



## Outreach January 26, 2022

Thank you for your membership in and work with NAEGA

### *Media of the Week* *2022 U.S. Trade Policy Look Ahead – January 13, 2022*

<p><b>1 US – China relations</b></p> <p><b>BACKGROUND</b></p> <ul style="list-style-type: none"><li>▪ The Trump-era trade deal with Beijing expired at the onset of the new year</li><li>▪ As of November, China was not on track to meet its commitments to buy \$380 billion of American goods by the end of 2021</li></ul> <p><b>WHAT TO WATCH</b></p> <ul style="list-style-type: none"><li>▪ US Trade Representative Katherine Tai has been negotiating with Chinese officials since October, but no agreement regarding the shortfall of purchases has been made</li><li>▪ The USTR is expected to release its annual report on China's WTO obligations shortly; the document could provide insight on the Biden administration's trade approach to China</li></ul>	<p><b>2 Build Back Better trade provisions</b></p> <p><b>BACKGROUND</b></p> <ul style="list-style-type: none"><li>▪ Key trade provisions in the House-passed version of the Build Back Better Act include \$320 billion towards domestic manufacturing, tax credits and incentives for solar panels, electric vehicles, and wind and solar projects that use US produced materials</li></ul> <p><b>WHAT TO WATCH</b></p> <ul style="list-style-type: none"><li>▪ Foreign automakers and US allies have expressed opposition to the tax credits for electric vehicles made in the US</li><li>▪ The bill now heads to the Senate, where all 50 members of the Democratic caucus will need to back the bill for its passage</li><li>▪ Senate Majority Leader Schumer (D-NY) has stated his intention to hold a vote on the legislation in January</li></ul>	<p><b>3 African Growth and Opportunity Act</b></p> <p><b>BACKGROUND</b></p> <ul style="list-style-type: none"><li>▪ The legislation was signed into law on May 18, 2000</li><li>▪ The bill offers incentives to African countries to open their economies to trade and build free markets; incentives include the elimination of import duties on certain products</li></ul> <p><b>WHAT TO WATCH</b></p> <ul style="list-style-type: none"><li>▪ The Biden administration removed Ethiopia, Mali, and Guinea from the trade program over concerns that the three nations have failed to uphold democratic values and human rights</li><li>▪ Benchmarks have been set by the Biden administration for the reinstatement of each government</li></ul>
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### *This OUTREACH includes:*

#### *Member Notices & Opportunities*

- NAEGA Annual Meetings – March 13-14, 2022 – Charleston, SC and Virtual
- 2022 Member Packet
- Contracts and Best Practices Seminars
- China Decrees 248, 249 & 177
- USDA/FGIS Export Facility Registration
- Plant Biotechnology Information Exchange

- U.N. Food Systems Summit

***Current & Ongoing Actions:***

- USDA/APHIS Changes to Phytosanitary Certificates
- China Gene Editing Policy
- Chins MRLs
- IGC Survey on Contingency Plans
- Mexico Carta Porte

***Recent Actions***

- USDA/FAS Sub-Saharan Africa Micro Regional Conference

***Event Calendar and Notices***

***Member Notices & Opportunities:***

**NAEGA Annual Meeting –March 13-14, 2022 – Charleston, SC**

NAEGA events are being planned for the 13<sup>th</sup> and 14<sup>th</sup> of March at the [Charleston Place Hotel](#) in Charleston, South Carolina and virtually via MS Teams. NAEGA member personnel and their guests are welcome to join the NAEGA meetings without charge. [Please register yourself and your guests here](#) for the NAEGA meetings and indicate if attendance will be in person or virtually.

Our Annual Membership Appreciation Luncheon followed by meeting of the newly elected Board of Directors will take place on Monday the 14<sup>th</sup>. Additional Meetings and other informative networking opportunities are being planned for Monday morning.

To accommodate in person attendance, NAEGA is holding number of discounted rooms at the Charleston Place Hotel, please contact Patrick if you would like to reserve on of the NAEGA rooms.

All NAEGA events are being planned to place alongside the [2022 NGFA Convention](#) on March 13-15 also at the Charleston Place Hotel. Thank you to NGFA for making meeting space available to us at the hotel.

NAEGA and NGFA Joint Committee Meetings are scheduled for Sunday, March 13<sup>th</sup>:

**12:30pm-3:00pm:** NAEGA Grades & Inspections/NGFA Grain Grades and Weights Meeting

**3:15pm-5:15pm:** NAEGA Production Technology/NGFA Crop Technology Committee Meeting

If you'd like to attend the NGFA Convention and reserve a room via NGFA registration, please go to <https://imis.ngfa.org/convention>.

**2022 Member Packet**

2022 brings new opportunities and continued NAEGA service and support for our Members. Each member representative received an email with the Annual Member Meeting notice and

membership invoice. If your company has not received the email please contact NAEGA staff as soon as possible. All dues and export volume fees are due by February 15, 2021.

### **Contracts and Best Practices Seminars**

You can now view all or individual segments of the recently curated video from the seminar held on Wednesday, September 8, 2021. The recording of the session has been edited into two two-hour videos which have been posted to the NAEGA Member's Only website. Your comments about the utility of the digital content on the Website as well as advice and questions about the NAEGA 2 Contract are welcome – please use this new email address for comments and questions: [MemberQuestions@naega.org](mailto:MemberQuestions@naega.org).

NAEGA seminars can be conducted in-person and / or virtually. A private virtual laytime calculation seminar was held recently and both in-person **private** (staff from only one company) and **public** (staff from two or more companies) are being scheduled in 2022. Given the strong attendance and interest from Members, we expect to hold another public virtual seminar in 2022.

The seminars are much valued NAEGA member service. The intensive and informative reviews of commercial and official practices include interaction with all participants.

Please let us know when, how and where you would like to participate in the NAEGA Contracts and Best Practice seminars. [Click here](#) for more information on the in-depth, interactive programs NAEGA conducts!

### **China Decrees 248, 249 & 177**

NAEGA members are encouraged to provide us with information on registration requirements for export to China.

The General Administration of Customs of China (GACC) enacted Decrees 248 & 249 on January 1, 2022. The U.S. Department of Agriculture's Foreign Agriculture Service (FAS) has circulated a list that of Harmonized System (HS) codes that GACC has published to its Single Window website that reportedly represent the scope of commodities covered by Decree 248. The list of HS codes and data cells has been updated by GACC several times and other changes are anticipated as GACC makes "system improvements" to the Single Window website. FAS has [made the list available here](#).

USDA FAS also reports that China has launched a [“Decree 248 Single Window Searchable Database and January 1 Shipment Information”](#). The report contains details on a searchable website GACC has created for users to check their registration status.

Grain and oilseed exporters registered with the U.S. Department of Agriculture's Federal Grain Inspection Service (FGIS), or those that are on the exempt from registration list, do not need to register their facilities with GACC. These registrations are covered under China's Decree 177, which supersedes Decree 248. NAEGA members who have not yet registered or applied for a waiver with FGIS for calendar year 2022 can do so here or see the article below.

### **USDA/FGIS Export Facility Registration**

The U.S. Department of Agriculture's Federal Grain Inspection Service (FGIS) [continues to accept registration](#) for the U.S. Grain Exporter Registration list and waiver requests for the 2022 calendar year. Exporters of grain from the U.S. who have yet registered with FGIS for 2022 are encouraged to do so as soon as possible. The registration list as of January 20, 2022 [is posted here](#). The U.S. Grain Standards Act requires registration for anyone engaged in the business of buying grain for sale in foreign commerce. The Act waives official inspection and weighing for exporters who export less than 15,000 Metric Tons (MT) of grain, on an individual elevator basis during the preceding calendar year, and plan to export less than 15,000 MT of grain during the current calendar year. Such exporters and individual elevator operators must request and receive a waiver from FGIS.

Registration and waiver requests are required annually and FGIS publishes official lists of U.S. companies and organizations registered or operating under waiver or exemption to buy, handle, weigh, or transport grain for sale in foreign commerce.

Individuals who handle, weigh, or transport grain for sale in foreign commerce also must register. These lists are shared with foreign governments upon request to assist U.S. grain movement in various markets.

Instructions on how to register or renew a registration as a grain or oilseed exporter, or apply for a waiver, are [available through this link](#).

### **Plant Biotechnology Information Exchange**

The NAEGA Plant Biotechnology Information Exchange (PBIE) continues to be improved and updated. We plan to highlight the PBIE during our meetings in March.

Currently, only NAEGA members have access to this unique tool. As part of membership your company is allowed up to 5 unique users for the PBIE at no cost. To gain access NAEGA Member representatives send the names and email addresses of designated company users to Patrick at [phayden@naega.org](mailto:phayden@naega.org). Each designated person is provided unique login information and instructions on use of the platform.

Your feedback is welcome. Please let us know if you have any advice or questions!

### **U.N. Food Systems Summit Library**

NAEGA's U.N. Food Systems Summit (UNFSS) Library is constantly being updated. Recent entries include several new documents and resources related to carbon pricing. Chinese President Xi Jinping's address on China's carbon market to the World Economic Forum's Davos Agenda program is among the new entries.

The Library provides access to the official links to re-watch these statements when available and four collections of documents relevant to the UNFSS:

1. Modern agriculture and trade resources specifically mentioning UNFSS 2021
2. UNFSS Pre-Summit 26-28 July 2021 – resources and analysis
3. Background Library, tracking the origins of UNFSS Game Changers and other proposals

#### 4. COP26 – 2021 United Nations Climate Change Conference

A comprehensive report on the development of the library and recommendations for future action have been posted on the [NAEGA Member's Only UNFSS](#) page along with background documentation on the project. NAEGA will continue to update the library and report on outcomes from the UNFSS and other initiatives related to food systems through the end of the year.

NAEGA members can access the Library [through this link](#) or through [the U.N. Food Systems Summit](#) page on the NAEGA website. If you have a NAEGA Member's Only website login, you should not have any issues accessing the site at its new address. If you need login credentials, or are having any trouble logging in, please let Patrick know.

### *Current & Ongoing Actions*

#### **USDA/APHIS Changes to Phytosanitary Certificates**

Late in 2021, USDA's Animal & Plant Health Inspection Service (APHIS) began to make changes to its phytosanitary certificates (PCs) issuing practices consistent with the movement to a digital environment. On January 1, 2022 APHIS instituted a "plain paper" system. The Phytosanitary Certificate Issuance and Tracking System (PCIT) instructs users to print one original PC and verified copies on plain white paper. Both the original and copies include a "shippers original" label. Prior to this change, users printing PCs from PCIT would use special security paper, which included color, seals and watermarks, among other methods to provide for version control for the printing of the original PC. APHIS explained this transition to plain paper [in this November, 2021 notification to the WTO](#).

As is often the case with transitions, especially with respect to digitization of documents, NAEGA members have experienced some lack of understanding by counterparts. We were notified of at a least one major bank and some foreign governments refusing to recognize plain paper PC's. Some wet signature PC's, signed in blue ink, have faced issues due to the lack of security paper.

We are working with APHIS and continue to support their initiative. We note the following:

- Sources of these concerns are somewhat but not always aligned with countries reluctant to accept Ephytos.
- We have been advised that that the plain paper process via the PCIT has been determined in at least one instance not to satisfy what a bank believes to be its obligation to prevent fraud.
- We are in the process of looking at ways the PC can be conveyed and educational outreach.
- We are working to provide for targeted communication with officials in some countries as well as with banks.

A close look at the PCIT, especially how original as well as certified copies can be obtained and verified, is important.

APHIS is focusing on communication and mitigation. They are seeking detailed information whenever a concern or disruption of trade occurs. That detailed information, including the specifics

of who and where the concern originated from, should be sent with a request for assistance to [ppqexportservices@usda.gov](mailto:ppqexportservices@usda.gov).

### **China Gene Editing Policy**

China published part of their gene edited (GE) product regulatory guidelines. A Chinese language version [is available here](#) and a translation is expected from USDA's Foreign Agriculture Service.

The government will require GE products to obtain biosafety certifications just like transgenic products and regulation authority will be integrated to current biotechnology governing body.

- GE products will be formally treated as a subcategory of GMO products.
- Seed companies will have to apply and submit biotechnology data, i.e. GE technology used, where the edits/transformations are occurring, and what is the resulting effect, etc. The regulations also appear to request seed companies submit a PCR assay result along with the application.
- Field tests will be conducted on effect on environment and human/animal safety, just like GMOs.
- No enforcement mechanisms are stated in the documentation, as the document is only the safety assessment portion of the regulation.

It is unknown if China is going to actively test for GE products using PCR assays, but the regulations set up the expectation that GE products are to be identified prior to entrance into China. The Production Technology committee will be considering this issue and your input and comments are welcome

### **China MRLs**

China notified the World Trade Organization (WTO) on December 3, 2021 of 733 new pesticide maximum residue levels (MRLs) for agricultural products, including grains and oilseeds. A translation of the notification provided by USDA's Foreign Agriculture Service (FAS) [can be found here](#). The proposed date of entry into force has not been determined.

The deadline for submission to the WTO is February 1, 2022. The Production Technology Committee is considering comments. Your input or comments are welcome.

### **IGC Survey on Contingency Plans**

The International Grains Council (IGC) is circulating a survey entitled "Contingency plans in the grains sector" amongst the nations who are IGC members. The survey, [which can be found here](#), is intended to collect information on "measures taken in the post Covid-19 era which are designed to help a national authority to respond effectively to a significant future event or situation" as they relate to grains, oilseeds and other agri-bulks. The International Grain Trade Coalition (IGTC) is working to encourage countries to complete the survey and developing a consolidated response for IGTC as well. Comments are due to IGTC on January 31, 2022. NAEGA is encouraging it's government contacts to responds and providing comment to IGTC. Your input in welcome.

### **Mexico Carta Porte**

APPAMEX notified us the SAT (Mexican IRS, Spanish acronym for Tributary Administration Service) issued a letter and Federal Register publication announcing that on January 1<sup>st</sup> will be



mandatory to fulfill the Complemento Carta Porte (CCP) fiscal requirement, **however a transition period will be in place that temporarily waves the requirement until March 30<sup>th</sup>, 2022. During the 3-month transition period (January 1 to March 30, 2022) no penalties will be enforced in case of missing or wrong entries in the CCP electronic form.**

After March 31<sup>st</sup> 2022 penalties will be enforced for missing or wrong entries on the CCP. The specifics of the penalties including who in the value chain is liable for the penalties, the amount to the penalties, are not clear.

The relationship and coordination between the Carta Porte requirement and import permit (pedimento) are also not clear. The import permit is required in Mexico's Foreign Trade Rules for 2022 and will be implemented by the Mexico National Customs Agency (Former Customs General Administration). It is uncertain if the data provided to the National Customs Agency on the pedimento will be shared or cross referenced with the SAT and the CCP.

Press reports have pointed out adverse effects of the CCP on supply chains and how they further increase the already high inflation rate in food prices in Mexico. Further, an initiative has been put in place to challenge the CCP in Mexico's courts. The legal challenges include arguments that the CCP bypasses Mexico's Fiscal Code as well as reduces competition. Without legal action to suspend its implementation CCP enforcement will continue. Imported consignments will be required to comply beginning March 31<sup>st</sup>, 2022.

A translated version of the SAT letter provided by our counterpart organization in Mexico, APPAMEX [is available here](#), and the Mexican Federal Register Publication regarding the CCP [can be found here](#).

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

#### **USDA/FAS Sub-Saharan Africa Micro Regional Conference**

NAEGA staff attended a virtual Sub-Saharan Africa Micro Regional Conference, hosted by the USDA's Foreign Agriculture Service (FAS). FAS posts covering more than 35 countries in the region presented on market access, investment opportunities, biotechnology acceptance and how the agricultural sector is dealing with climate change in Sub-Saharan Africa.

The conference has allowed for NAEGA staff to participate in virtual one-on-one consultations with FAS Offices in Kenya, Ethiopia, South Africa, Ghana, Nigeria and Senegal. These discussions provide an opportunity to introduce FAS staff to NAEGA's mission and services and follow up meetings are being scheduled for more in-dept discussion. We plan additional consultation with FAS across the world. NAEGA members are encouraged to advise us as soon as possible with concerns related to particular countries or regions so we may seek advice from FAS personnel in country.

### ***Calendar & Member Notices:***

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

## **2022**

### **February**

**24-25** – 2022 USDA Agricultural Outlook Forum – Virtual

**TBD** – Private NAEGA Contracts & Best Practices Seminar

### **March**

**13-15** – NGFA Annual Convention – Charleston, SC

**13-14** – NAEGA Annual Meetings – planned for both virtual and in person in Charleston, SC

**23** –WTO Thematic Session on Trade Facilitative Approaches to MRLs

### **April**

**25** - May 8 – Meeting of the Convention on biological diversity (CBD) COP 15 and COP-MOP

10 – Part 2 - Kunming, China

### **May**

**19-21** – 2022 APPAMEX-NAEGA Forum – Puerto Vallarta, Mexico

### **June**

**6 - 9** - IGTC Meetings and IGC Annual Conference – planned for both virtual and in person in London, UK

### **September**

**TBD** – NAEGA Board of Directors and Committee Meetings – Washington, DC/Arlington, VA Office

### **November**

**TBD** – IGTC General Assembly

### **December**

**TBD** – COP 16 – CBD – Turkey

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