports for approximately half its needs. Net imports exceeded 7 MMT in 2018/2019. Most wheat is imported from Mercosur neighbor Argentina.

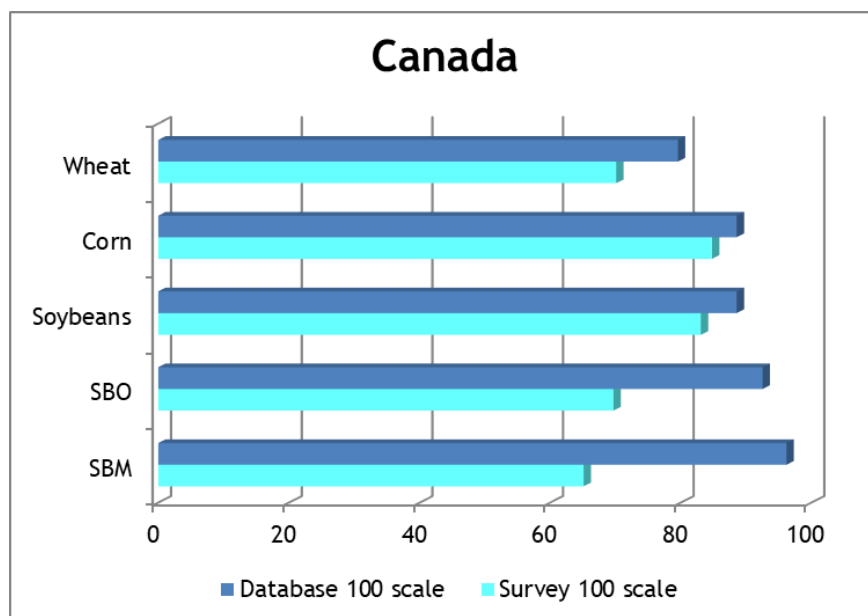
An ongoing trend is the use of corn for ethanol production. Brazil has traditionally used sugarcane as a source for biofuel, but investments in corn ethanol production have been on the rise. Brazil now has 10 sugar/corn flex plants, plus two corn-only plants, with a third expected to come online soon, at which point approximately 6.5-7 MMT of corn are expected to be used in ethanol production.

Brazil is a leading corn and soy exporter, with shipments of almost 40 MMT and 75 MMT, respectively, in 2018/2019.

Attribute	Brazil: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	32,100	33,300	33,900	35,150	35,900	36,900
Beginning Stocks	20,620	24,428	24,558	33,212	32,740	30,481
Production	97,200	96,500	114,600	122,000	117,000	124,500
Imports	305	410	252	175	140	150
Total Supply	118,125	121,338	139,410	155,387	149,880	155,131
Exports	50,612	54,383	63,137	76,136	74,594	78,500
Crush	40,435	39,747	40,411	44,205	42,465	44,250
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	2,650	2,650	2,650	2,306	2,340	2,650
Domestic Consumption	43,085	42,397	43,061	46,511	44,805	46,900
Ending Stocks	24,428	24,558	33,212	32,740	30,481	29,731

Source: USDA PS&D, 2020

CANADA

**Market access**

The U.S. has renegotiated the North American Free Trade Agreement (NAFTA), and as of January 29, 2020, the NAFTA members have entered into a new agreement referred to as the United States, Mexico, Canada agreement (USMCA). Outside of improving access for U.S. dairy, the new 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. This is still a concern at the end of 2019 and is to be discussed in future meetings between USTR and Canada. 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.

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. This has been remedied under the new USMCA trade agreement, which mandates that U.S. grain be treated no less favorably than Canadian grain with regards to assigning a quality grade. Under the USMCA Canada cannot require a country of origin statement on a quality grade certificate.

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

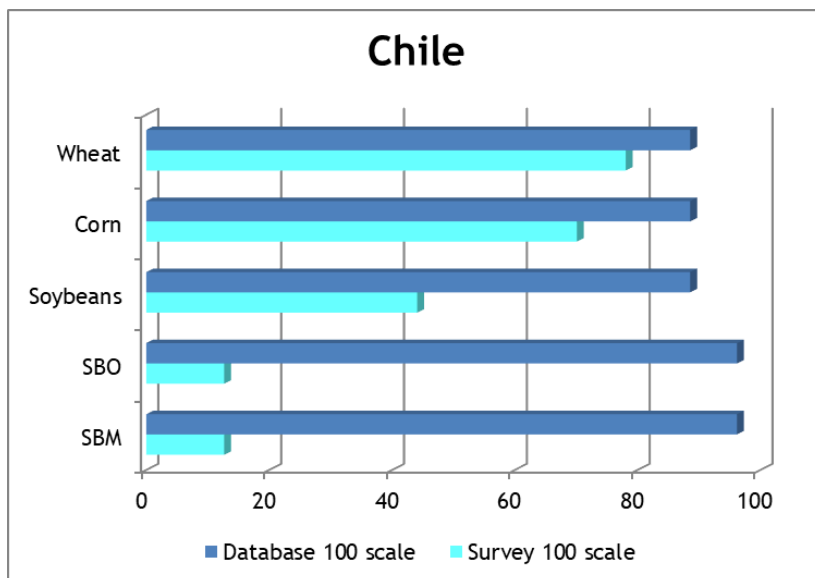
Grain-oilseed situation

Canada is a major wheat, barley, and canola exporter but does import both wheat and corn; imports of these commodities were 500,000 MT and 1.5 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.

Attribute	Canada: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	2,257	2,233	2,232	2,935	2,540	2,300
Beginning Stocks	246	466	301	277	632	841
Production	6,045	6,456	6,597	7,717	7,267	6,000
Imports	339	286	486	487	1,172	500
Total Supply	6,630	7,208	7,384	8,481	9,071	7,341
Exports	3,763	4,236	4,592	4,925	5,258	4,300
Crush	1,703	1,939	1,858	1,937	2,077	1,800
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	698	732	657	987	895	691
Domestic Consumption	2,401	2,671	2,515	2,924	2,972	2,491
Ending Stocks	466	301	277	632	841	550

Source: USDA PS&D, 2020

CHILE**Market access**

Chile's economy is heavily focused on agricultural trade. The country exports billions in produce but relies heavily on imported grains. On January 1, 2004, the U.S. and Chile entered into the United States-Chile Free Trade Agreement (FT) which eliminated tariffs on over 85 percent of U.S. goods. U.S. wheat, corn, soybeans, soybean oil, and soybean meal enter Chile duty-free. Suppliers without a free trade arrangement with Chile face 6 percent tariffs.

Chile's domestic value added tax (VAT) is a high 19 percent.

Chile has specific SPS requirements and requires a phytosanitary certificate for wheat, corn, and soybean grain and seeds, but import permits are not required.

The country is a major seed producer and allows GE seed use for research and propagation/export, but not for commercial crop production. The country does not require labeling of products derived from GE technology.

Corruption is not a significant issue in Chile, which scored a 37 out of a possible 100 points (with 100 being the least corrupt) on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

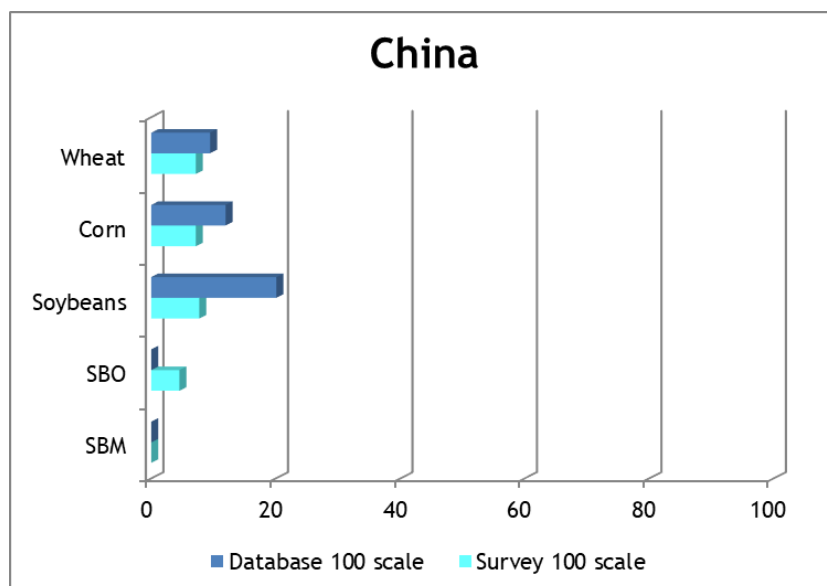
Chile is a significant grain importer. In 2018/19, it imported 1.25 MMT of wheat, 2.3 MMT of corn, and 96,000 MT of soybeans. Wheat is imported from Argentina, the U.S., and Canada. Most corn is imported from Argentina.

Chilean imports of U.S. soybeans, soybean meal, and soybean oil are typically modest. In 2018/19, they were 400 MT, 10,600 MT, and 1,000 MT, respectively.

Attribute	Chile: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	0	0	0	0	0	0
Beginning Stocks	4	15	21	9	24	15
Yield	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	99	111	96	122	96	105
Total Supply	103	126	117	131	120	120
Exports	4	5	8	7	5	3
Crush	70	84	100	100	100	100
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Domestic Consumption	84	100	100	100	100	100
Ending Stocks	15	21	9	24	15	17

Source: USDA PS&D, 2020

CHINA



Market access

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

China uses high tariffs as a major barrier to entry. As part its ongoing trade dispute with the U.S., China has increased tariffs on thousands of U.S. products by 25 percentage points, driving wheat and corn tariffs to 26 percent. However, China currently produces approximately 130 MMT of wheat and thus imports only 3 percent of its needs. Although there is a 9.6 MMT TRQ, only 10 percent of it is typically used by private industry. The remaining 90 percent is slotted for State Owned Enterprises. Out of quota wheat and corn tariffs are 90 percent for the U.S., thus, no wheat or corn are imported from the U.S. unless it is in quota. Preferential treatment is given to border countries, including Russia, a major grain and oilseed producer.

Historically, soybeans have been an exception to the pattern of barriers described above, as China is not self-sufficient in oilseeds and must rely on imports. Before 2018, China imported massive quantities of soy and soy products from the U.S. However, China's trade dispute with the U.S. has driven tariffs on U.S. soybeans and soybean oil to 28 percent and the SBM tariff to 30 percent, whereas they were less than five percent minimal prior

The U.S. and China agreed to restart trade talks in July 2019, preventing additional tariffs from coming into place (the original tariffs remained). However, the trade dispute did not cease, rather, it continued to escalate throughout 2019 with additional tariffs implemented in August. China responded by having all companies suspend their purchases of U.S. agricultural products. The dispute continued to escalate into September, when the U.S. imposed a 15 percent duty on various

Chinese goods resulting in China levying duties on U.S. crude oil. Despite the increased tension, talks continued, culminating in the signing of the Phase 1 trade deal in December.

The new trade deal includes commitments by China to purchase \$40-50 billion in annual agricultural goods for each of the next two years. China also committed to lowering non-tariff barriers for a variety of products, including animal feed, although they did not commit to any specific non-tariff barriers or timelines for implementation. This current agreement leaves the 25 percent tariffs in place, so it is expected by USTR and other observers that China will be more liberal with allowing tariff exemptions for importing companies to meet their purchasing commitments.

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.

Specifically, in response to the section 232 tariffs implemented in 2018, AQSIQ began enforcing Decree 177, which requires all soybean imports to meet the standards of China grade #1 soybeans, and that shipments exceeding one percent of foreign material carry an 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 resulting 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 (3.5 months) totaled an estimated \$140 to \$282 million.

China still maintains an asynchronous approval process for biotech events, with a backlog of unapproved traits. Approvals typically take six 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.

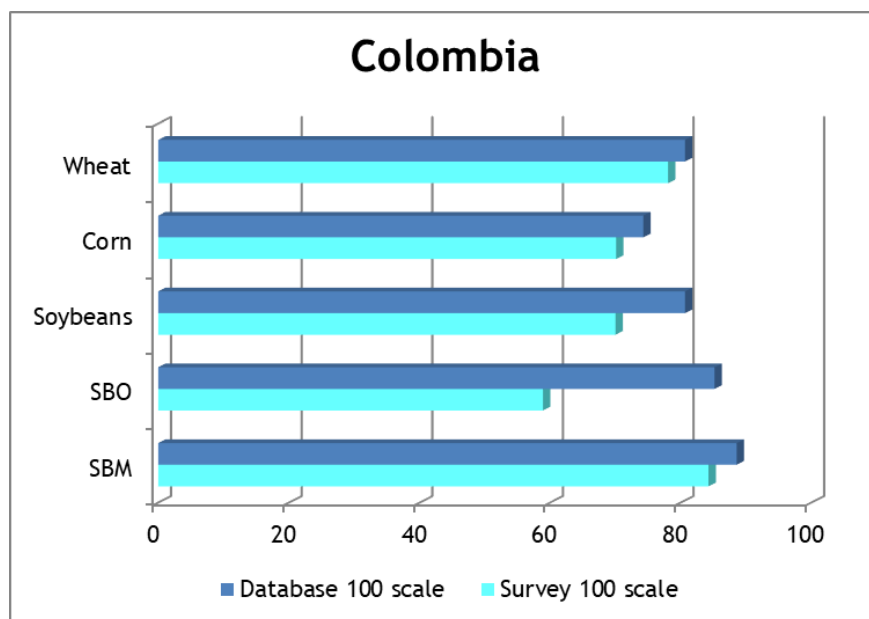
Wheat production in 2018/19 was 131 MMT, supplemented by 3.1 MMT in imports. Wheat exports were just 1 MMT. Corn production for that period was 257 MMT, with an additional 3.1 MMT in imports. Increased demand for animal proteins has led to tight corn supplies, in turn resulting in more wheat, soybean meal, and DDGS being used in feed formulas.

Domestic soy production is physically limited, ensuring the need for a large volume of imports to meet animal production needs, particularly in the swine sector. China has thus been the world's largest soybean importer, importing 82 MMT (about 75% of all soybeans traded globally) in 2018/19. Imports were down last year due to reduced feed demand as a result of lower swine herds as well as the trade dispute with the U.S. The U.S. supplied about 25 MMT. However, U.S. share of the Chinese market has fallen over the past several years 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.

Attribute	China: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	7,098	6,827	7,599	8,245	8,413	9,300
Beginning Stocks	13,967	17,060	16,643	20,120	23,064	19,455
Production	12,686	12,367	13,596	15,283	15,967	18,100
Imports	78,350	83,230	93,495	94,095	82,540	89,000
Total Supply	105,003	112,657	123,734	129,498	121,571	126,555
Exports	143	114	114	134	116	125
Crush	74,500	81,500	88,000	90,000	85,000	86,000
Food Use Dom. Cons.	10,600	11,200	11,900	12,400	12,900	13,400
Feed Waste Dom. Cons.	2,700	3,200	3,600	3,900	4,100	4,300
Domestic Consumption	87,800	95,900	103,500	106,300	102,000	103,700
Ending Stocks	17,060	16,643	20,120	23,064	19,455	22,730

Source: USDA PS&D, 2020

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) in 2006, the market became more open for U.S. products. Tariffs on many goods were reduced to zero percent, including soybeans and soybean meal. Crude soybean oil has a duty-free TRQ that grows each year. Out of quota crude SBO was levied a 4.8 percent tariff in 2019.

The CTPA has helped the U.S. against other wheat regional suppliers. U.S. corn preferences awarded under CTPA and tariffs applied on corn from competing origins have made the U.S. the dominant player in the corn market - three quarters of corn imports came from the U.S. in 2018/19. The U.S. has a large duty-free quota (2.95 MMT) and a flat out-of-quota rate (8.3% in 2019); other suppliers, including Mercosur, face variable rates which have been quite high, up to 40 percent, given low corn prices in recent years. However, since 2018, Argentina and Brazil have benefited from preferences they receive under the Andean Price Band System (APBS), which levies surcharge tariffs on select imported commodities when international prices are low.⁶

Following a 2017 study it commissioned, the Colombian cereal growers' association, FENALCE, claimed that U.S. corn has been misclassified under an HS code that did not correspond with prescribed quality specifications. The CTPA Free Trade Commission clarified the issue in favor of U.S. corn, but FENALCE has since raised another issue related to the presence of aflatoxins in U.S. corn. A conciliation hearing was pending as of the end of 2019.

⁶ Note: Once imports from the U.S. have reached their quota, though, Colombian importers sometimes still prefer to pay the U.S. out-of-quota tariff, rather than face the variability of the APBS surcharge, which can change every 15 days.

There have not been significant hurdles in recent years to the production or importation of GE commodities. Colombia approves events individually, allows for the production of GM crops, and has developed a GE framework. Addressing concerns about disruptions to trade that may result if unapproved events are found present in shipments, the government has suggested a five percent LLP threshold; this would only be required, however, of commodities destined for food, not for animal feed.

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

Corruption is still a problem in Colombia: it scored a 37 out of a possible 100 points (with 100 being the least corrupt) on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

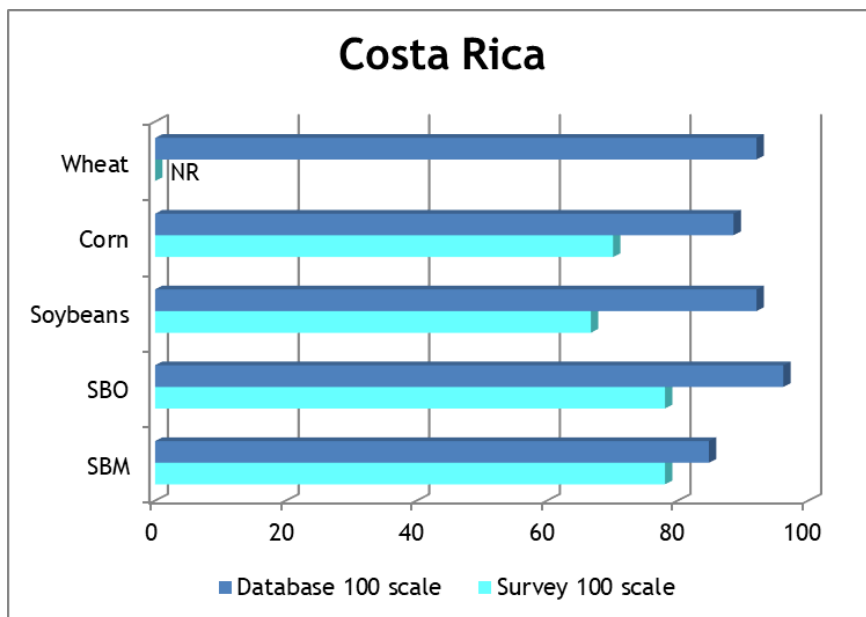
Colombia became an even more important trading partner for the U.S. following the approval of the CTPA. Since then, Colombian producers have shifted towards producing white corn for food, ceding much of the yellow corn market to imports, so Colombia is now a significant corn importer. The U.S. exported almost 5 MMT of corn to Colombia in 2018/19. The country also imports virtually all its wheat (1.8 million MT in 2018/19, of which 349,000 MT came from the U.S.).

Colombian imports of U.S. soybeans, soybean meal, and soybean oil have, combined, exceeded 1 MMT each year since 2015. In 2018/19, Colombia imported 636,000 MT of soybeans, 74,000 MT of soybean oil, and 1.2 MMT of soybean meal from the U.S.

Attribute	Colombia: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	33	34	35	36	37	39
Beginning Stocks	46	83	60	51	52	46
Production	70	73	75	77	80	84
Imports	552	544	561	599	619	660
Total Supply	668	700	696	727	751	790
Exports	0	0	0	0	0	0
Crush	450	500	500	530	560	600
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	135	140	145	145	145	145
Domestic Consumption	585	640	645	675	705	745
Ending Stocks	83	60	51	52	46	45

Source: USDA PS&D, 2020

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). U.S. wheat, yellow corn, soybeans, and crude soybean oil face no tariff. The rate for refined SBO was 1.8 percent in 2019 and SBM faced a 0.4 percent 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 notes that the use of SPS measures as a tool to obstruct trade has decreased over the past two years. The same report, however, notes complaints from U.S. exporters about increased quarantine fumigation costs at Costa Rican ports of entry.

Grain-oilseed situation

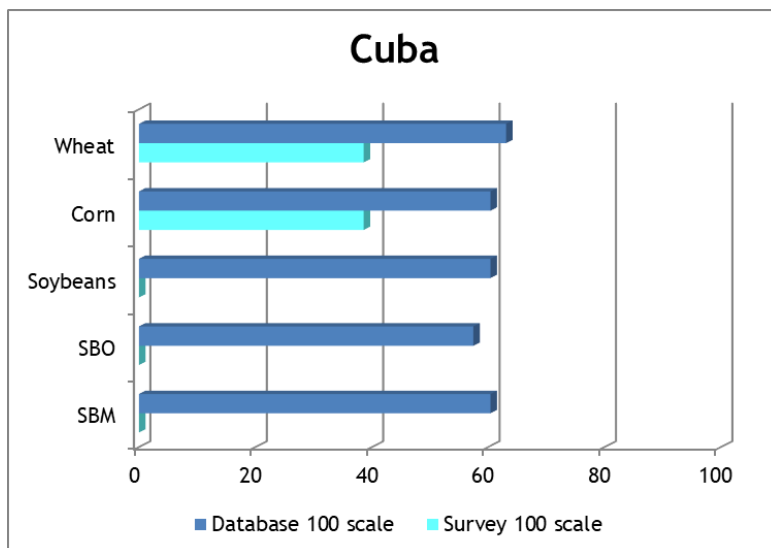
Costa Rica is not a significant commodity producer, so it is heavily dependent on imports of basic grains and oilseeds, almost all of which are sourced from the United States.

Costa Rica imported 255,000 MT of wheat in 2018/19, almost 920,000 MT of corn, and 226,000 MT of soybeans. U.S. marketing year 2018/19 exports to Costa Rica included approximately 84,000 MT of wheat, 885,000 MT of corn, 300,000 MT of soybeans, 4,600 MT of soybean oil and 98,000 MT of soybean meal.

Attribute	Costa Rica: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	10	25	48	27	3
Production	0	0	0	0	0	0
Imports	265	285	293	249	226	275
Total Supply	265	295	318	297	253	278
Exports	0	0	0	0	0	0
Crush	250	265	265	265	245	265
Food Use Dom. Cons.	5	5	5	5	5	5
Feed Waste Dom. Cons.	0	0	0	0	0	0
Domestic Consumption	255	270	270	270	250	270
Ending Stocks	10	25	48	27	3	8

Source: USDA PS&D, 2020

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 two percent tariff, but otherwise wheat faces no duty. The corn duty is 10 percent. Soybeans face a four percent tariff, crude and refined SBO face five percent and 20 percent tariffs, respectively, and soybean meal is assessed a 10 percent rate.

In a September 2019 meeting, the Cuban Minister of Foreign Affairs reiterated the country's openness to the possibility of a bilateral trade agreement with the U.S.

Corruption is not noted as a substantial problem in Cuba; the country scored a 48 on the Transparency International's Corruption Perceptions Index, which puts it ahead of most other Latin American markets under review.

Grain-oilseed situation

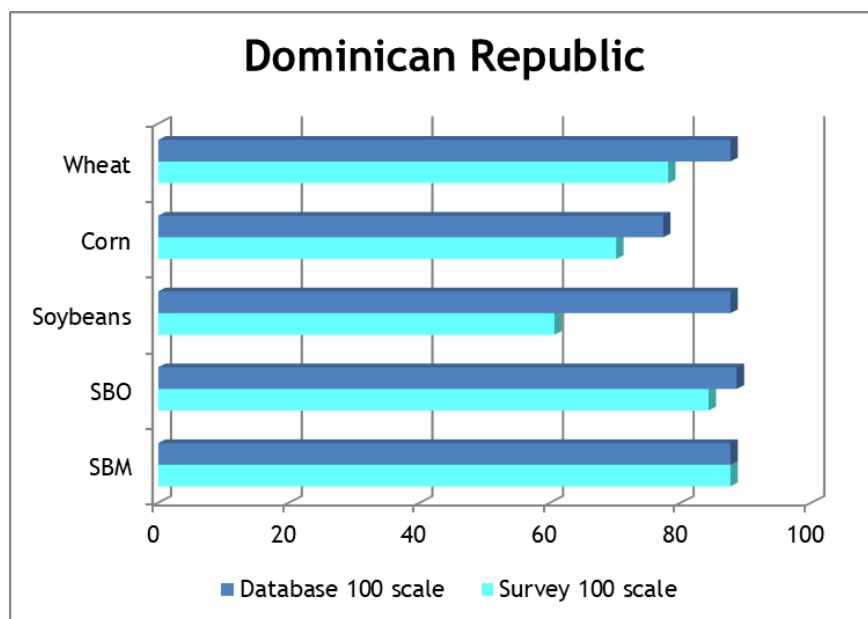
Cuba imported 712,000 MT of wheat in 2018/19; the U.S. did not report any exports to Cuba. Corn imports were 450,000 MT, with 58,000 MT coming from the U.S.

U.S. soybeans accounted for 48,500 MT of the country's 91,000 MT in imports in 2018/19. Soy oil imports were 95,000 MT, none of which were from the U.S. Soybean meal imports were 380,000 MT, 90,000 MT from the U.S.

Attribute	Cuba: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	55	99	120	119	91	100
Total Supply	55	99	120	119	91	100
Exports	0	0	0	0	0	0
Crush	55	99	120	119	91	100
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Domestic Consumption	55	99	120	119	91	100
Ending Stocks	0	0	0	0	0	0

Source: USDA PS&D, 2020

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.

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.

The same decree also exempted corn from what would otherwise have been a 40 percent out-of-quota tariff. However, corn importers are required to purchase domestic sorghum, regardless of the volume of corn they are importing.

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.

The DR has a law from 2015 explicitly requiring GE product labeling, though it has not yet advanced to implementation and is not expected to do so in the short term. Although the DR currently does not restrict genetically engineered commodities, corn for propagation requires a phytosanitary certificate stating that the product does not contain GMO material.

Corruption can be a serious problem in the Dominican Republic, with the country scoring only 28 out of 100 on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

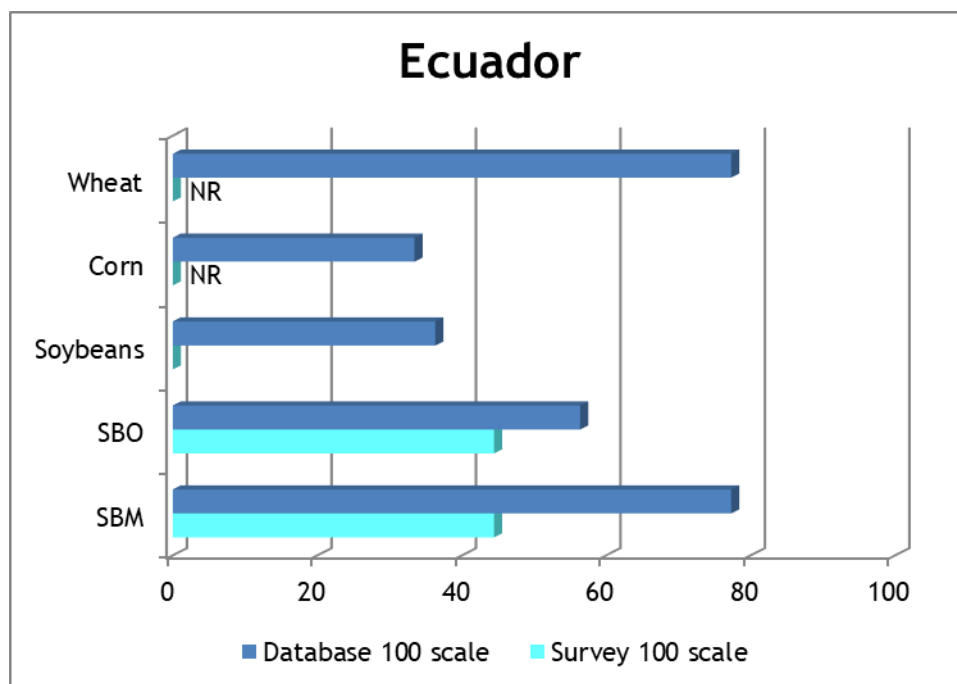
The Dominican Republic imports large volumes of wheat (almost 500,000 MT in 2018/19) and corn (1.3 million MT). The U.S. supplies over half the wheat, followed by Canada. Substantial volumes of wheat and wheat products move from the Dominican Republic to Haiti. Dominican Republic produces only 1-3 percent of its corn needs and imports the rest, just over 1.5 MMT in 2018/19. Brazil and the U.S. supply most of the corn, followed by Argentina.

The Dominican Republic imports only small volumes of soybeans (27,500 MT from the U.S. in 2018/19); however, it is a significant export market for U.S. soybean meal (the DR sixth largest market for U.S. soybean meal, 520,000 MT in 2018/19) and soybean oil (151,500 MT).

Attribute	Dominican Republic: Soybean Meal (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	0	8	24	14	8	18
Production	0	0	0	0	0	0
Imports	473	506	490	509	550	550
Total Supply	473	514	514	523	558	568
Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	465	490	500	515	540	560
Domestic Consumption	465	490	500	515	540	560
Ending Stocks	8	24	14	8	18	8

Source: USDA PS&D, 2020

ECUADOR



Market access

Ecuador is a member of the Andean Community (CAN) and applies its common tariff rates: zero percent to 20 percent 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.

The current standard tariff rates are 15 percent for corn and soybeans, and 20 percent on soybean oil. The base rates for wheat and soybean meal, though 10 and 15 percent respectively, were suspended by Ecuador in 2016. That suspension will now remain in effect through December 31, 2024.

Wheat had a 10 percent tariff and soybean meal a 15 percent tariff, but U.S. negotiations with Ecuador to eliminate the APBS surcharges on U.S. wheat and soybean meal - which do not compete with domestic commodities - were ongoing in 2019 and as a result, Ecuador agreed to exempt wheat and soybean meal APBS surcharges for five years, beginning on January 1, 2020.

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 2019, U.S. exports faced significant additional levies as a result of the APBS. Wheat, soybeans, and soybean meal were particularly impacted. As of December 31, 2019, the APBS levies were 10 percent on soybeans and six percent on crude soybean oil.

Ecuador has concluded a trade liberalization deal with the EU which will eliminate the APBS levies in six years, beginning on January 2, 2017.

Corn is one of dozens of products for which Ecuador requires a non-automatic import license. Licenses for such products are by default granted only when domestic production is unavailable.

Ecuador has a value added tax (VAT, known as IVA) of 12 percent 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 38 out of 100 on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

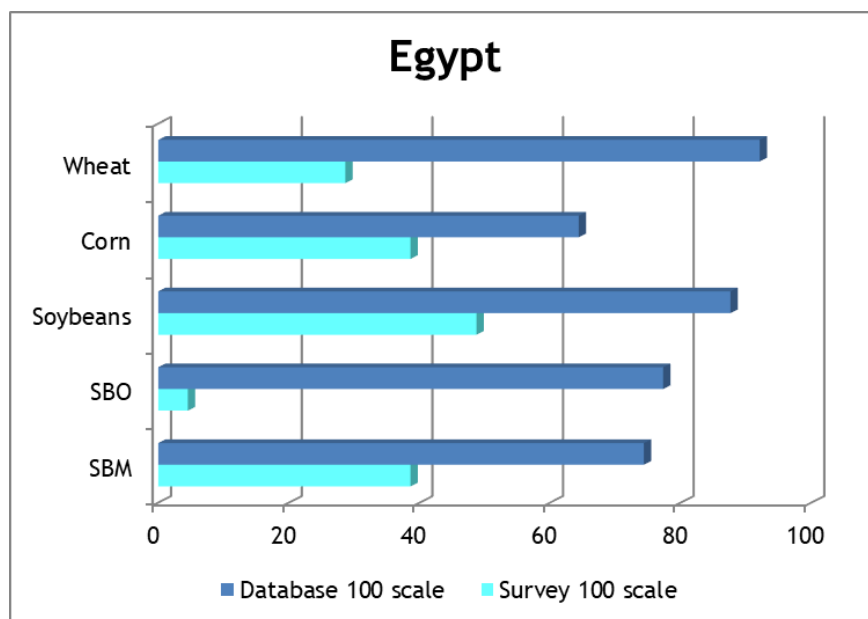
Ecuador is not a major producer of most grains and oilseeds. Wheat imports exceeded 1.1 million tons in 2018/19. Canada is the top supplier, followed by the U.S. (252,000 MT in 2018/19). Under policies encouraging domestic production, corn imports are minimal.

Ecuador produces and imports only small volumes of soybeans, though it does import SBM in large volumes, 1.15 MMT in 2018/19. Ecuador also imports approximately 100,000 MT of crude soybean oil from Bolivia annually. The market share of U.S. soybean meal did benefit from lower pricing in 2018/19.

Ecuador: Soybean Meal (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	90	103	89	81	75	65
Production	26	26	33	29	30	32
Imports	837	850	959	1,145	1,150	1,170
Total Supply	953	979	1,081	1,255	1,255	1,267
Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	850	890	1,000	1,180	1,190	1,200
Domestic Consumption	850	890	1,000	1,180	1,190	1,200
Ending Stocks	103	89	81	75	65	67

Source: USDA PS&D, 2020

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 percent on some agricultural commodities, including soybeans, to encourage domestic production. Duties on other commodities are usually very low, with two percent tariffs on crude SBO and a five percent tariff on soybean meal. There is a 10 percent 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 as part of GOMAI.

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. However, traders immediately boycotted Egypt's wheat tenders. After three failed tenders, Egypt reversed its decision and agreed to follow the international standard for ergot of 0.05 percent. However, this did not fix all problems, 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 of wheat purchases in 2018, according to FAS.

Egypt formally implemented new phytosanitary rules in 2019, issuing a ministerial decree in October, but in practice it is not yet being enforced. U.S. exporters have yet to have problems with exports from a phytosanitary perspective, although there have been problems faced with other countries, namely Australia.

Corruption remains a problem in Egypt, which ranks in the bottom third of countries. It received a score of 35 on Transparency International's 2019 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 2018/19 were 12.3 MMT and 9.3 MMT, respectively. The U.S. has become the predominant soybean supplier to the market, accounting for 90 percent of soybean imports in 2018. That market share dropped to 80 percent for 2018/19, on account of an increase in price of U.S. soybeans.

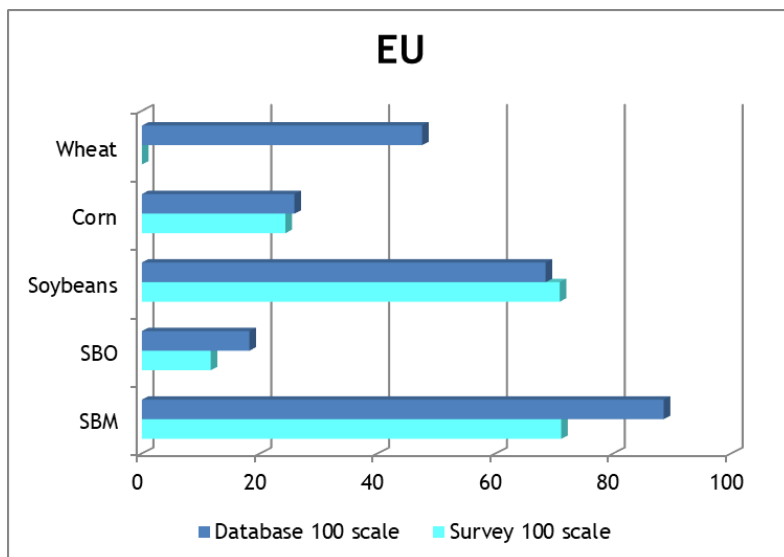
In the oilseed complex, domestic production of soybeans is negligible. Egypt's soy imports have increased dramatically, up from 2.1 MMT in 2016/17 to 3.4 MMT in 2018/19. Egypt imports almost no soybean oil, as the majority of their soybeans are crushed locally.

Egypt's consumption of soybean meal has expanded in recent years as the country has built up its crushing capacity. The increase in local crushing capacity has resulted in decreased imports which fell to 195,000 Mts in 2018/19. The U.S. only exported 24,000 MT of soybean meal in 2018, with the rest being exported by Argentina.

Attribute	Egypt: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	9	9	9	9	9	9
Beginning Stocks	65	45	178	76	409	372
Production	25	25	25	25	25	25
Imports	1,947	1,300	2,115	3,550	3,380	3,700
Total Supply	2,037	1,370	2,318	3,651	3,814	4,097
Exports	0	0	0	0	0	0
Crush	1,950	1,150	2,200	3,200	3,400	3,600
Food Use Dom. Cons.	17	17	17	17	17	17
Feed Waste Dom. Cons.	25	25	25	25	25	25
Domestic Consumption	1,992	1,192	2,242	3,242	3,442	3,642
Ending Stocks	45	178	76	409	372	455

Source: USDA PS&D, 2020

EU-27+UK



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 and corn 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 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 just over 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 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 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. Beginning in December 2019, all plants and plant products shipped to the EU must obtain a phytosanitary certificate.

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.

The EU is also looking at implementing country of origin labeling requirements. On May 29, 2018, the European Commission published Implementing Regulation 2018/775, which introduces mandatory dual origin labeling when a country of origin is given or visually implied on the label of a food product but the origin is not the same as that of its primary ingredient. This regulation came into force on April 1, 2020.

Two EU member-states, Austria and Germany, moved to ban the use of the herbicide glyphosate in 2019. The EU also voted not to extend the license of insecticide thiacloprid—sold under the brand names Calypso and Biscaya—when it expires at the end of April 2020.

There were some positive developments in 2019 for the EU on the technical and procedural side. After many years, the EU approved the use of sustainability certified soybeans for use in feedstock or biofuels under the Renewable energy directive. This will allow U.S. soybeans to be used in the manufacturing of biodiesel, opening a new avenue for the trade of the oilseed. The EU also issued new food/feed approvals for four corn products.

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, 2018, 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, that is still in place as of the end of 2019. The trade dispute between the US and EU was still ongoing at the end of 2019.

VAT taxes are commonplace in the EU and can be quite high, potentially presenting a market access barrier. Most EU member states have lower rates for agricultural products, however, there are states that do not. Twelve member states charge the full VAT rate for agricultural products, including the UK, Belgium, Sweden, and the Netherlands. These rates range from 18-27 percent. For states that have reduced agriculture rates, the rate varies from 3-15 percent.

Corruption is generally not a problem in the EU, as member states generally score in the 60s. Some of the Eastern European members that were formerly members of the Soviet bloc are more corrupt, with scores in the 40s.

Grain-oilseed situation

The EU is a significant wheat net exporter, but relies on imports of corn, soybeans, and soybean meal. EU wheat production in 2018/19 was 136 MMT, of which 23 MMT were exported. Net corn imports were nearly 13 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 U.S. exported very little corn to the EU due to the 25 percent tariff placed on corn as part of an ongoing trade dispute. The U.S. exported 773,000 MT of wheat to the EU in 2018/19, roughly 13 percent of total imports. The U.S. is a relatively small supplier of wheat to the EU due to the EU's large domestic production capabilities as well as trading relations with Ukraine which is a major wheat producer.

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. The decision on where to import soybeans comes down to price, protein content, and availability. The ongoing trade dispute with China has helped the U.S. be the most competitive on all these measures.

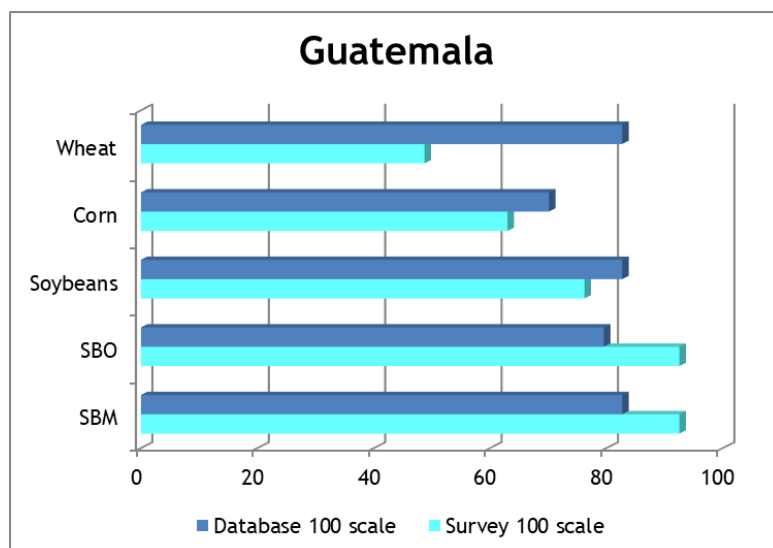
Soybean meal consumption in the EU has continued to grow, with demand at over 30 MMT in 2018/19. In 2018/19, production was nearly 12 MMT and imports, 18 MMT. Brazil and Argentina represent approximately 62 percent of the total by value, with Paraguay and the U.S. also contributing. The EU also imported nearly 15 MMT of soybeans for crushing in 2018/19, roughly 51 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.

Attribute	European Union: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	571	867	803	926	926	910
Beginning Stocks	1,253	843	1,559	1,150	1,398	1,706
Production	1,832	2,320	2,410	2,540	2,664	2,600
Imports	13,914	15,120	13,441	14,584	14,983	15,100
Total Supply	16,999	18,283	17,410	18,274	19,045	19,406
Exports	116	144	220	276	179	250
Crush	14,450	14,950	14,400	14,950	15,500	15,900
Food Use Dom. Cons.	190	230	240	250	260	260
Feed Waste Dom. Cons.	1,400	1,400	1,400	1,400	1,400	1,400
Domestic Consumption	16,040	16,580	16,040	16,600	17,160	17,560
Ending Stocks	843	1,559	1,150	1,398	1,706	1,596

Source: USDA PS&D, 2020

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 U.S. exports is zero percent, other than out-of-quota white corn (20%), and refined soybean oil (1%). U.S. wheat, in-quota corn, soybeans, soybean meal, and crude soybean oil enter Guatemala duty free.

Guatemala published a list of quarantine pests in November 2016 but has yet to establish an evidence-based protocol for pest treatment. The country still fumigates and denies entry of containers with pests, regardless of whether an alternate treatment is available.

On March 15, Guatemala and Honduras approved a biosafety regulation for live modified organisms for agricultural use. On October 7, the Ministry of Agriculture published a decree creating the Guatemalan Biosafety Agricultural Technical Committee and a manual of technical procedures covering the use of GE seed. The rule and procedures follow the WTO SPS Agreement and the Cartagena Biosafety Protocol.

Phytosanitary certificates and import permits have remained an issue. In addition, corruption is a significant problem: Guatemala's score on Transparency International's 2019 Corruption Perceptions Index was 26.

Grain-oilseed situation

Guatemala does not produce a significant amount of wheat. The country relies primarily on the U.S. (580,000 MT in 2018/19) for its import needs. Corn production is generally 1.8 MMT, primarily

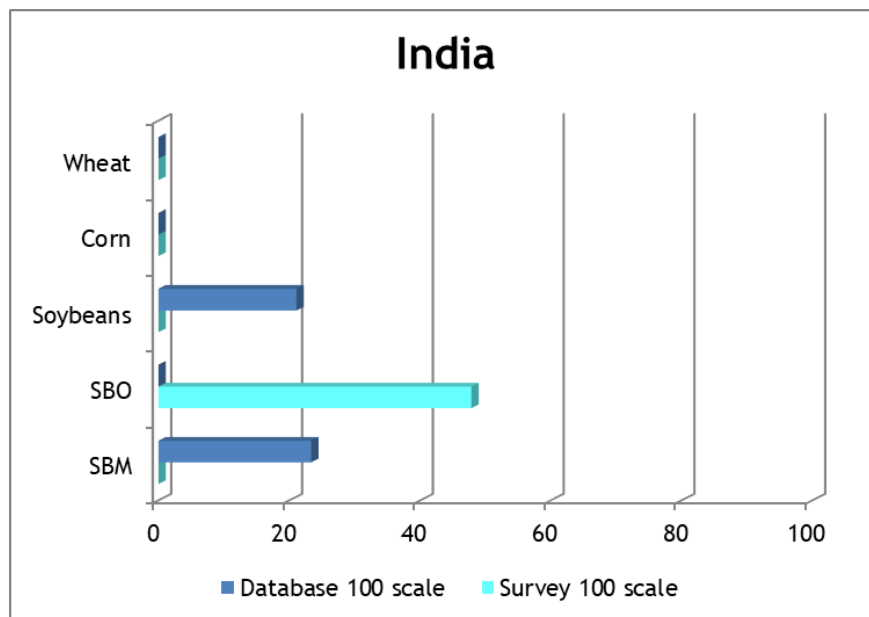
white corn. Imports in 2018 were approximately, 1.3 million MT in 2018/19, most of which (over 90%) came from the U.S.

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 450,000 MT of soybean meal and over 80,000 MT of soybean oil in 2018/19.

Attribute	Guatemala: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	14	14	14	14	14	14
Beginning Stocks	6	3	2	1	0	0
Production	36	36	36	36	36	36
Imports	21	15	12	0	0	0
Total Supply	63	54	50	37	36	36
Exports	0	0	0	0	0	0
Crush	60	52	49	37	36	36
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Domestic Consumption	60	52	49	37	36	36
Ending Stocks	3	2	1	0	0	0

Source: USDA PS&D, 2020

INDIA



Market access

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

Most products face tariffs from 30-50 percent. Rates had been lower until mid-2018, when India raised the tariff on wheat to 40 percent, where it remained in 2019. Corn faces a 50 percent tariff and the tariff on soybeans is 30 percent. India also raised its import tariffs on soybean oils: crude SBO faces a 35 percent tariff and refined SBO, 45 percent. In addition, imports face a 10 percent social welfare charge (this charge is multiplicative, i.e., turning the 45 percent refined oil tariff into a 49.5 percent 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.

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 (GEAC) 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.

In the last few years, the GEAC has received applications for both GE soybeans and soybean meal derived from GE soybeans. These applications are still under review. In July 2018, GEAC formed a sub-committee to establish a procedure for dealing with applications related to imports of animal feed, including DDGS and soybean meal.

Corruption remains an issue, as India scored a 41 out of a possible 100 points (with 100 being the least corrupt) on Transparency International's Corruption Perceptions Index.

Unfortunately, trade relations between the U.S. and India, which were already poor, grew worse in 2019 as the U.S. withdrew from the Generalized System of Preferences resulting in retaliatory tariffs being placed by India. The U.S. launched a dispute settlement proceeding against India in July.

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 3.0 MMT of soybean oil in 2018/19, up sharply from around 1 MMT in 2012 and 2013. Argentina supplied three-quarters of this total, and Brazil most of the rest.

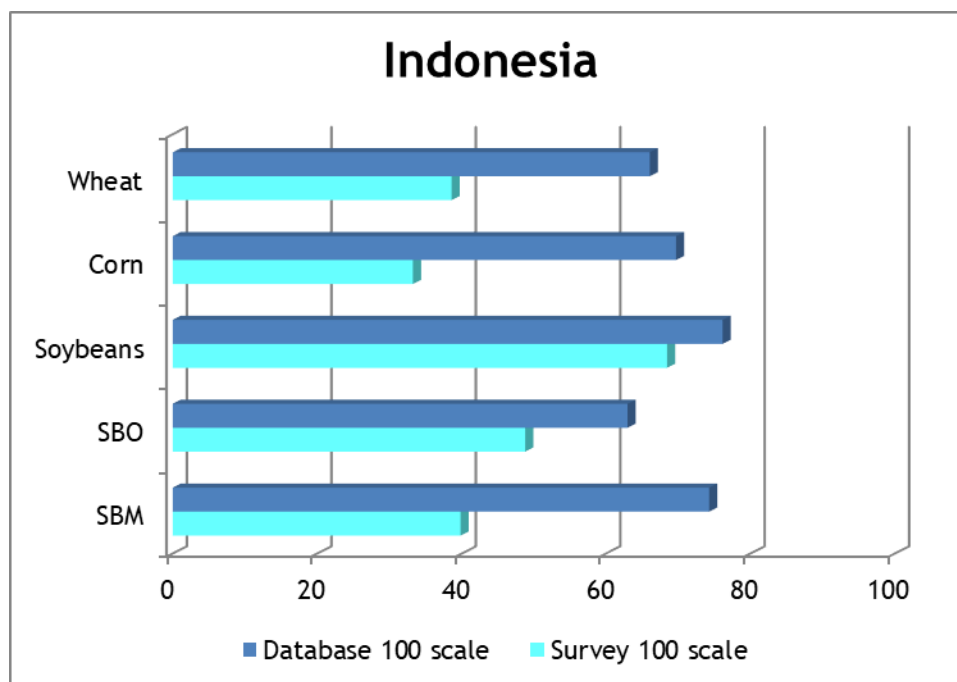
Historically, India has exported excess soybean meal, over 4 MMT in 2012 and 2013. By 2016, however, exports were down to 618,000 MT. Increased production since 2016 forward has led to increased exports, which reached 2.1 MMT in 2018/19.

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.

Attribute	India: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	10,911	11,605	11,183	10,400	11,330	11,250
Beginning Stocks	600	200	338	880	339	432
Production	8,711	6,929	10,992	8,350	10,930	9,300
Imports	11	53	79	166	204	210
Total Supply	9,322	7,182	11,409	9,396	11,473	9,942
Exports	234	134	268	217	165	110
Crush	7,700	5,500	9,000	7,700	9,600	8,300
Food Use Dom. Cons.	340	360	400	420	440	450
Feed Waste Dom. Cons.	848	850	861	720	836	700
Domestic Consumption	8,888	6,710	10,261	8,840	10,876	9,450
Ending Stocks	200	338	880	339	432	382

Source: USDA PS&D, 2020

INDONESIA

**Market access**

Tariffs on wheat and corn in Indonesia 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. Most products also face a 10 percent VAT.

For many products, Indonesia has preferential tariffs for ASEAN trading partners. Additionally, on March 4, 2019, Indonesia signed the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). Among other reductions in tariffs and non-tariff barriers, the agreement provides Australia with a tariff rate quota (TRQ) of 500,000 MT of feed grains (wheat, sorghum, and barley) per year, increasing at five percent per annum. This has the potential to disadvantage U.S. wheat in the market moving forward.

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. This continued in 2019, as the Indonesian government has begun requiring heat treatment, an impractical and trade distortive trade measure, for wheat. Indeed, 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 was

referred to arbitration. Since 2018, the U.S. has paused arbitration to give the parties the opportunity to work towards a solution.

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 37 of a possible 100 points (with 100 being the least corrupt) on Transparency International's 2019 Corruption Perceptions Index, one point lower than its 2018 score.

Grain-oilseed situation

Demand for wheat imports continued to rise in 2018/19, in part due to the Indonesian government's corn import restrictions and declining domestic corn production. The high-end bakery sector also continues to drive edible wheat consumption. While there is no official written document regulating the import of wheat, Indonesia has unofficially regulated milling wheat in the past. Ukraine and Argentina currently dominate the market with roughly 37 and 21 percent market share respectively. Australia accounted for eight percent of the total market share and the U.S. represented approximately 7 percent. Russia and Canada are also traditionally players in the Indonesia wheat market.

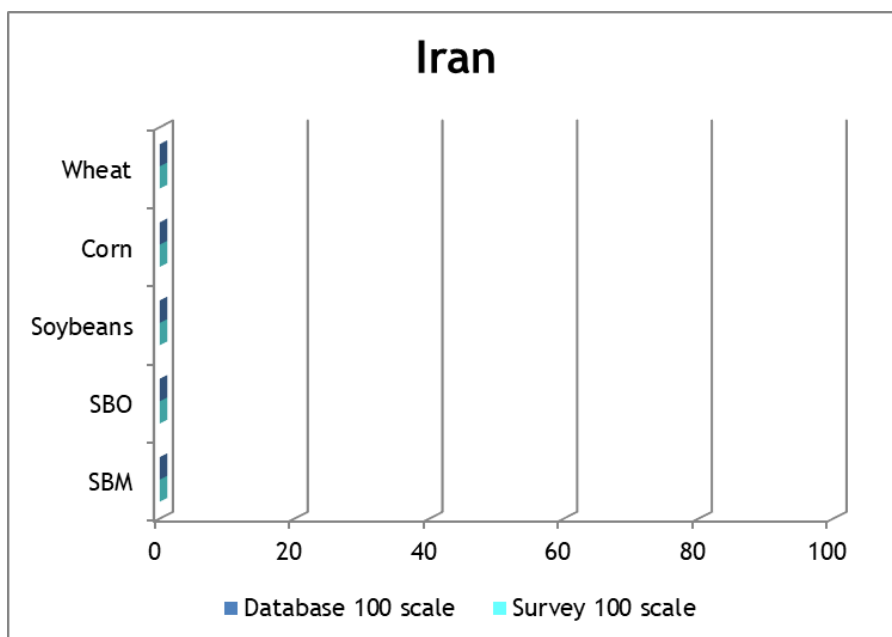
Corn imports for use are restricted to BULOG for distribution to small-holder farmers and are normally only allowed when domestic prices are high due to shortages. Despite this policy, corn imports increased to roughly 1 MMT in 2018/19, due to domestic shortages and higher demand from corn wet mills. Brazil and Argentina supplied 97 percent of corn imports to Indonesia in 2018/19, and the U.S. supplied roughly one percent.

Soybean imports rebounded to 2.6 MMT after a dip in 2017/18. The U.S. is the primary supplier of soybeans to Indonesia, supplying 97 percent of imports per year on average. Soybean meal imports reached nearly 4.5 MMT in 2018/19, though more than 90 percent comes from Brazil and Argentina due to their lower prices compared to U.S. soybean meal.

Attribute	Indonesia: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	450	440	430	420	410	400
Beginning Stocks	182	65	63	275	247	203
Production	630	580	565	540	520	510
Imports	2,006	2,274	2,649	2,483	2,623	2,875
Total Supply	2,818	2,919	3,277	3,298	3,390	3,588
Exports	3	2	2	1	2	2
Crush	0	0	0	0	0	0
Food Use Dom. Cons.	2,720	2,824	2,900	2,950	3,025	3,075
Feed Waste Dom. Cons.	30	30	100	100	160	175
Domestic Consumption	2,750	2,854	3,000	3,050	3,185	3,250
Ending Stocks	65	63	275	247	203	336

Source: USDA PS&D, 2020

IRAN



Market access

On May 8, 2018 the U.S. announced its withdrawal from the Joint Comprehensive Plan of Action (also known as the 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 the 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. Tensions between the two countries continued to rise throughout 2019, leading the Treasury department to issue a new humanitarian mechanism, requiring foreign governments and financial institutions to provide a substantial amount of information each month to ensure that they are not violating U.S. sanctions.

Iranian 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). Exports of soybeans dropped to zero in 2019, as the sanctions and additional guidance have created enough friction in the banking system to prevent sales. 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 26 of a possible 100 points on Transparency International's 2019 Corruption Perceptions Index.

Grain-oilseed situation

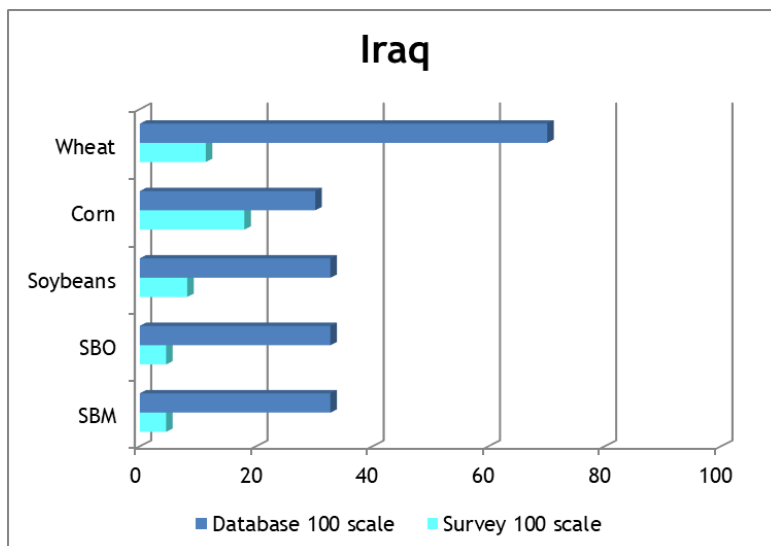
Iran produced 14.5 MMT of wheat in 2018/19. Imports have been decreasing since 2013/14. Iran keeps large stockpiles of wheat every year, helping ensure demand is met. By contrast, Iran is heavily reliant on corn imports, which have increased by more than 48 percent since 2014/15.

Iran also depends on imports to meet soybean demand; imports were 2.3 MMT in 2018/19, about 91 percent of total supply. Demand has risen dramatically in the past five years, from 447,000 MT in 2013/14 to 2.4 MMT in 2018/19. Almost all soybeans in Iran are crushed. Iran also saw an 85 percent increase in imports of soybean meal, from 1.5 MMT in 2017/18 to 2.8 MMT in 2018/19.

Attribute	Iran: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	69	62	52	83	70	70
Beginning Stocks	11	8	55	51	100	195
Production	143	140	139	200	160	170
Imports	1,311	1,864	1,914	2,559	2,346	2,300
Total Supply	1,465	2,012	2,108	2,810	2,606	2,665
Exports	0	0	0	0	0	0
Crush	1,450	1,950	2,050	2,700	2,400	2,500
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	7	7	7	10	11	10
Domestic Consumption	1,457	1,957	2,057	2,710	2,411	2,510
Ending Stocks	8	55	51	100	195	155

Source: USDA PS&D, 2020

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 percent 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.

Iraq has a total ban on GMOs, and GMO crops are not purchased, limiting the market opportunities for corn and soybeans.

Corruption is systemic and widespread in Iraq. Transparency International scores the country 17 out of 100 on its 2019 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 remained high for the 2018/19 marketing year. Corn production and imports are modest; total supply was a little over 400,000 MT in 2018/19, which is in line with what is typically consumed.

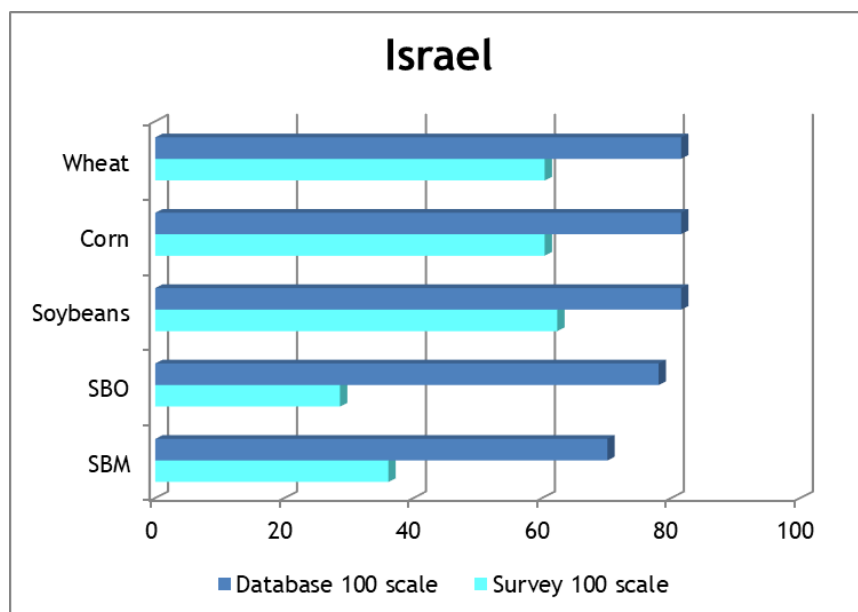
Iraq has seen imports of soybean meal increase several fold over the past five years, from 50,000 MT in 2015/15 to 275,000 MT in 2019/20. The U.S. has not reported any soybean meal exports to Iraq over this period.

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

Attribute	Iraq: Soybean Meal (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	0	0	10	41	44	42
Production	0	0	0	0	0	0
Imports	50	165	206	233	283	275
Total Supply	50	165	216	274	327	317
Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	50	155	175	230	285	290
Domestic Consumption	50	155	175	230	285	290
Ending Stocks	0	10	41	44	42	27

Source: USDA PS&D, 2020

ISRAEL

**Market Access**

The United States-Israel Free Trade Agreement was signed in 1985. It introduced phased tariff reductions that resulted in significantly lower tariff for the GOMAI commodities. All grains enter the country tariff free; soybean oil faces a four percent tariff, the lowest rate Israel charges soybean oil. The only disadvantaged GOMAI commodity is soybean meal, which enters at a 4.65 percent rate compared to 2.65 percent for Canada. Israel also has a VAT of 17 percent.

Outside of requiring import permits, Israel does not use quantitative restrictions. Nor are there phytosanitary restrictions on grain, other than zero tolerance for noxious weeds. Moreover, Israel has no policy regulating the import of genetically engineered products. However, according to USTR, Israel often models its regulations on European rather than international standards, which can add costs to certain U.S. exports.

Israel's security environment is tense because of the region's geopolitics. In 2019, 400 hectares of wheat were burned as a result of escalations of tensions between the Israelis and the Palestinians. Although the security situation has not impacted trade recently, that possibility remains, particularly if tensions escalate further.

Corruption is not considered to be a problem in Israel.

Grain-oilseed situation

Israel is almost completely dependent on imports to meet its grain and feed needs. Israel produced only 70,000 MT of its more than 2.2 MMT of supply of wheat in 2018/19. The U.S. is a relatively minor wheat exporter to Israel, exporting 113,000 MT in 2018/19. The majority of wheat imports originate from Ukraine and Russia.

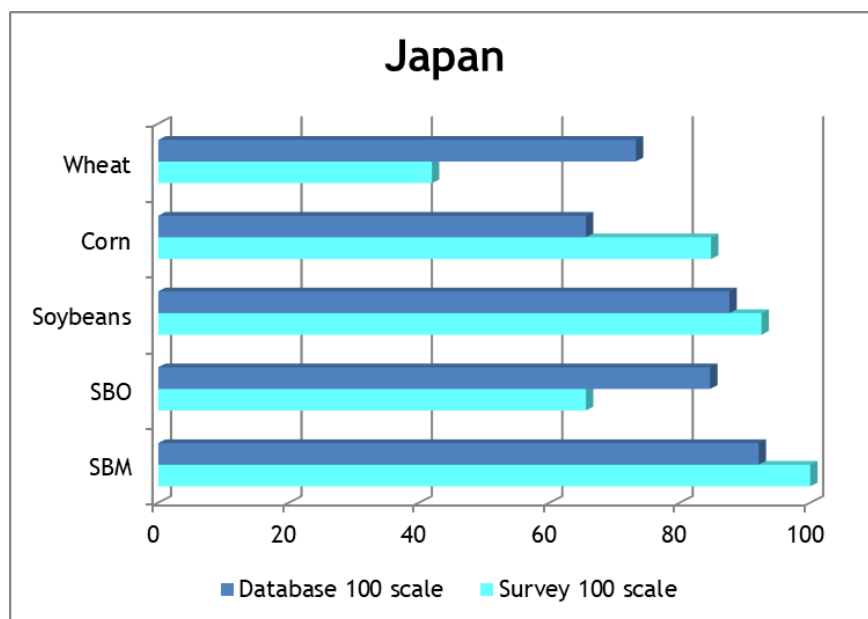
Israel produces little corn and what is produced is typically used for silage. The U.S. is a minor exporter of corn to Israel, shipping 134,000 MT in 2018/19, eight percent of total imports. Israel imports most of its corn from Ukraine, Argentina, and Brazil. The U.S. has become less competitive in this market due to competitive pricing of Ukraine and South American corn, cheaper shipping costs, and quality concerns with U.S. corn, according to USDA. Ukraine and other Black Sea importers also have a freight advantage.

Israel imports modest amounts of soybeans for crush, roughly 392,000 MT in 2018/19. The U.S. exported roughly 100,000 MT that marketing year, making it the largest exporter of soybeans to Israel. Other exporters include Brazil and Paraguay. Israel imports almost no soybean oil, but did import 182,000 MT of soybean meal to supplement domestic production, of which the U.S. supplied 71,000 MT.

Attribute	Israel: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	0	0	0	0	0	0
Beginning Stocks	9	15	19	0	11	26
Production	0	0	0	0	0	0
Imports	369	392	376	438	392	415
Total Supply	378	407	395	438	403	441
Exports	0	0	0	1	0	0
Crush	340	365	370	400	350	395
Food Use Dom. Cons.	15	15	15	15	15	15
Feed Waste Dom. Cons.	8	8	10	11	12	13
Domestic Consumption	363	388	395	426	377	423
Ending Stocks	15	19	0	11	26	18

Source: USDA PS&D, 2020

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 zero on soybeans and low for most other 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 finalized new laws on gene editing in late 2019. At the end of 2019 reporting requirements had not yet been established so there was no impact on trade, but there could be an impact moving forward, particularly if there is universal adoption of optional requirements by other importing countries.

In the Fall of 2019, the U.S. and Japan entered into the U.S. Japan Trade agreement. This new agreement reduces tariff rates for U.S. agricultural exports to the same levels offered to members of the Comprehensive and Progressive Trans Pacific Partnership (CPTPP), removing any advantage held by these countries. This deal is expected to provide a Tariff Rate Quota for wheat as well as reduce the markup. The deal is not a comprehensive trade agreement, but the U.S. and Japan are expected to begin negotiations regarding that in 2020.

Japan's plant quarantine system frequently bans all imported products when the home country imposes a quarantine of any kind. In 2019, Japan changed its phytosanitary rules so that only commodities explicitly stated to be exempt from needing a phytosanitary certificate would be exempt. Previously, several non-listed commodities were considered exempt. This new requirement means all GOMAI commodities now require a Phytosanitary Certificate.

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 U.S. agricultural commodities and U.S. imports usually have a very high market share - typically 50 percent for wheat, 80 percent for corn, and 70 percent for soybeans. Japan typically does not import much soybean oil, as canola oil has proven to be a viable substitute.

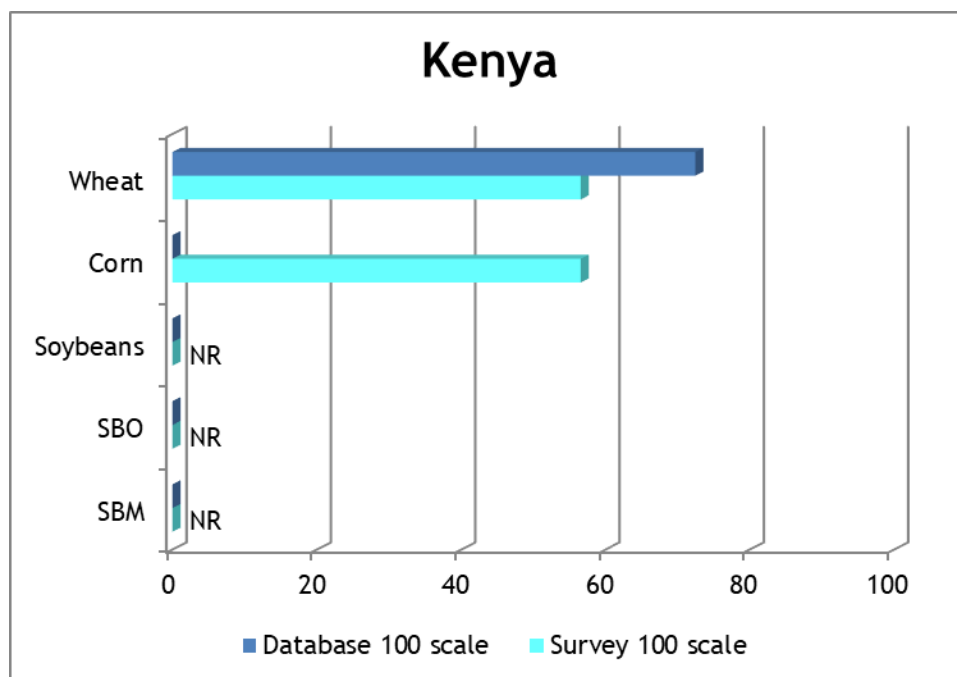
Japan imported 5.7 MMT of wheat, with 2.7 MMT being from the U.S. in 2018/19. They also imported 16 MMT of corn, of which roughly 75 percent was exported from the U.S. For soybeans, the U.S. supplied 2.2 of the 3.3 MMT imported in 2018/19.

Japan also consistently imports over 1.5 MMT of soybean meal per year. The U.S. is a smaller exporter of soybean meal, only exporting 329,000 MT in 2018/19. Commodity import volumes have been relatively stable.

Attribute	Japan: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	132	142	150	150	147	150
Beginning Stocks	256	212	259	217	205	198
Production	226	242	238	249	213	253
Imports	3,004	3,186	3,175	3,256	3,314	3,350
Total Supply	3,486	3,640	3,672	3,722	3,732	3,801
Exports	0	0	0	0	0	0
Crush	2,150	2,283	2,392	2,400	2,400	2,430
Food Use Dom. Cons.	997	943	907	932	944	945
Feed Waste Dom. Cons.	127	155	156	185	190	195
Domestic Consumption	3,274	3,381	3,455	3,517	3,534	3,570
Ending Stocks	212	259	217	205	198	231

Source: USDA PS&D, 2020

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. Corn also faces the high East African Community (EAC) common external tariffs, 25 percent for seed and 50 percent for grain and other forms.

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. Among the Non-Tariff barriers that are currently in place in Kenya is the requirement for a Certificate of conformity as well as obligation to obtain an Import Standards Mark.

Grain-oilseed situation

Wheat imports reached 2 MMT in 2018/19, mostly sourced from Russia, Argentina, Canada, and Ukraine. 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. The U.S. exported 124,000 MT of wheat to Kenya in 2019.

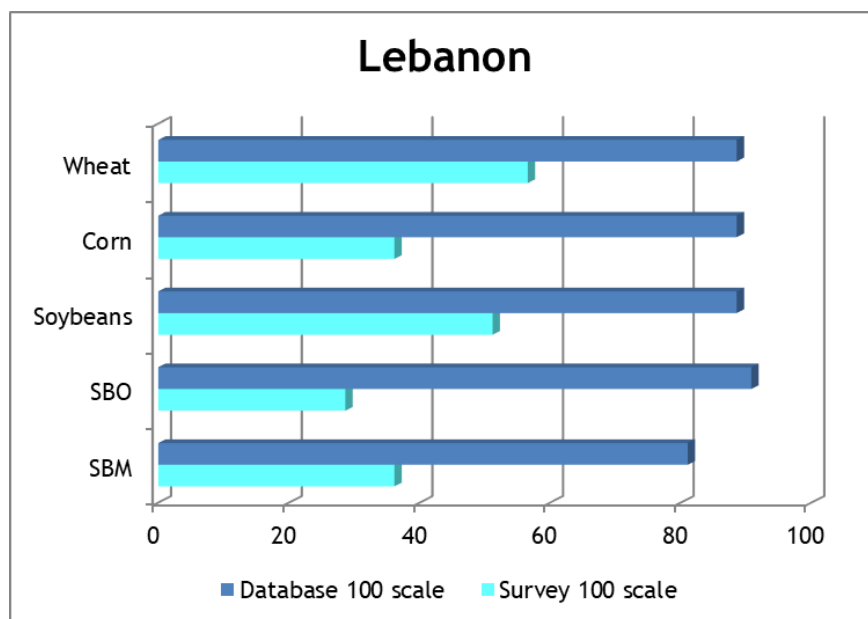
Most corn imports are from the Common Market for Eastern and Southern Africa (COMESA) / EAC countries. Outside of COMESA/EAC, only a few countries—including Mexico, South Africa, Russia, and Ukraine—have penetrated the Kenyan corn market.

There are no exports of soybeans and soybean oil and negligible exports of soybean meal, typically less than 100,000 MT.

Kenya: Soybean Meal (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	1	0	0	20	10	17
Production	0	0	0	0	0	0
Imports	34	34	61	37	71	75
Total Supply	35	34	61	57	81	92
Exports	0	1	1	3	4	4
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	35	33	40	44	60	75
Domestic Consumption	35	33	40	44	60	75
Ending Stocks	0	0	20	10	17	13

Source: USDA PS&D, 2020

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 percent to 11 percent. However, most domestic and imported agricultural products are exempt from the VAT.

Good originating from the EU have preferential tariff treatment under the Euro-Mediterranean Agreement. In addition to preferential tariffs, goods from the EU are also exempted from customs procedures, which could make them more attractive to Lebanese importers.

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 and 2019). Lebanon also imported over 20,000 MT of corn from the U.S. in 2017 and 2018, though imports dropped to almost zero in 2019.

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 2019 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.

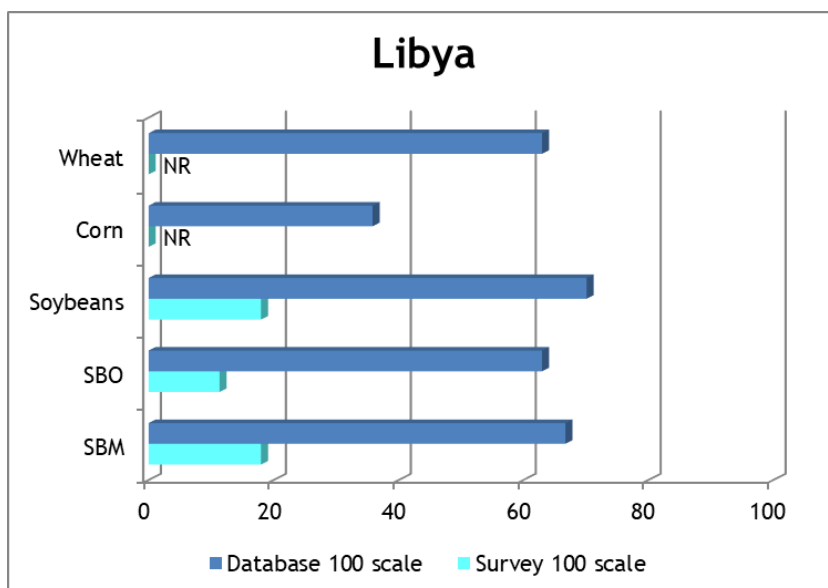
There were no significant market access developments in 2019.

Grain-oilseed situation

Lebanon has significant demand for wheat & corn. The country typically imports about 80 percent of its wheat needs; imports have increased in the past five years. Imports of wheat average about have been over 1 MMT for the past three years 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 - 891 MT in 2018/19. A small percentage of corn imports comes from the U.S. (4% in 2018).

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, 144,000 MT of soybean meal and 3,000 MT of soybean oil were imported in 2017/18. Argentina accounted for 91 percent of soybean meal imports in 2018; while the U.S. supplied just over 1,000 MT. The U.S. is the largest supplier of soybean oil (1,900 MT), followed by Russia and Egypt.

LIBYA



Market Access

The aftermath from the 2011 uprising in Libya created new obstacles for exporters looking to do business in the country. These challenges included infrastructure damage, the disruption of commercial relationships, and foreign asset, foreign exchange, and banking limitations. As far as food laws and regulations are concerned, however, the new post-Gaddafi government has carried over the rules from the prior regime.

Libya is a member of the Common Market for Eastern and Southern Africa (COMESA) and uses its established tariff schedule, which assigns duties based on whether a good is raw (free), intermediate (10%), or finished (25%). The COMESA tariff schedule establishes high tariffs for what are deemed sensitive items. Wheat and corn fall into this category and are assessed 35 and 50 percent duties, respectively. Soybeans and soybean meal have a 10 percent tariff and refined soybean oil, a finished product, faces a 25 percent tariff. Durum wheat and crude soybean oil, by contrast, are tariff free.

Following the turmoil, Libya also imposed a 4-10 percent service charge on all imported goods. For food imports requiring health clearance, there is an estimated waiting time of ten days before final clearance is granted. The required documents for clearing customs are the original bills of lading, copies of all invoices, health certificates, packing list, and certificate of origin. Since Libya is not yet a member of the WTO it is not party to the key agreements, including the Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) Agreements, which would otherwise limit these types of import restrictions.

Corruption has historically been a major problem in Libya. Libya's score is among the lowest in the world at 18 of a possible 100 points on Transparency International's corruption index.

Grain-oilseed situation

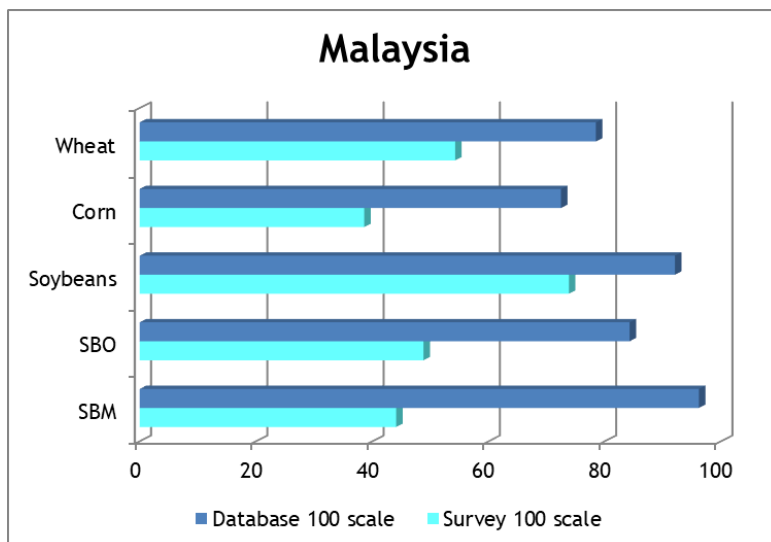
Climatic conditions and poor soils severely limit Libya's agricultural output. Libya's arable land is just one percent of the total area due to water limitations. Libya's primary agricultural water source remains the Great Manmade River Project. The country imports about three-quarters of its food.

Libya has significant demand for wheat, corn, and soybean meal. Libya is projected to import 1.5 MMT of wheat and almost 700,000 MT of corn in 2018/19. The US is not a regular exporter of wheat or corn to Libya.

Attribute	Libya: Soybean Meal (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	75	87	79	44	104	8
Production	0	0	0	0	0	0
Imports	232	212	185	280	124	250
Total Supply	307	299	264	324	228	258
Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	220	220	220	220	220	235
Domestic Consumption	220	220	220	220	220	235
Ending Stocks	87	79	44	104	8	23

Source: USDA PS&D, 2020

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 five percent tariff on soybean oil.

In November 2010, Malaysia began enacted 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. Since 2015, all GOMAI grains and oilseeds require import permits and phytosanitary certificates. Import licenses for feed are somewhat burdensome, as there are a number of documents required.

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. Malaysia scored a 53 on the Transparency International Corruption Index. The government has identified fighting corruption as a high priority, and its efforts have raised its score on the corruption index to the point where Malaysia is no longer receives a diminution of score for corruption.

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 1.8, 3.6, and 0.7 MMT, respectively, in 2018/19. Corn imports are expected to grow as the livestock sector expands to meet consumer demand for pork and poultry.

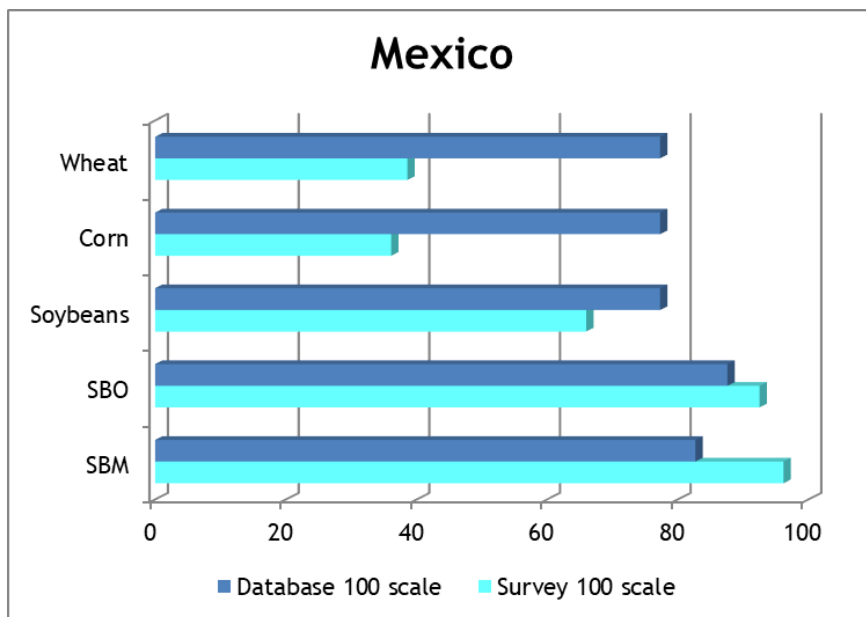
Australia is Malaysia's largest wheat supplier, providing about half of its imports. Australia has preferential access under the Australia and New Zealand Free Trade Agreement with countries in Association of Southeastern Nations (ASEAN) For corn, Argentina and Brazil combine to supply over 90 percent of the market.

The US supplied close to 674,000 MT of Malaysia's 747,000 MT of soybean imports in 2018/19. Malaysia also imported 1.2 MMT of soybean meal, primarily from Argentina, which is reported to have a freight advantage to the Malaysian market.

Attribute	Malaysia: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	0	0	0	0	0	0
Beginning Stocks	35	50	85	65	48	52
Production	0	0	0	0	0	0
Imports	643	885	768	690	747	810
Total Supply	678	935	853	755	795	862
Exports	16	58	47	17	13	20
Crush	430	590	541	490	525	550
Food Use Dom. Cons.	155	155	160	160	165	170
Feed Waste Dom. Cons.	27	47	40	40	40	45
Domestic Consumption	612	792	741	690	730	765
Ending Stocks	50	85	65	48	52	77

Source: USDA PS&D, 2020

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. As of December 10, 2019 the U.S., Canada, and Mexico are now party to the United States-Mexico-Canada Agreement (USMCA). Outside of improving access for U.S. dairy to Canada, the new agreement is understood to maintain the same agricultural provisions as NAFTA.

Despite the progress towards a new free trade agreement, there have been some market access issues that have arisen between the U.S. and Mexico. In the first half of 2019, the U.S. threatened to impose tariffs on Mexico due to the migration issue at the U.S. southern border, which would have resulted in Mexican retaliation. A deal was reached to avoid these tariffs, but if the U.S. feels the deal is not being upheld then there could be further actions taken. Additionally, The U.S. commerce department set preliminary anti-dumping tariffs on Mexican tomatoes.

There have been some calls for Mexico to start inspecting all imports of farm goods, and the Mexican Secretary of Agriculture has raised the possibility of increasing inspections. The negotiations between the U.S. and Mexico are still ongoing on this issue, and there is potential to see market access decrease if this escalates.

Trade administration procedures and regulations continue to be complex. 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. Due to a lack of regulatory action by the federal agency in charge of biotech authorizations, no biotech events for food or feed have been approved since May 2018. Additionally, in September 2019, Mexico passed the Law for Protection and Promotion of Native Corn, which prohibits the use of GMO seeds; the law has not come into force yet. Corn grain is not expected to be impacted.

Mexico is one of the more corrupt countries reviewed by Transparency International. Mexico scored a 28 on the Corruption Index in 2019.

Grain-oilseed situation

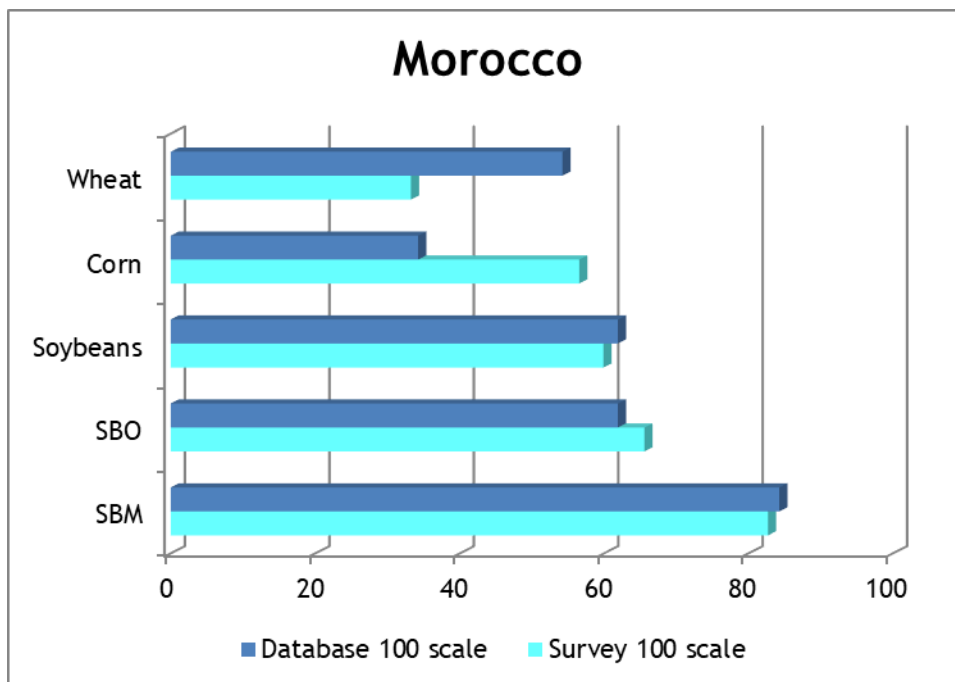
Mexico imported 4.9 MMT of wheat in 2018/19, more than half its wheat needs. The U.S. was the largest outside supplier to the market, with almost 71 percent import market share. The market for corn is much larger, yet despite 26.7 MMT of production, in 2018/19 Mexico still imported 16 MMT of corn, 98 percent from the U.S.

Mexico relies heavily on imported soybeans, soybean meal, and soybean oil. In 2018/19, it imported 5.8 MMT, 1.8 MMT, and 154,000 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 percent for soybeans and more than 90 percent for soybean meal and soybean oil.

Mexico: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	206	250	282	263	191	150
Beginning Stocks	117	113	146	153	169	176
Production	387	341	521	433	335	235
Imports	3,819	4,126	4,126	4,873	5,867	6,000
Total Supply	4,323	4,580	4,793	5,459	6,371	6,411
Exports	0	0	0	0	0	0
Crush	4,175	4,400	4,600	5,250	6,150	6,200
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	35	34	40	40	45	52
Domestic Consumption	4,210	4,434	4,640	5,290	6,195	6,252
Ending Stocks	113	146	153	169	176	159

Source: USDA PS&D, 2020

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.

Over the past few years the U.S. has been pressuring the Moroccan government for reforms to its wheat tenders system due to under performing wheat exports. In 2019, Morocco and the U.S. agreed to increase the frequency of Moroccan auctions and implemented a schedule that requires auction when the tariff rate is changed. This played a role when, in September, The Moroccan state cereals office issued tenders for U.S. and EU common and durum wheat following the reduction of the import duty on wheat from 135 percent to 35 percent.

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.

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 41 in the 2019 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

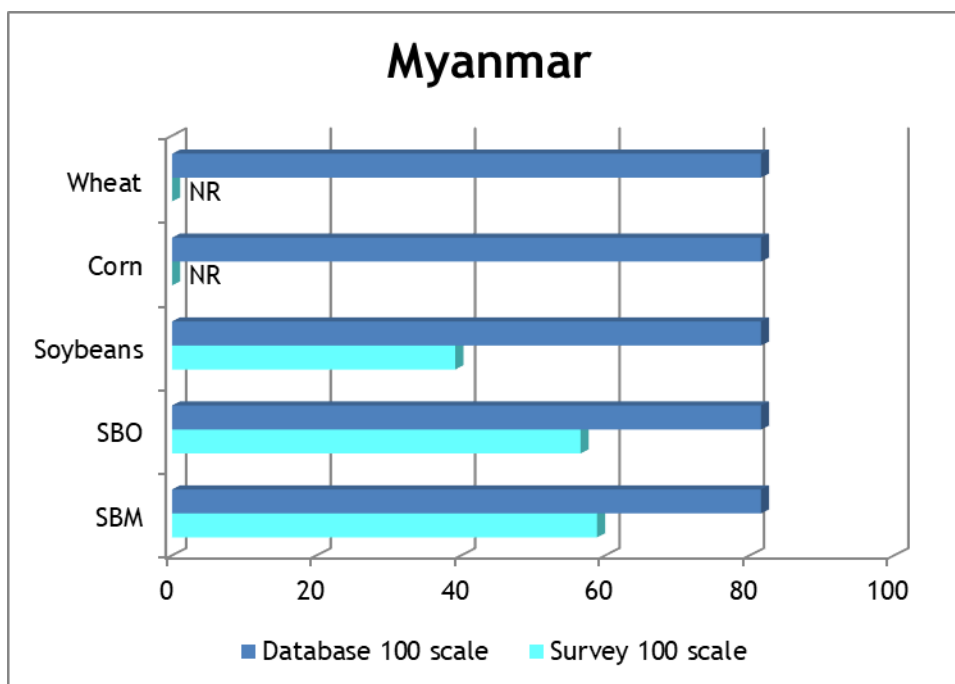
Wheat imports remained low in 2018/19 after falling to a low point in 2017/18 due to substantial local production. Morocco imported 3.7 MMT of wheat, but very little of it (roughly 40,000 MT) was imported from the U.S. Corn imports reached 2.7 MMT, about five percent of which was sourced from the U.S.

Morocco does not produce soybeans and imports are minimal, just 28,000 MT in 2018/19, about 44 percent of which came from the U.S. However, Morocco does import approximately 540,000 MT of soybean meal (almost all from the U.S.) as well as 536,000 MT of soybean oil (2% from the U.S.) annually.

Attribute	Morocco: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	128	100	67	27	28	35
Total Supply	128	100	67	27	28	35
Exports	0	0	0	0	0	0
Crush	128	100	67	27	28	35
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	0	0	0	0
Domestic Consumption	128	100	67	27	28	35
Ending Stocks	0	0	0	0	0	0

Source: USDA PS&D, 2020

MYANMAR

**Market access**

Myanmar, still occasionally referred to as Burma, does not have significant import restrictions. Tariffs are mostly low for agricultural commodities: wheat and corn face 5 percent tariffs, soybeans and soybean oil have 1% tariffs, and the soybean meal tariff is 1.5 percent. In addition, the customs tax is only two percent and the specific goods tax (SGT, which is a VAT) is not levied on agricultural commodities.

There are only minor quantitative and technical barriers to entry. Import licenses are required for all commodities. Myanmar's phytosanitary standards have the potential to cause problems for exporters, as they require additional testing for each shipment of most imported agricultural products upon arrival, despite laboratory testing of agricultural products during the license approval process. USTR notes that these procedures do not appear to align with international standards for risk-based inspection of imports. Finally, corruption is a serious issue in Myanmar: the country scored 28 out of 100 on Transparency International's Corruption Perceptions Index.

Grain oilseed situation

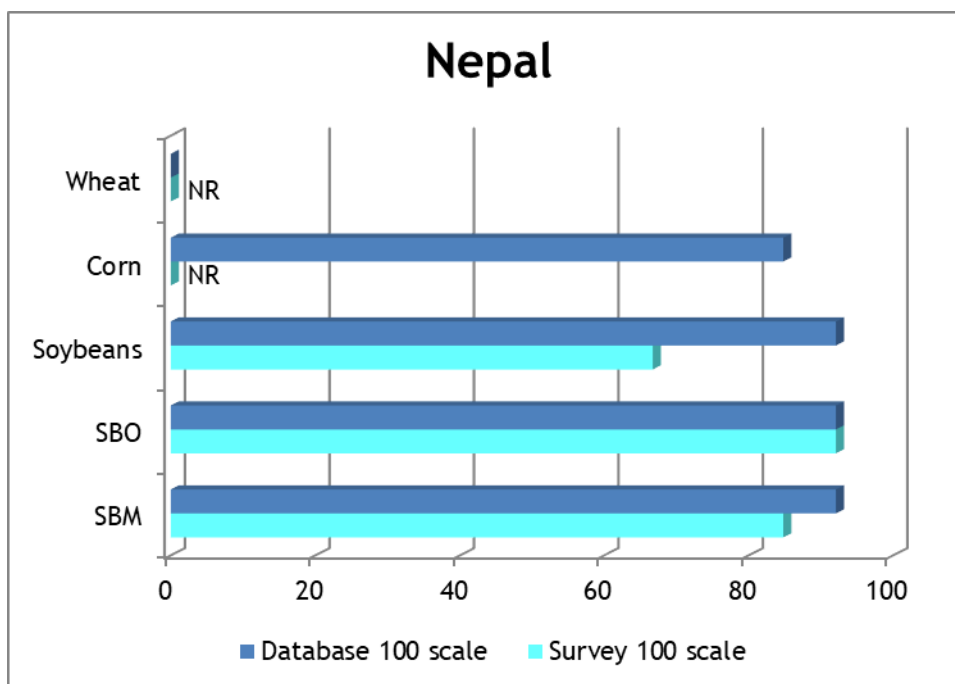
Myanmar has limited land suitable to wheat cultivation, so it imports most of its needs. The largest supplier is Australia, but others including the U.S. export wheat to Myanmar as well. Myanmar produces its own corn and imports very little.

Myanmar is a small player in the soy product trade. It has no crushing facilities. Soybean imports from the U.S. were 26,000 metric tons in 2018/19. The U.S. also shipped more than 163,000 metric tons of soybean meal to Myanmar, but no soybean oil.

Myanmar: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	155	151	149	143	150	150
Beginning Stocks	0	0	0	0	0	0
Production	161	157	154	149	160	160
Imports	0	0	15	20	33	30
Total Supply	161	157	169	169	193	190
Exports	0	0	0	0	2	0
Crush	0	0	0	0	0	0
Food Use Dom. Cons.	115	115	119	119	136	135
Feed Waste Dom. Cons.	46	42	50	50	55	55
Domestic Consumption	161	157	169	169	191	190
Ending Stocks	0	0	0	0	0	0

Source: USDA PS&D, 2020

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.

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, with all GOMAI commodities assessed a 10 percent duty. Nepal requires import permits and phytosanitary certificates, but does not have other any other restrictive measures. As of the end of 2019, Nepal did not have GMO restrictions or labeling requirements.

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. Elections were held in 2017, resulting in a new government coming into power in 2018. Conditions in the country have been stable since.

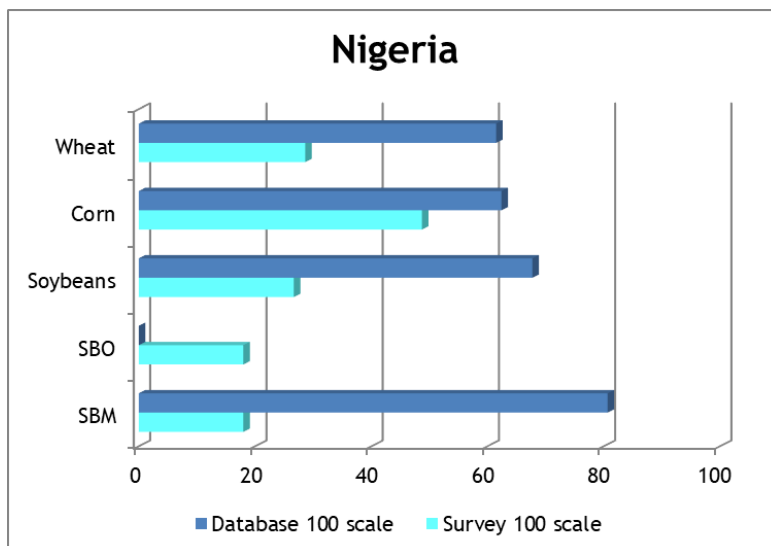
Corruption can be a significant problem in Nepal; the country scored a 34 in Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

Nepal imported only 186,000 MT of wheat in 2018/19, seven percent of total wheat supply. Similarly, corn imports were only 350,000 MT, just 11 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 Nepal's wheat or corn imports are sourced from the U.S.

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

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 five percent; soybeans and SBM are assessed a 10 percent tariff. In addition to the import duty there is an additional 15 percent duty on wheat. There is also a seven percent port charge and one percent 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 percent tariff was lowered to 10 percent for crude SBO and 20 percent 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 2019 Corruption Perceptions Index scored Nigeria a 26, 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

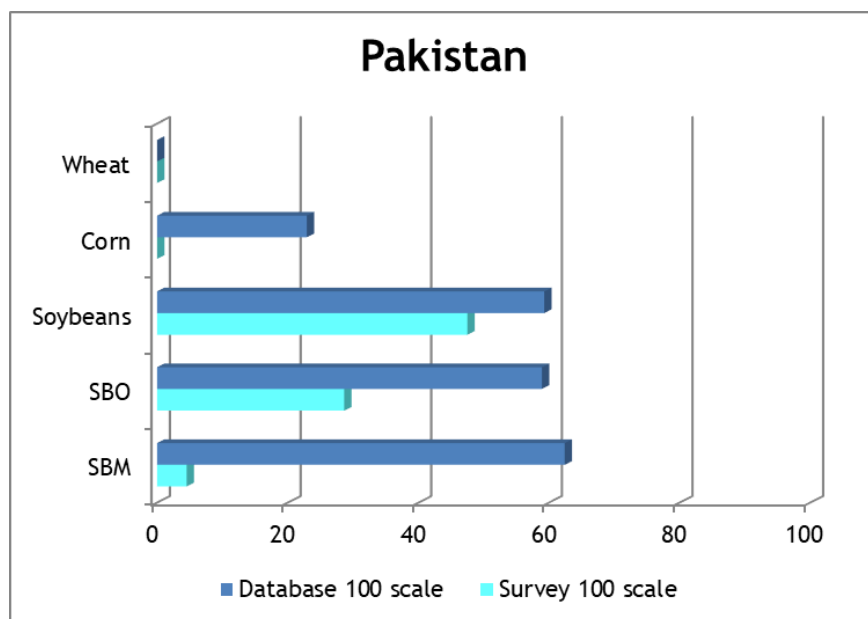
Nigeria produces limited quantities of wheat and imports almost all the wheat consumed. Low rainfall and the continued expansion of the Sahara Desert into the primary growing region for wheat means that Nigeria will likely continue to be in need of imports to meet domestic demand. In 2017/18 Nigeria imported 4.6 MMT, with 38 percent from the US, making Nigeria a primary destination for US wheat exports. The increase in market share stems from U.S. wheat prices being roughly the same as Russian wheat process in 2018. However, in general the trend has been U.S. losing market share to lower priced competitors. Nigeria is a strong producer of corn (about 11 MMT) and imports minimal volumes.

Nigeria produced approximately 1 MMT of soybeans in 2018/19. The country produced 510,000 MT of soybean meal and 115,000 MT of soybean oil. Historically, imports of these products have been minimal or non-existent.

Attribute	Nigeria: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	750	900	940	1,000	1,000	1,000
Beginning Stocks	61	198	249	344	288	229
Production	766	900	1,324	994	1,054	1,100
Imports	147	12	0	42	21	50
Total Supply	974	1,110	1,573	1,380	1,363	1,379
Exports	0	1	115	28	7	0
Crush	400	450	510	594	650	660
Food Use Dom. Cons.	260	290	320	330	340	340
Feed Waste Dom. Cons.	116	120	284	140	137	147
Domestic Consumption	776	860	1,114	1,064	1,127	1,147
Ending Stocks	198	249	344	288	229	232

Source: USDA PS&D, 2020

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 percent, but the government also applies a 60 percent “regulatory duty” to wheat and a 30 percent 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. Afghanistan is a major importer of Pakistani wheat (when the prices are low enough). Export subsidies being provided in 2018 were discontinued in January 2019, as devaluation of the Pakistan Rupee made the country’s exports more competitive. The Pakistani government supports domestic wheat industry with a guaranteed wheat purchase price (\$310/MT in 2019).

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 2019, based on exchange rates, was \$68.09/MT on crude oil and \$69.70/MT on refined oil. These rates were the equivalent of a tariff slightly below 10 percent. In addition, Pakistan levies a 17 percent excise duty on edible oils.

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

Quantitative restrictions on U.S. agricultural exports are minimal; however, technical barriers are prohibitive for most commodities. U.S. wheat has been 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 U.S. if it meets U.S. standards. Pakistan's Biosafety Rules of 2005 require approval of biotech-derived products used for food, feed, and processing to be approved by the National Biosafety Committee. Pakistan has not established a low-level presence policy.

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.

Domestic security is an issue and Pakistan is plagued with corruption, scoring a 32 out of a possible 100 points on Transparency International's 2019 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.

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 2018/19 wheat crop was the largest one to date at 25.1 MMT. Corn production was 6.1 MMT.

Wheat bread is a staple in Pakistani diets, comprising up to 70 percent 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.

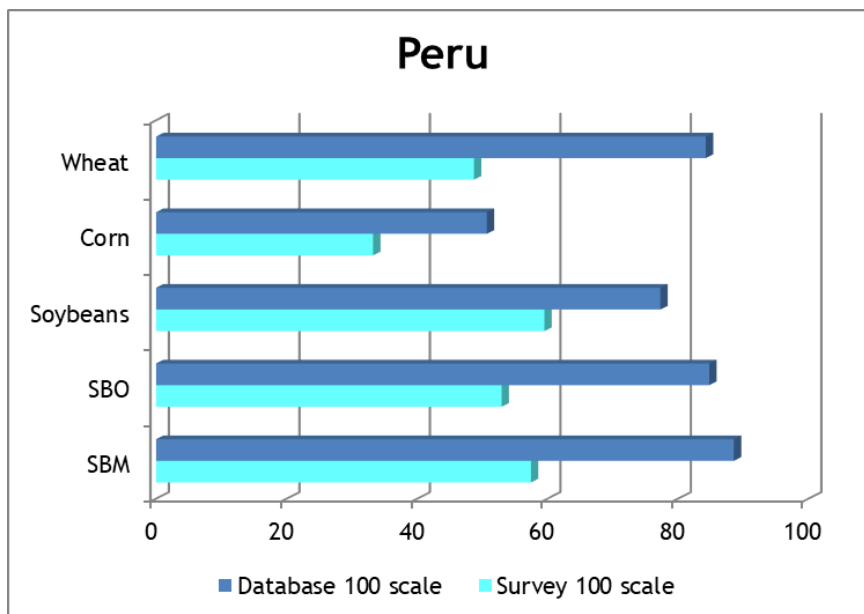
By contrast, Pakistan relies heavily on imported oilseeds and soy production is negligible. Pakistan imported 2.0 MMT soybeans and 0.9 MMT of canola in 2018/19. Domestic oilseed meal production (from soy, cotton, and rapeseed) was 3.8 MMT; imports were minimal.

The country is one of the largest importers of edible oil in the world, relying on imports (3.3 MMT in 2018/19) for approximately 70 percent of its needs (4.5 MMT). Almost all imports are of palm oil (~95%), with soy accounting for most of the rest.

Pakistan: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	2	2	2	2	2	2
Beginning Stocks	0	38	39	27	327	53
Production	2	2	2	2	2	2
Imports	538	1,251	1,668	2,300	1,726	2,200
Total Supply	540	1,291	1,709	2,329	2,055	2,255
Exports	0	0	0	0	0	0
Crush	500	1,250	1,680	2,000	2,000	2,200
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	2	2	2	2	2	2
Domestic Consumption	502	1,252	1,682	2,002	2,002	2,202
Ending Stocks	38	39	27	327	53	53

Source: USDA PS&D, 2020

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 U.S. has a large tariff-rate quota which began at 500,000 MT in 2009 and has been increasing at six percent per year; it was 895,352 MT in 2019. The quota was set to grow over 11 years and then be eliminated, along with tariffs, after 12 years. The U.S. has been fully using the quota and shipping additional corn beyond the quota.

Under PTPA, the U.S. had a growing duty-free quota for refined soybean oil; it was eliminated on schedule in 2019.

On July 13, 2018, the Peruvian Consumer Defense and Intellectual Property Rights Agency (INDECOPI) initiated a countervailing duty investigation into U.S. corn, which remained outstanding at the end of 2019 (but was resolved in the U.S.'s favor in early 2020).

Peru uses the Andean Price Band System (APBS), which either reduces or increases corn duties, depending on international prices. In 2018/19, a reduction in the Andean Price Band System (APBS) surcharge narrowed the U.S. tariff advantage, providing an opening for imports from Argentina.

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

Peru currently has a 10-year moratorium on GE crops and zero tolerance for GE events; it is scheduled to expire in 2021. The country does import GE corn and soybeans for consumption and processing and imported conventional seed shipments are fined if they contain GE events. A major problem with Peru's GE regime is that it does not define tolerances for adventitious presence of GE components in conventional seeds.

Corruption remains a problem in Peru. In 2019, Peru scored a 36 on Transparency International's Corruption Perceptions Index.

Grain-oilseed situation

Peru produces little wheat—180,000 MT in 2018/19—and must import 90 percent of its wheat requirements. In recent years, about one-fourth of the more than 2 MMT of wheat imported has been of U.S. origin. In 2018/2019, the U.S. shipped 403,000 MT. Canada is the market's primary wheat supplier.

Corn demand in Peru has been growing because of a burgeoning poultry sector. Production was 1.7 MMT in 2018/19, with additional imports of 3.7 MMT, approximately half of which came from the U.S.

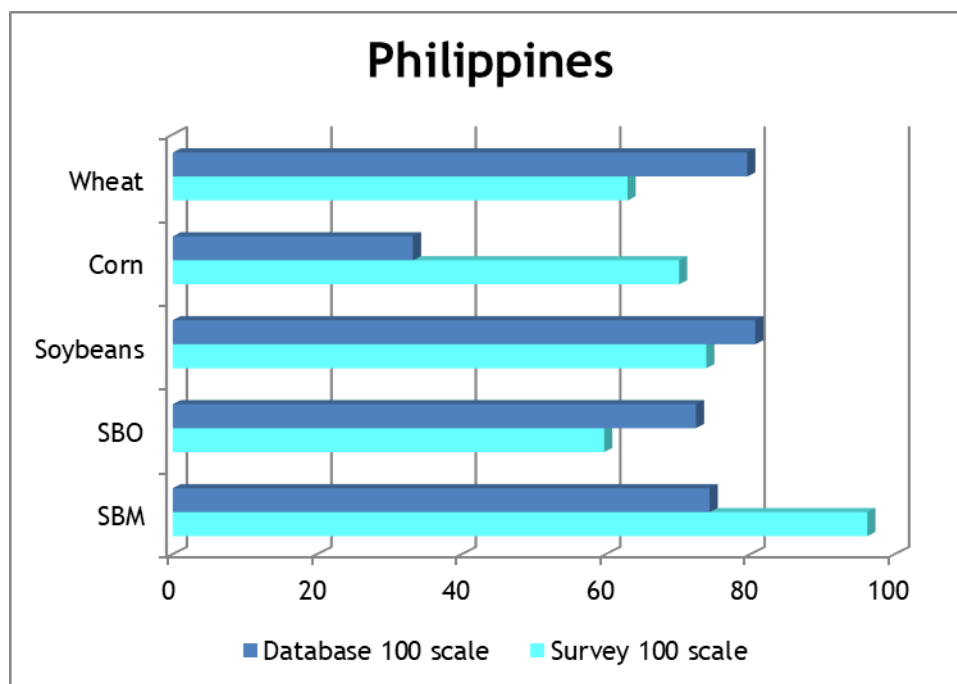
Peru imports approximately 300,000 MT of soybeans annually; in the 2018/19 marketing year, over 260,000 MT came from the U.S. Peru is also a significant soybean meal importer, buying approximately 1 MMT annually. Bolivia is Peru's key supplier; the U.S. supplied 176,000 MT in 2018/19.

Peru's key soybean oil supplier is Argentina, which provides approximately 400,000 MT per year. The U.S. exported 12,000 MT to Peru in 2018/19.

Peru: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	2	2	2	2	2	2
Beginning Stocks	4	39	13	24	15	59
Production	3	3	3	3	3	3
Imports	334	263	320	310	378	375
Total Supply	341	305	336	337	396	437
Exports	0	0	0	0	0	0
Crush	2	2	2	2	2	2
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	300	290	310	320	335	370
Domestic Consumption	302	292	312	322	337	372
Ending Stocks	39	13	24	15	59	65

Source: USDA PS&D, 2020

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 2019 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 2019, the in-quota threshold was 217,000 MT, the same as previous years. 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 2019 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 2019.

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 34 out of a possible 100 in 2019.

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 second largest U.S. wheat market globally, with sales reaching 2.8 MMT in 2018/19, accounting for 37 percent of the market. Wheat and soybean meal were the two largest U.S. agricultural exports to the Philippines in 2018/19 by value.

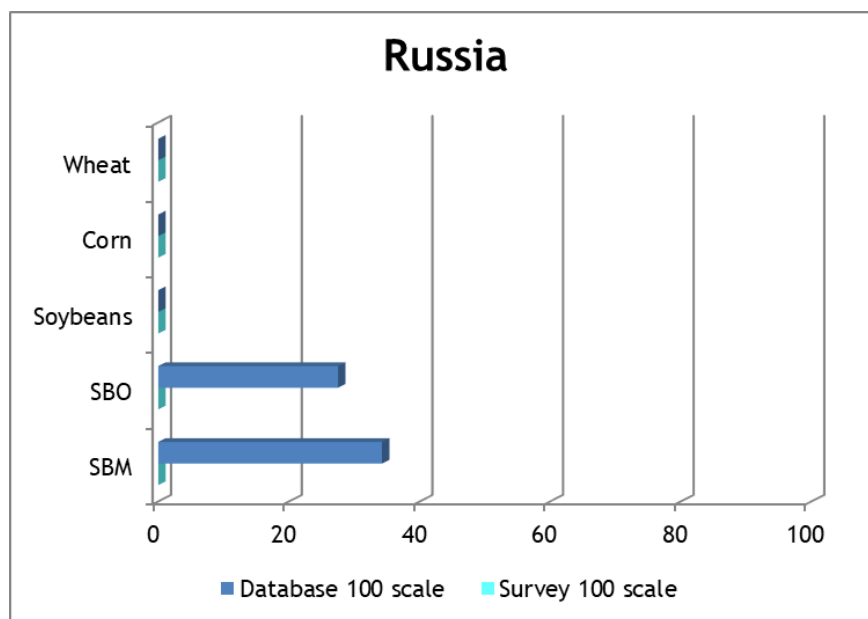
According to Philippine customs data, Corn imports reached 400,000 MT in 2019, most of which was sourced from fellow ASEAN members Myanmar and Vietnam (61%), followed by the U.S. (21%) and Brazil (12%). It should be noted that USDA PS&D estimate have Philippine imports of corn at 600,000 with U.S. market share 16 percent.

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 2018/19). Strong feed demand from local livestock and poultry industries drives soybean meal demand.

Philippines: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	1	1	1	1	1	1
Beginning Stocks	10	14	60	69	29	30
Production	1	1	1	1	1	1
Imports	118	268	248	192	175	180
Total Supply	129	283	309	262	205	211
Exports	0	0	0	0	0	0
Crush	85	120	120	120	85	90
Food Use Dom. Cons.	15	18	25	25	25	25
Feed Waste Dom. Cons.	15	85	95	88	65	65
Domestic Consumption	115	223	240	233	175	180
Ending Stocks	14	60	69	29	30	31

Source: USDA PS&D, 2020

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 remained. 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 pests 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 were still in effect as of the end of 2019. While established under the guise of phytosanitary concerns, these bans are in practice largely political, implemented as retaliation for sanctions placed on Russia by the U.S. for the invasion of Ukraine.

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 five percent duty. Soybeans and soybean meal are duty free. Soybean oil for edible use faces a 15 percent 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.

Feed also faces very restrictive technical and procedural barriers. All feed and pet food imports require a veterinary certificate to ship pet food and animal feed to Russia, as well as either a letter from the producer attesting to the absence of feed derived from agricultural biotechnology or a copy of the agricultural biotechnology registration provided by the Russian Ministry of Agriculture. Indeed, U.S. exporters continue to face systemic issues related to the export of agricultural products to Russia from these certificates. The veterinary and sanitary certificates required by Russia have stringent requirements including certain chemical, microbiological, and radiological standards. These requirements are not based on science and are considered excessive.

Corruption is a pretty serious issue as Russia is one of the most corrupt countries reviewed, consistently ranking in the bottom third of countries: Russia scored 29 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 2.7 million hectares in 2018/19, more than double the acreage in 2012/13.

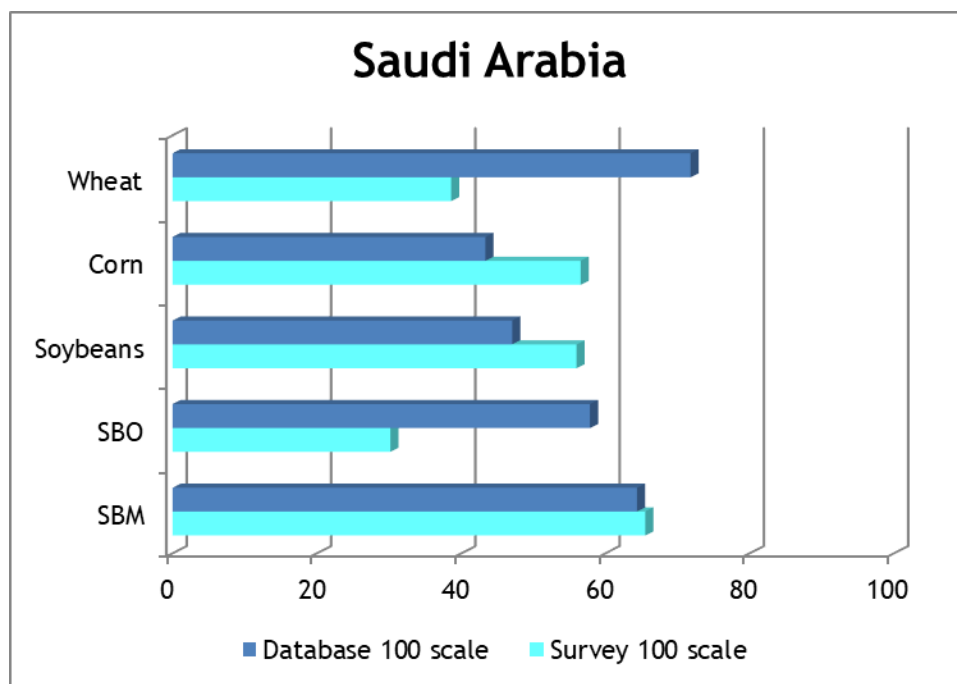
Russia is a large producer of grains and oilseeds and is one of the U.S.'s primary competitors. Its imports of wheat, corn, and soybean meal are very low, accounting for well under one percent of the total supply each year. Russia is more reliant on imports of soybeans, buying over 2 MMT each year. By contrast, Russia produces 832,000 MT of soybean oil on average, importing only 42,000 MT in 2018/19. The U.S. does not export any soybeans or soybean products to Russia due to the ongoing political dispute between the two countries.

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.

Attribute	Russia: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	1,907	2,082	2,118	2,568	2,739	2,776
Beginning Stocks	133	108	145	195	56	190
Production	2,362	2,707	3,134	3,621	4,027	4,359
Imports	1,986	2,336	2,221	2,237	2,162	2,200
Total Supply	4,481	5,151	5,500	6,053	6,245	6,749
Exports	313	456	375	892	797	900
Crush	3,600	4,000	4,400	4,600	4,650	4,950
Food Use Dom. Cons.	80	100	100	105	108	110
Feed Waste Dom. Cons.	380	450	430	400	500	520
Domestic Consumption	4,060	4,550	4,930	5,105	5,258	5,580
Ending Stocks	108	145	195	56	190	269

Source: USDA PS&D, 2020

SAUDI ARABIA

**Market access**

Saudi Arabia has become completely dependent on foreign suppliers for soybeans and produces only limited volumes of wheat and corn. 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. Discussions regarding these issues are still ongoing as of the end of 2019.

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, the U.S., South America and Australia. Canada was banned as a source in 2018. 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 1.9 MMT of milling wheat in 2018/19, 15 percent lower than in 2017/18 and continuing a trend of decreasing imports. Germany has been the leading wheat supplier in the past with approximately 50 percent market share, followed by Poland (28%) and Lithuania (9%)

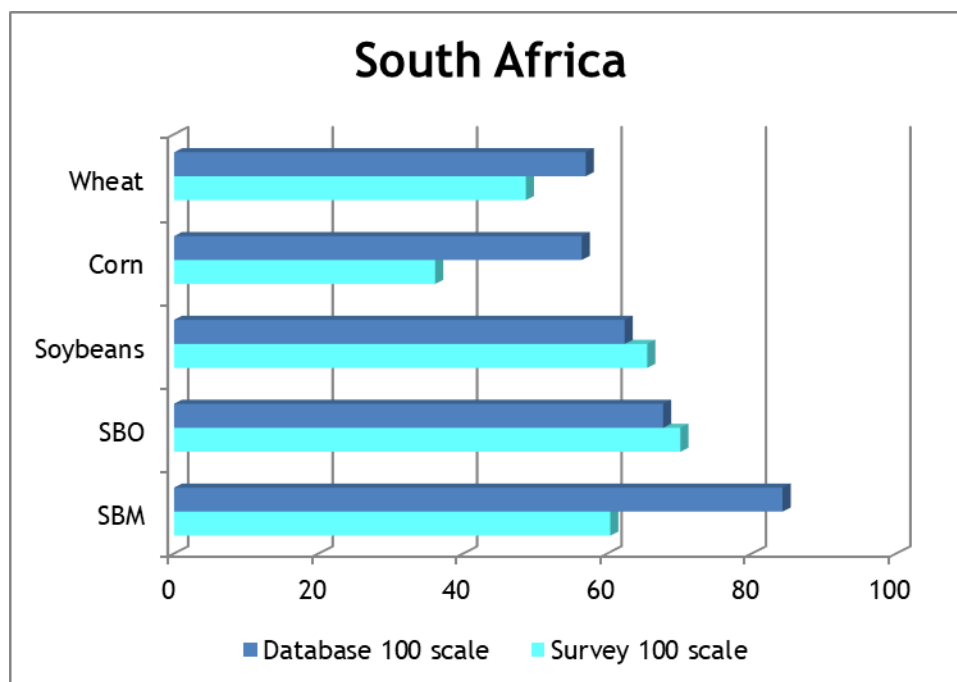
The decline in Saudi barley imports is benefiting substitute feed grains, such as corn. The growth in poultry farms and animal feed processing facilities have driven demand for feed corn recently. Saudi corn imports were roughly 3.6 MMT in 2018/19, an increase of 77 percent from 2012/13. Approximately 21 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 562,000 MT in 2018/19, primarily from Brazil and from the U.S. (219,608 MT), but also from Argentina and India. Soybean meal imports hit 715,000 MT in 2018/19, almost all of which came from Argentina. The U.S. accounted for only 2,000 MT of soybean meal imports. Soybean oil imports into Saudi Arabia are minimal.

Saudi Arabia: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	0	0	0	0	0	0
Beginning Stocks	22	0	26	0	5	4
Production	0	0	0	0	0	0
Imports	696	711	596	536	562	575
Total Supply	718	711	622	536	567	579
Exports	0	0	0	0	0	0
Crush	710	678	615	525	560	570
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	8	7	7	6	3	3
Domestic Consumption	718	685	622	531	563	573
Ending Stocks	0	26	0	5	4	6

Source: USDA PS&D, 2020

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. In November of 2019 South Africa signed an economic partnership agreement with the UK, which is likely to continue the two countries had while the UK was part of the EU.

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.

South Africa has a Tariff Rate Quota on wheat of 108,729 MT that is applicable to all exporters. Under this TRQ exporters are rebated 14.4 percent of the duty. The EU, under its free trade agreement with South Africa, gets an additional 300,000 MT quota under which there is no duty assessed.

Soybeans and soybean products are also disadvantaged by the preferential tariffs that the EU and SADC enjoy. Soybeans from countries outside of the EU and SADC have an 8 percent duty, while soybeans from these areas have no duty. Soybean oil and meal are similar, as soybean oil has a 10

percent duty not applicable to the EU or SADC, and soybean meal has a 6.6 percent duty. In addition, MERCUSOR countries have a reduced tariff rate for soybean meal of 4.86 percent.

South Africa has GMO labeling laws that require products with at least five percent 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 44 out of 100 for corruption

Grain-oilseed situation

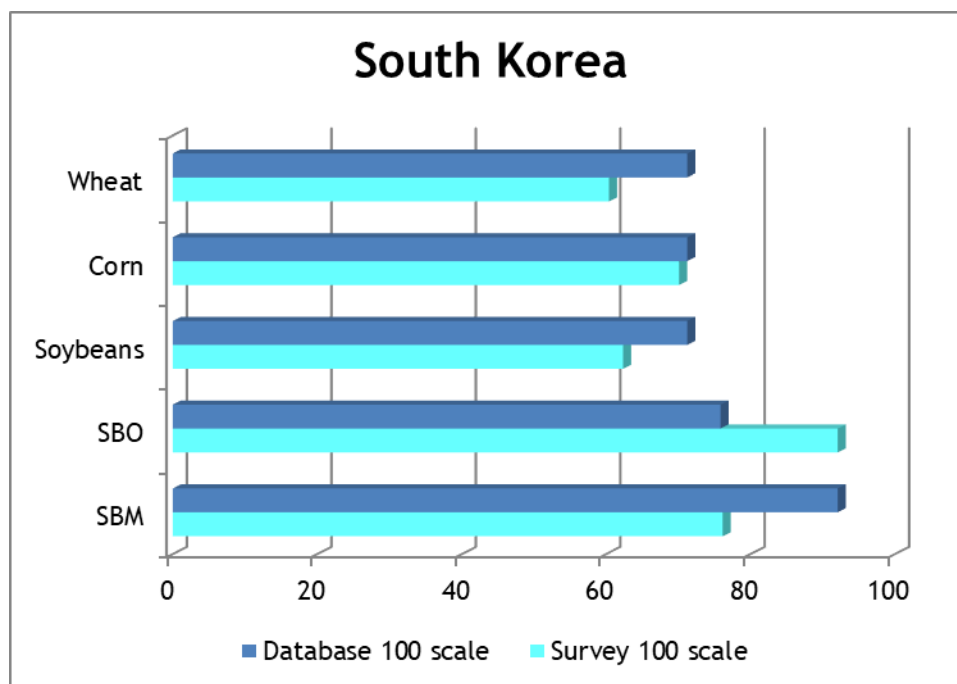
South Africa produces and imports wheat to meet its significant domestic demand. In the 2018/19 marketing year, South Africa produced roughly 1.9 MMT of wheat and imported 1.5 MMT, five percent of which were from the U.S. South Africa is a major corn producer and imports primarily when there is a production shortfall.

The favorable trade conditions for the EU have essentially eliminated U.S. exports of soy and soy products to South Africa. South Africa produces over 1.5 MMT of soybeans which is generally sufficient to meet domestic needs. The country does import soybean meal, mostly from Argentina which has a preferential tariff rate.

South Africa: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	687	503	574	787	731	705
Beginning Stocks	237	311	1	150	256	84
Production	1,060	742	1,316	1,540	1,170	1,270
Imports	264	83	35	9	35	10
Total Supply	1,561	1,136	1,352	1,699	1,461	1,364
Exports	7	7	4	34	5	5
Crush	1,000	950	1,000	1,200	1,200	1,150
Food Use Dom. Cons.	28	28	28	30	30	30
Feed Waste Dom. Cons.	215	150	170	179	142	120
Domestic Consumption	1,243	1,128	1,198	1,409	1,372	1,300
Ending Stocks	311	1	150	256	84	59

Source: USDA PS&D, 2020

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 2019, 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, 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 3.9 MMT in 2018/19, of which the U.S. accounted for 36 percent, followed by Australia and Ukraine. 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 30 percent of which was from the U.S. Brazil and Argentina both saw their market share rise considerably in 2019 due to lower prices. Traditionally, a little more than half of U.S. exports of corn are feed grade.

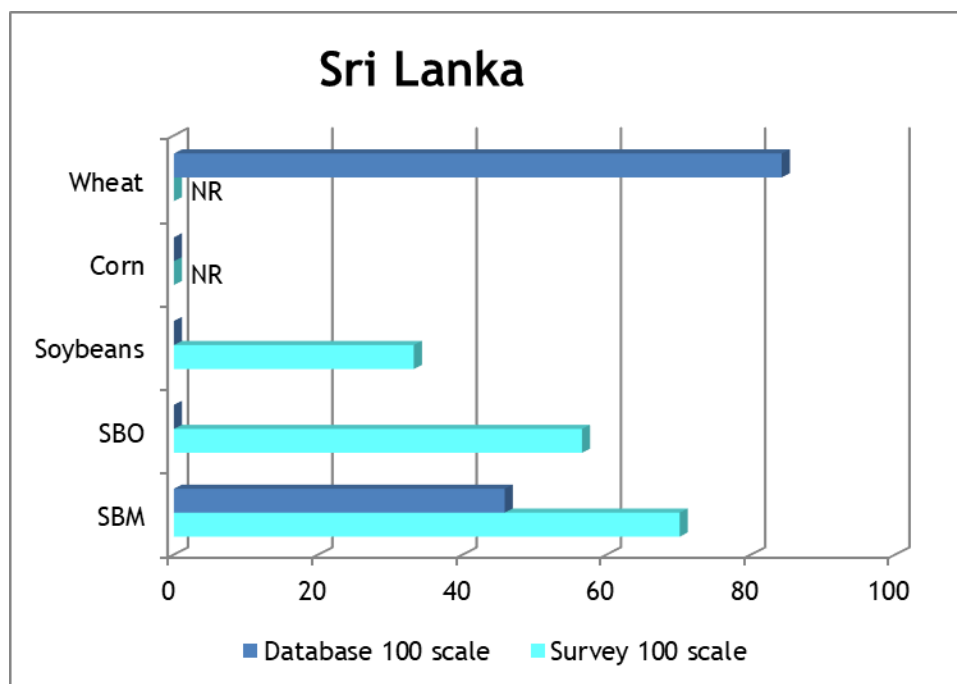
Soybeans accounted for more than 84 percent of total oilseed imports, of which approximately 74 percent are used for crushing. Imports were roughly 1.3 MMT in 2018/19. In the calendar year 2019, The U.S. accounted for 85 percent of the market share, followed by Brazil and China. The U.S. also accounts 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 328,000 MT in 2018/19, the U.S. being the main supplier. The U.S. has made inroads in crude soybean oil lately due to recent drought conditions in Argentina, the colorless oil provided by U.S. exporters, and a tariff of just 1.08 percent for U.S. crude soybean oil in 2018/19 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: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	75	57	49	46	51	51
Beginning Stocks	138	66	27	48	35	37
Production	139	104	75	86	89	92
Imports	1,246	1,249	1,286	1,256	1,373	1,400
Total Supply	1,523	1,419	1,388	1,390	1,497	1,529
Exports	0	1	0	0	0	0
Crush	1,017	1,041	990	1,000	1,100	1,100
Food Use Dom. Cons.	390	300	300	305	305	310
Feed Waste Dom. Cons.	50	50	50	50	55	60
Domestic Consumption	1,457	1,391	1,340	1,355	1,460	1,470
Ending Stocks	66	27	48	35	37	59

Source: USDA PS&D, 2020

SRI LANKA



Market access

Sri Lanka maintains tariffs on the GOMAI commodities ranging from 0 to 30 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. Soybean oil has a higher rate of 30 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. Corn falls under this category, being assigned a 35 percent levy on top of the normal tariff. A Ports and Airports Development Levy (PAL) is also applied on most imports. Wheat is charged five percent under the PAL, while all other GOMAI commodities are charged 10 percent. Locally manufactured goods do not pay the PAL. VAT taxes are also assessed on imports and were lowered to eight percent in 2019. 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 removed its Nation Building Tax in 2019.

Sri Lanka does not impose any quotas or other quantitative barriers. Sanitary and phytosanitary restrictions 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 GE presence is 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

Sri Lanka has no domestic wheat production and is thus reliant on imports. Wheat imports reached 949,000 MT in 2018/19, with 14 percent coming from the U.S. Historically, Canada, Russia, and Australia are the primary exporters of wheat to Sri Lanka.

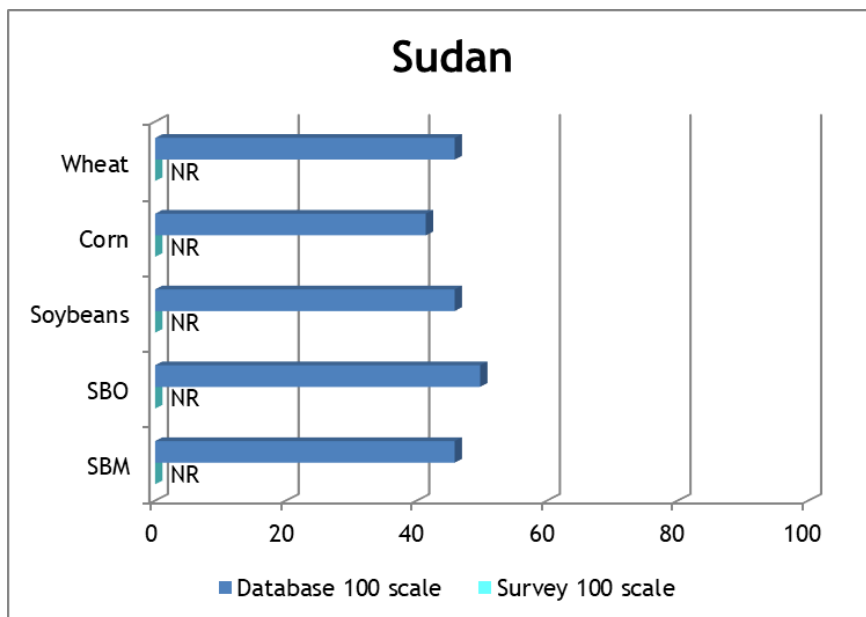
Corn imports were just 129,000 MT in 2018/19, with virtually none being exported from the U.S. The effective GM ban as well as high tariffs prevent U.S. exports. India and Ukraine are the primary exporters.

Sri Lanka imported a modest amount of soybean meal in 2018/19 (225,000 MT). Approximately 74 percent of that came from the U.S.; the balance was sourced from India.

Sri Lanka: Soybean Meal (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	7	10	12	15	12	5
Production	0	0	0	0	0	0
Imports	187	205	231	226	225	235
Total Supply	194	215	243	241	237	240
Exports	4	3	3	2	5	5
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	180	200	225	227	227	230
Domestic Consumption	180	200	225	227	227	230
Ending Stocks	10	12	15	12	5	5

Source: USDA PS&D, 2020

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 zero percent for capital goods and raw materials, 10 percent for intermediate products, and 25 percent 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 percent most of the year, but 25 percent from January to March. Sudan's other tariffs are 25 percent for corn, soybeans, and soybean meal and durum; three percent on crude soybean oil; and 40 percent on refined soybean oil. In place of TRQs, Sudan routinely applies seasonal bans to control imports.

At the end of 2018, protests erupted in Sudan that ultimately resulted in the government being overthrown. In September 2019, power was transferred to a military-civilian government that is supposed to eventually convert to a civilian democracy. The change in government likely has led to the decline in the capabilities of institutions responsible for the flow of trade, damaging market access. The removal of wheat subsidies was one of the original motivations for the protests; these subsidies could potentially be reinstated.

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 percent VAT on imported products. Importers also face storage costs at port facilities, because the clearing process frequently takes longer than the allocated 21 days.

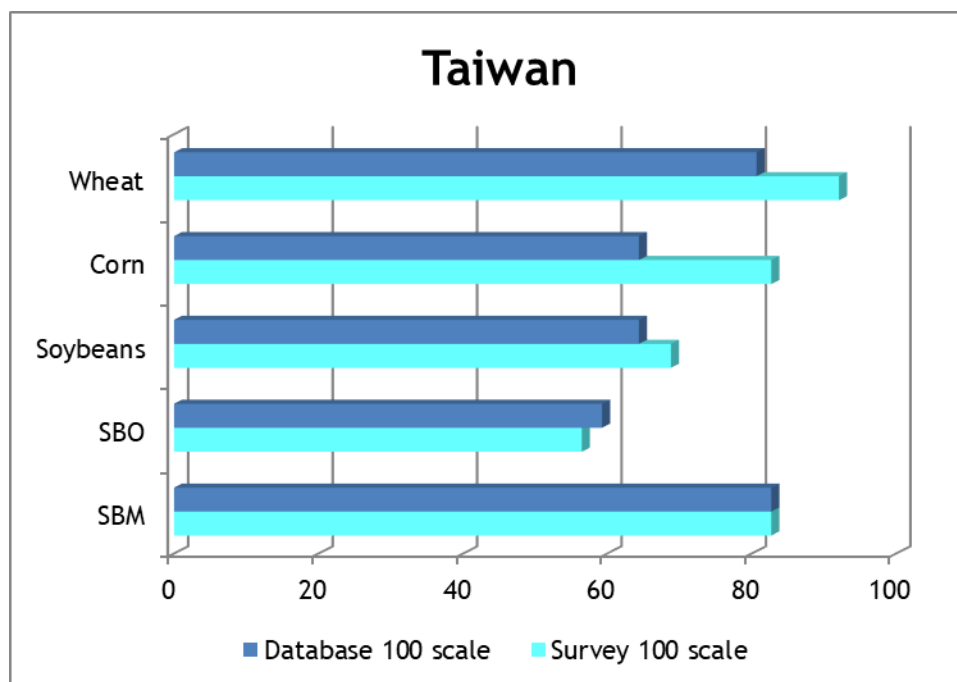
Certificates of origin and phytosanitary certificates are required. Genetically modified seeds are prohibited. Corruption is a major problem in Sudan, which has one of the lowest scores in the world, just 14 out of a possible 100 on Transparency International's index.

Grain-oilseed situation

The bulk of Sudan's population of 40 million is involved in subsistence farming and about 80 percent of employment is in agriculture. Wheat production in 2018/19 was 595,000 MT. Imports were 2.2 MMT. U.S. exporters have only occasionally managed to sell small quantities of wheat to the country.

Sudan has virtually no active trade in the oilseeds sector. Domestic disappearance of oilseed meals is about 400,000 MT; 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, of which 100,000 MT are imported, none of it soybean oil.

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). This situation has not caused any trade stoppages, but it could pose complications in the future. Products that contain less than three percent GMO material can be imported under the non-GMO HS codes. This measure was implemented in May 2019. In 2017 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. Discussions about this measure are still ongoing.

Grain-oilseed situation

Taiwan relies on imports for over 99 percent of its wheat, importing 1.3 MMT of the product in 2018/19. 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. The U.S. saw market share increase to over 90 percent in 2018/19, largely due to decreased production in Australian wheat. Taiwan millers regularly express a preference for Australian wheat for traditional Chinese baked products, so it is expected that U.S. market share will decrease back to its traditional 80 percent once Australian wheat recovers.

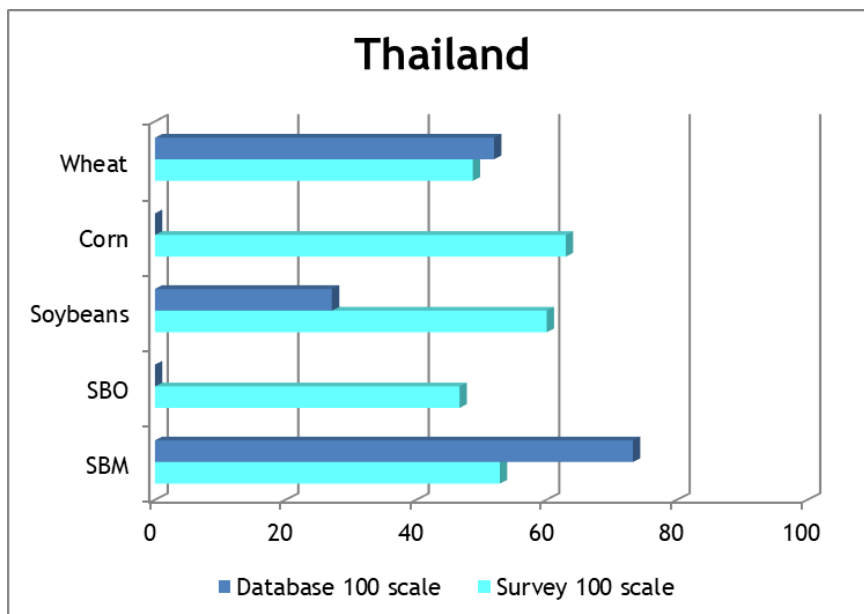
The U.S. supplied approximately 38 percent of Taiwan's 4.5 MMT corn imports in 2018/19, with most of the balance coming from Brazil. Corn has recently begun facing competition from other grains and feed products, such as DDGS and corn gluten feed. The feed inclusion rates for corn substitutes varies from year to year depending on relative prices. Argentina has emerged as a major corn exporter, having 13 percent market share in 2018/19 after having no exports in 2015/16. The U.S. has seen its market share drop significantly due to low South American corn prices.

Taiwan relies on imports to meet almost all its soybean demand. Soybean imports reached 2.6 MMT in 2018/19, and the U.S. commanded about 82 percent of that market as continued 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: Soybeans (1,000 mt)						
Attribute	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	1	2	2	3	3	3
Beginning Stocks	136	247	316	370	411	290
Production	1	3	3	5	5	5
Imports	2,520	2,476	2,566	2,666	2,614	2,850
Total Supply	2,657	2,726	2,885	3,041	3,030	3,145
Exports	0	0	0	0	0	0
Crush	1,980	1,980	2,045	2,150	2,250	2,350
Food Use Dom. Cons.	280	280	290	300	310	315
Feed Waste Dom. Cons.	150	150	180	180	180	180
Domestic Consumption	2,410	2,410	2,515	2,630	2,740	2,845
Ending Stocks	247	316	370	411	290	300

Source: USDA PS&D, 2020

THAILAND



Market access

Thailand is the 15th largest export market for U.S. agricultural goods. However, U.S. goods are not always price competitive due to high tariffs and shipping charges. Thailand has several 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.

There were several troubling developments in 2019 that threaten market access for U.S. grain and oilseed exports. In October, the government of Thailand moved to ban three commonly used agricultural chemicals, glyphosate, paraquat, and chlorpyrifos. Over the next couple months Thailand received comments from USDA and other stakeholders, and, in December ultimately opted to reverse the ban on glyphosate and delayed the ban of paraquat and chlorpyrifos to June 2021. The ban on these chemicals threaten to disrupt trade. Thailand also implemented fumigation requirements for distiller dried grains (DDGs). While not considered as part of this study, this is another example of strict phytosanitary standards being implemented.

Thailand submitted a notice to the WTO in July that they intended to ban the import of all GM food ingredients, food additives, and products for human consumption except for those that were preapproved (i.e., a positive list system) which currently only contains 26 GM plant organisms (all corn and soybean). Food derived from GMO plants will have a five-year grace period, but importers will have to compile information demonstrating the safety of the organism. Thailand also has labeling requirements for all food products with above five percent GM material. These trends suggest the Government of Thailand is becoming increasingly hostile to biotech and modern agricultural practices.

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 MT 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).

On paper, 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. Thailand has a policy of allowing unlimited imports at zero percent tariffs which 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 \$5,064 for human food use.

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 two percent, compared to the 20 percent bound rate. The out-of-quota tariff rate is 119 percent. This was extended to 2018-2020 at the end of 2017 and is expected to be extended another three years to the end of 2023.

Like 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 2019, Thailand scored a 35 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 900,000 MT in 2018/19 helping the country meet its annual demand of 6.1 MMT.

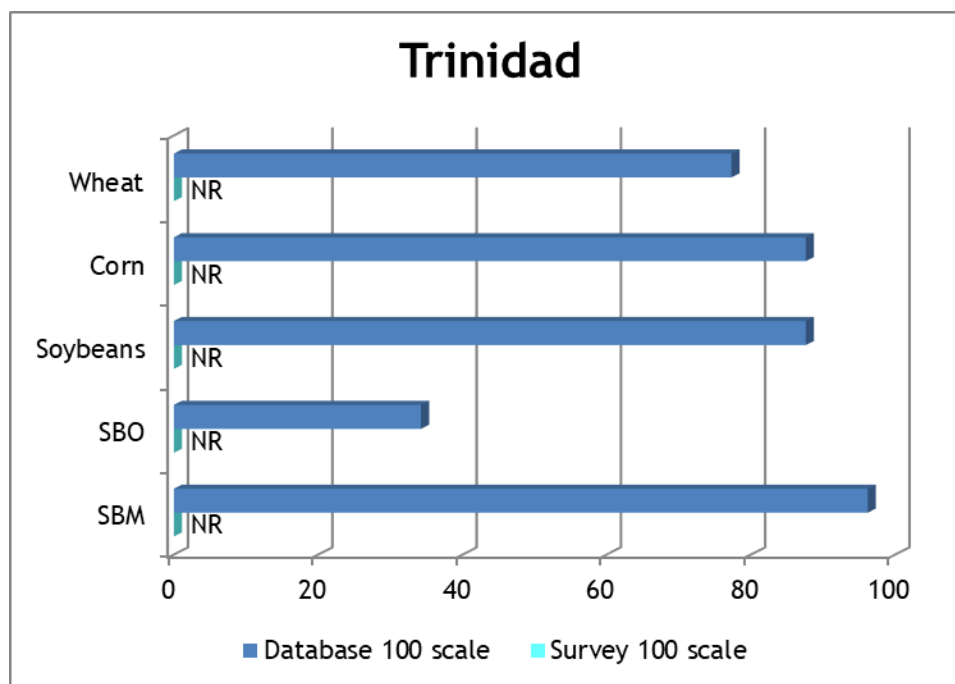
Thailand is heavily reliant (90%) on soybean imports to meet its needs. In 2018/19, the U.S. supplied roughly half of Thailand's 1.2 MMT, while Brazil supplied the other half. This is a significant increase in market share driven by lower U.S. soy prices due to the trade dispute with China. The U.S. has significantly lower soymeal market share, shipping only 109,000 of the 3.1 MMT imported in 2019. Thailand does not import soybean oil in general, as the domestic market is dominated by palm oil.

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

Attribute	Thailand: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	36	33	32	35	35	34
Beginning Stocks	53	264	209	229	203	250
Production	58	58	57	55	55	52
Imports	2,411	2,798	3,078	2,482	3,155	3,400
Total Supply	2,522	3,120	3,344	2,766	3,413	3,702
Exports	13	6	5	3	3	3
Crush	1,600	1,900	1,950	1,400	2,000	2,180
Food Use Dom. Cons.	245	255	260	260	260	270
Feed Waste Dom. Cons.	400	750	900	900	900	935
Domestic Consumption	2,245	2,905	3,110	2,560	3,160	3,385
Ending Stocks	264	209	229	203	250	314

Source: USDA PS&D, 2020

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 plus an edible oil tax (TTD 0.15/MT, or approximately 3%). The country's 15 percent value-added tax does not apply to unprocessed foods or soybean oil, but does apply to soybean meal.

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 2019, Trinidad and Tobago scored a 40 on the Corruption Perceptions Index.

Grain-oilseed situation

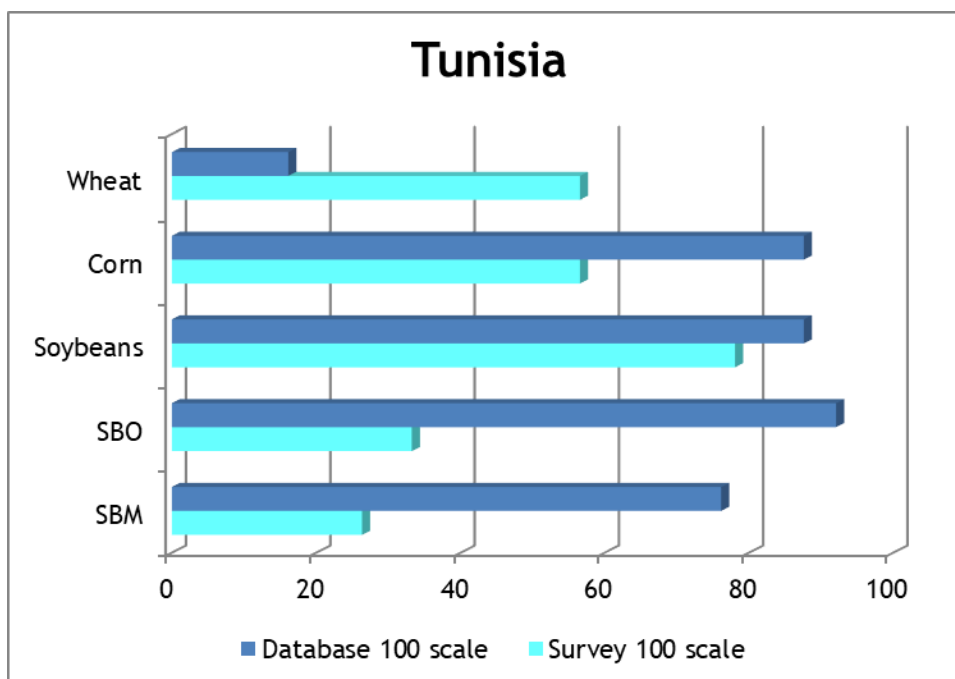
Trinidad and Tobago has a population of 1.4 million; it is not a large market. However, it has a surprisingly vibrant economy that manufactures food and beverage products both for domestic use

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 140,000 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.

In 2018/19, the U.S. shipped 131,000 MT of wheat, 82,000 MT of corn, 10,000 MT of soybean oil, and 31,500 MT of soybean oil to Trinidad.

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 U.S. rivals, 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, ascending to member status in 2019. 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 percent tariff on both durum and non-durum wheat and a 15 percent tariff on soy products. Corn and soybeans are duty free. Most agricultural products are exempt from the 19 percent 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 through 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. In addition to the tariffs on wheat, phytosanitary standards

for U.S. wheat are considered to be stricter than standards for wheat from other countries, effectively restricting access to the market.

Tunisia has some issues with corruption, scoring a 41 out of 100 on Transparency International's Corruption Index. According to the 2020 National Trade Estimate report, exporters have expressed lack of confidence regarding the state-run bidding system for agricultural commodities.

Grain-oilseed situation

The strict phytosanitary standards imposed on U.S. wheat have effectively frozen the U.S. out of the market. There was roughly 30,000 MT of durum wheat shipped in 2018/19. The U.S. has not exported any common wheat to Tunisia since marketing year 2015/16.

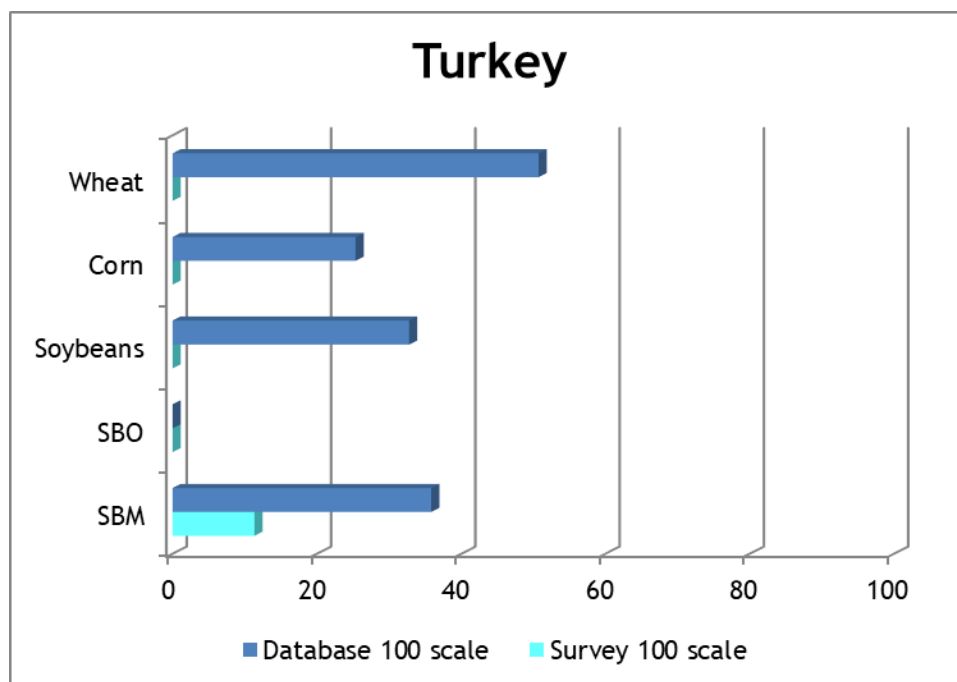
With no domestic corn production, Tunisia is reliant on agricultural imports to meet domestic demand. Tunisia imports over 1 MMT of corn each year, the majority of which comes from Ukraine. The U.S. is a minor exporter of corn to the market, exporting 60,000 MT in 2018/19.

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.

Attribute	Tunisia: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	36	2	57	0
Production	0	0	0	0	0	0
Imports	489	546	471	683	513	650
Total Supply	489	546	507	685	570	650
Exports	0	0	0	0	0	0
Crush	489	510	500	623	565	580
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	0	0	5	5	5	70
Domestic Consumption	489	510	505	628	570	650
Ending Stocks	0	36	2	57	0	0

Source: USDA PS&D, 2020

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. In 2020, the Turkish government will apply no tariff rates through December 31 for wheat imports up to 1.5 MMT and corn imports up to 700,00 MT.

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. As of October 31, 2019, there are only 36 (10 soybean and 26 corn) events approved for feed use in Turkey. No events have been approved since 2017. All GMOs for human use are banned.

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.

Soy imports have also been reduced due to the continuing concerns that trace amounts of biotech soy varieties not yet approved in Turkey could lead to shipments being rejected. There having been no new approvals of biotech soy varieties in Turkey since 2017 has led to a situation where some varieties approved in other major markets, such as the EU, are not yet approved in Turkey.

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 39 of a possible 100 points on Transparency International's Corruption Index.

Grain-oilseed situation

Turkey imported 6.3 MMT of wheat in 2018/19, 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 2.9 MMT of corn in 2018/19. 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 2.4 MMT in 2018/19. In calendar year 2018, Turkey reports importing soy from numerous suppliers including Brazil, the market's leading supplier of soybeans (1.2 MMT), Ukraine (747,000 MT), the U.S., (242,000 MT) and Paraguay (228,000 MT). U.S. exports of soy in 2019 are projected to fall precipitously, down to 30,000 MT, due to biotech concerns.

Total soybean meal imports reached 724,000 MT in 2018/19. Argentina is the leading supplier of soybean meal (526,000 MT); approximately five percent came from the U.S. The biotech concerns plaguing U.S. soybean exports are also expected to impact soybean meal exports moving forward.

Due to substantial domestic crushing, Turkey did not import soybean oil in 2018/19. Turkey maintains strict import quotas and high tariffs for soybean oil that essentially eliminate market access.

Attribute	Turkey: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	35	27	30	24	25	27
Beginning Stocks	287	359	274	313	460	182
Production	135	100	100	90	95	105
Imports	2,197	2,283	2,271	2,777	2,405	2,800
Total Supply	2,619	2,742	2,645	3,180	2,960	3,087
Exports	10	118	132	20	28	25
Crush	1,150	1,050	1,000	1,400	1,400	1,450
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	1,100	1,300	1,200	1,300	1,350	1,375
Domestic Consumption	2,250	2,350	2,200	2,700	2,750	2,825
Ending Stocks	359	274	313	460	182	237

Source: USDA PS&D, 2020

UNITED KINGDOM

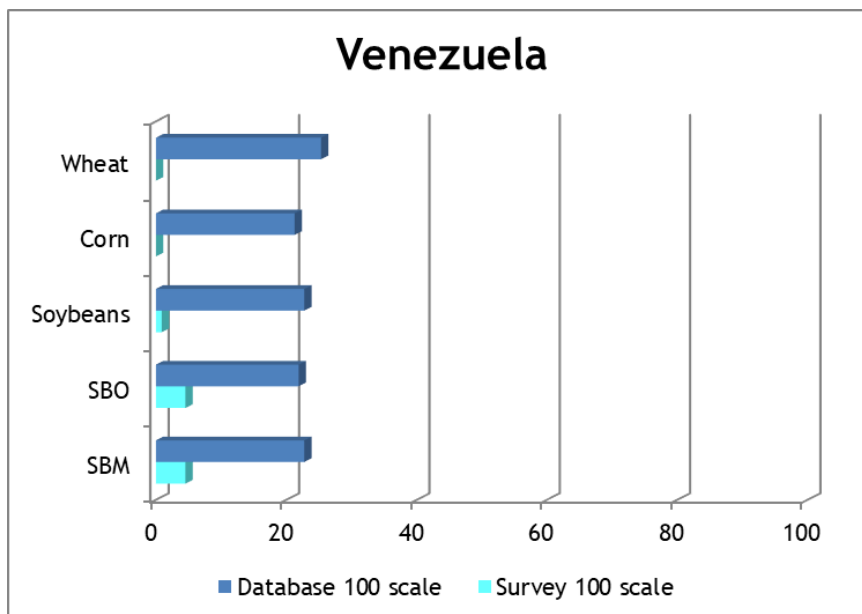
Market access

After a parliamentary election in December went the way of the Pro-Brexit Conservative party, the fate of the UK's membership in the EU was sealed, and, in January 2020, The UK is no longer part of the EU. Despite this, the UK is expected to continue following EU trade regulations for the short to medium term, rolling over EU regulations into national law. FAS believes that even upon leaving the EU, The UK's policy towards biotechnology will not change in the short to medium term.

Grain-oilseed situation

Data for the UK was still reported as reported as part of the EU at the end of 2019 and typically cannot be easily separated. According to FAS, the UK typically makes up 10 to 15 percent 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 percent, 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 are not being enforced.

Import requirements in Venezuela are onerous. Unprocessed commodities require a sanitary health import permit from the National Institute of Integral Agriculture and Animal Health (INSAI). INSAI decides on each SPS statement for each product on a case-by-case basis, and statements must be written on the import permit. Export documentation must include the required SPS statements as requested in the import statement. Import permits are non-renewable and are valid only for 90 days and for a single shipment.

In the second half of 2019, the Venezuelan government opened imports to the private sector. Wheat purchases then began to shift in favor of North America and away from Russian wheat, which the government had been buying.

Venezuela ranks among the world's most corrupt countries, scoring just 16 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. Despite the government's opening up of imports to the private sector, the lack of hard currency limits its private sector's ability to import goods.

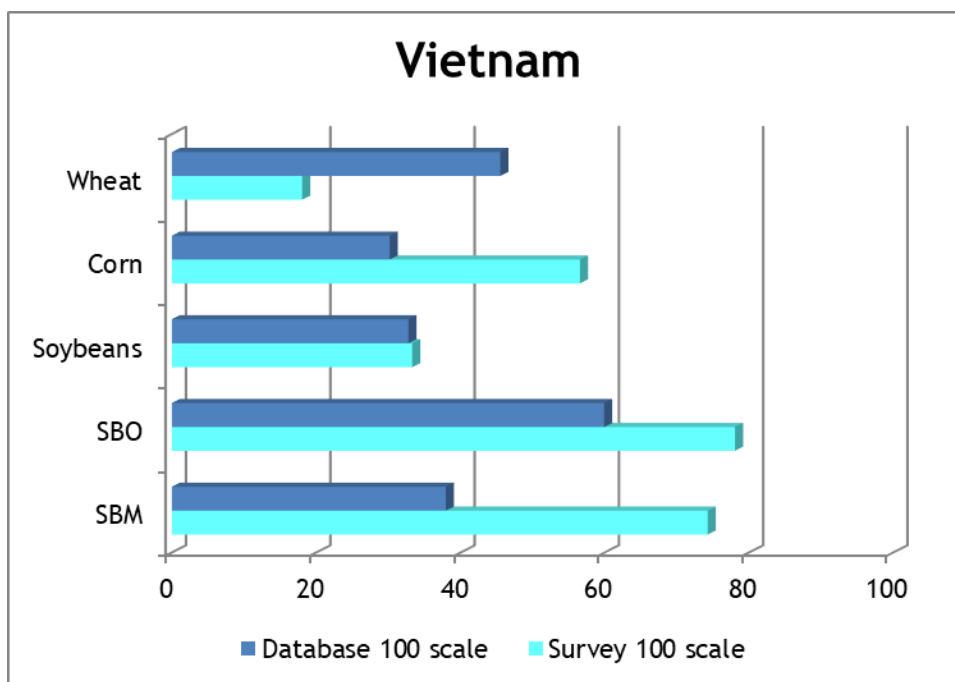
Venezuela does not produce wheat and must import to meet demand (817,000 MT in 2018/19, of which 250,000 MT were from the U.S.). Corn production was 700,000 MT in 2018/19 but has been dropping sharply since. Corn imports were 704,000 MT in 2018/19, approximately 150,000 MT of which came from the U.S.

In 2018/19, the U.S. shipped 1,000 MT of soybean oil and 99,000 MT of soybean meal, but no soybeans, to Venezuela.

Attribute	Venezuela: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	40	40	40	40	40	40
Beginning Stocks	57	18	17	9	93	7
Production	75	75	75	75	75	75
Imports	118	121	62	261	1	25
Total Supply	250	214	154	345	169	107
Exports	0	0	0	0	0	0
Crush	230	195	143	250	160	100
Food Use Dom. Cons.	1	1	1	1	1	1
Feed Waste Dom. Cons.	1	1	1	1	1	1
Domestic Consumption	232	197	145	252	162	102
Ending Stocks	18	17	9	93	7	5

Source: USDA PS&D, 2020

VIETNAM

**Market access**

Vietnam's MFN tariffs are mostly 0-5 percent for the GOMAI commodities under review. However, import licensing procedures can be burdensome 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 2018/19, 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. As of this writing none of them have been approved, although there were other events approved in 2019. In fact, MARD has approved only 31 dossiers registering GE events for approval for use as food and feed with the remaining 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. Vietnam also requires methyl bromide fumigation for grains.

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. Unfortunately, efforts by APHIS and other stakeholders to encourage less disruptive measures to deal with the issue of Canadian thistle were unsuccessful, and beginning March 1, 2019, Vietnam implemented a zero tolerance policy for Canadian thistle. Such actions have the potential to greatly disrupt trade, as zero tolerance is a standard that is difficult for U.S. wheat and soybean shipments to meet.

MARD also proposed to ban the use of glyphosate in 2018, following the product's registration suspension in 2016. This ban was officially announced in April 2019. In October, Vietnam communicated to the U.S. that the ban would be postponed until 2021.

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 37 on the Corruption Perceptions Index.

Grain-oilseed situation

Wheat imports were roughly 3.1 MMT in 2018/19, a significant drop from 2017/18, caused in part by an outbreak of African Swine Fever. An important factor for buyers choosing between feed wheat and other feed ingredients is wheat's selling price relative to corn. In 2019, feed wheat prices were higher than corn, making it less competitive. The new zero tolerance policy for Canadian thistle also impacted imports. The U.S. exported 392,000 MT in 2018, behind, Canada, Australia, and Russia which is the largest exporter with a little under 60 percent of the market share.

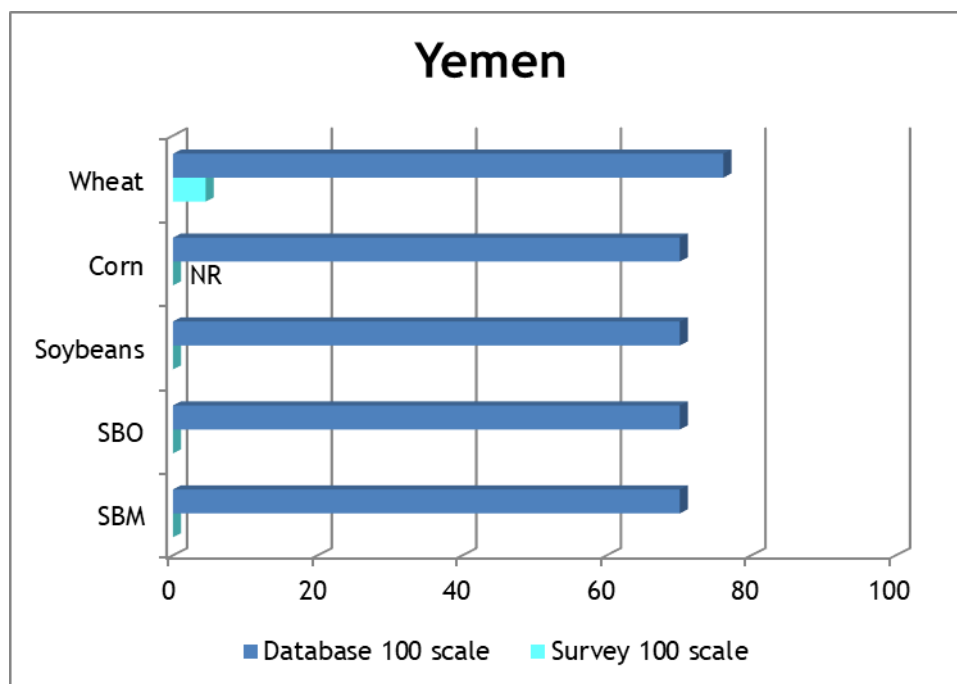
As local rice and cassava farmers continue to eye export markets, the domestic animal feed industry has had to rely on imported corn to fuel the feed sector. Low corn prices from the U.S., South America, and Eastern Europe have encouraged demand. Vietnam imported 11.1 MMT of corn in 2018/19, 2.3 MMT from the U.S.

Vietnam is a small producer of soybeans, only producing 81,000 MT of soybeans in 2018/19. They are reliant on imports, importing roughly 1.5 MMT. The U.S. has remained the leading soybean exporter with 70 percent market share, followed by Brazil at 18 percent. The U.S. saw market share increase, likely due to U.S. soy's competitive price as a result of the trade war with China. The domestic crush was 1.2 MMT in 2018/19. 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 5.1 MMT in 2018/19 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.

Attribute	Vietnam: Soybeans (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Area Harvested	100	94	69	60	53	50
Beginning Stocks	68	271	476	514	311	123
Production	146	148	102	90	81	76
Imports	1,707	1,602	1,646	1,807	1,596	1,850
Total Supply	1,921	2,021	2,224	2,411	1,988	2,049
Exports	0	0	0	0	0	0
Crush	1,150	995	1,100	1,450	1,200	1,200
Food Use Dom. Cons.	360	400	430	460	480	500
Feed Waste Dom. Cons.	140	150	180	190	185	185
Domestic Consumption	1,650	1,545	1,710	2,100	1,865	1,885
Ending Stocks	271	476	514	311	123	164

Source: USDA PS&D, 2020

YEMEN



Market access

Yemen has low tariff rates; however, political instability, corruption, excessive regulations, and the low levels of economic development have always hampered trade prospects. The ongoing civil war has made the situation worse, with little in the way of a functioning government.

Most Yemen tariffs are five percent, but corn and soybeans are lower, at 4.3 percent and 4 percent respectively. In addition, Yemen applies a five percent tax and a five percent additional fee to all imports. Some imports also face a shipping tax of one to three percent and an income tax of five percent. For soybean oil in packages that exceed 150 kg the tax is 10 percent instead of five. The one exception to this complicated tax system is wheat. The government places a high priority on importing cereal crops, especially wheat, and thus has waived the tariff, taxes, and fees on wheat imports.

Yemen is a signatory of the Arab Common Market Free Trade Agreement and as such, provides favorable duties to the member countries.

There are no tariff rate quotas, but import quantities are controlled with import licenses on products and preauthorization requirements on wheat and corn. Import licenses are valid for one year and may be extended for an additional year. Phytosanitary certificates are required for all plants and plant products. There is no GMO regulatory framework in place.

Corruption is a major problem in Yemen. Competition among government agencies for control over business and investments has created confusing and overlapping jurisdictions, which create

opportunities for corruption. Low pay for government officials and inadequate accountability systems also contribute. Yemen scored only 18 out of a possible 100 points (with 100 being the least corrupt) on Transparency International's Corruption Perceptions Index, making it the fourth most corrupt country evaluated.

Grain-oilseed situation

Limited agricultural resources and a growing population (just under 29 million people) make Yemen dependent on imports. The U.S. is a key exporter of wheat to Yemen. Wheat imports were about 3.6 MMT annually, with 600,000 MT coming from the U.S. Yemen also imports about 600,000 MT of corn each year, primarily for food use, but none from the U.S.

Only 500,000 MT of grain and oilseeds are used for animal feed, most of that being corn. Therefore, Yemen's livestock product sector is either subsistence based or relies on grazing rather than intensive feeding operations. As such, there is limited demand for oilseed or protein meal imports, and that is primarily for the poultry and egg sector. Yemen imports about 233,000 MT of soybean meal annually, with none coming from the U.S.

Attribute	Yemen: Soybean Meal (1,000 mt)					
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Beginning Stocks	20	20	20	20	71	33
Production	0	0	0	0	0	0
Imports	183	194	199	249	162	175
Total Supply	203	214	219	269	233	208
Exports	0	0	0	0	0	0
Industrial Dom. Cons.	0	0	0	0	0	0
Food Use Dom. Cons.	0	0	0	0	0	0
Feed Waste Dom. Cons.	183	194	199	198	200	200
Domestic Consumption	183	194	199	198	200	200
Ending Stocks	20	20	20	71	33	8

Source: USDA PS&D, 2020