



Outreach
March 23, 2022

Thank you for your membership in and work with NAEGA

Welcome to New NAEGA Member AGT Foods

Headquartered in Regina, Saskatchewan, AGT Foods is an active exporter and processor of pulses, grains, staple foods and food ingredients, with merchandising offices and processing facilities in Canada, the U.S., Turkey, Australia, China and South Africa and a global customer base. AGT has export terminals in Vancouver and Thunder Bay.

We are looking forward to working with AGT Foods and its contributions to NAEGA.

Media of the Week
NAEGA Board of Directors – March 2022

<p>John Griffith <i>Chairman</i> CHS Inc.</p>	<p>Matt Hopkins <i>First Vice Chair</i> ADM</p>	<p>Charles Colbert <i>Vice Chair</i> Zen-Noh Grain Group</p>
<p>Steve Strong <i>Vice Chair</i> Bunge</p>	<p>Casten Bredin <i>Vice Chair</i> Richardson International</p>	<p>Tyler Shultz <i>Vice Chair</i> Cargill, Incorporated</p>
<p>Kim Hawks <i>Vice Chair</i> Louis Dreyfus Company</p>	<p>Holly Womack <i>Treasurer</i> CoBank</p>	<p>Augusto Bassanini <i>Secretary</i> United Grain Corporation</p>
<p>Jason Hofer Gavilon Grain, LLC</p>	<p>Kurt Haarmann Columbia Grain International, LLC</p>	<p>Fuyujiko Nakata Mitsui & Co.</p>
<p>Kevin LaGraize, Jr. Southport Agencies</p>	<p>David Smoot Viterra</p>	<p>Chad Becnel SGS</p>

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Member Notices & Opportunities:

Compliance Considerations for Russia Sanctions

Governments around the globe continue to issue economic sanctions against Russia, its central bank and financial sector, as well as numerous individuals close to and including Russian President Vladimir Putin in the wake of the Russian invasion of Ukraine. Exporters from all origins must contend with increased compliance obligations that may affect commercial operations. Members are reminded that violations of sanctions can occur in various places in an export contract from the direct counterparty to indirect counterparties, vessels, vessel owners/charterers and financial institutions.

NAEGA will continue to monitor government actions related to sanctions, most notably those of the United States and Canada as they may have more direct implications on exports from North America. U.S. sanctions information from the U.S. Treasury Department's Office of Foreign Asset Control can be [found through this link](#). Canadian sanction information [can be found here](#).

Trade and Global Food Security Library

NAEGA's has renamed the U.N. Food Systems Summit (UNFSS) Library the Trade and Global Food Security Library to reflect a new focus on assembling resources related to other international processes of impact to international agriculture trade and investment. The UNFSS resources remain, and a collection entitled "Food security: Facts, opportunities and challenges" has been added.

The Library is constantly being updated with reports on initiatives related to food systems, trade and global food security as well as outcomes from the UNFSS. Recent entries include several new documents and resources related to the Russia-Ukraine conflict, including a paper from the Congressional Research Service entitled "Russia's Invasion of Ukraine: Implications for Agricultural Trade and Production"

NAEGA members can access the Library [through this link](#) or through [the Trade and Global Food Security](#) 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.

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](#).

FAS Beijing issued a GAIN report March 14, 2022 entitled "[Decree 248 Clearing Detained Shipments Unofficial Guidance](#)", an unofficial guide for U.S. exporters that experience difficulties with having their products receive customs clearance due to facility registration issues created by GACC. FAS also maintains a "[Decree 248 Single Window Searchable Database and January 1 Shipment Information](#)" site. 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.

Plant Biotechnology Information Exchange

The [NAEGA Plant Biotechnology Information Exchange \(PBIE\)](#) continues to be improved and updated. Your feedback is welcome! Developed by and at the request of membership, the PBIE contains detailed information on commercialized and pre-commercialized gene-edited and transgenic seeds used to produce the crops you use and market. To our knowledge, the PBIE is the first platform to contain a searchable database of gene-edited seeds.

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. Each designated person is provided unique login information and instructions on use of the platform. Please let us know if you have any questions!

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.

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!

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 February 11, 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](#).

Recent Actions:

NAEGA Annual Meetings

Thank you to all who joined us in person in Charleston and virtually for NAEGA’s Annual Meetings on March 13th & 14th! NAEGA held a series of successful events, including joint meetings with NGFA of the Grades and Inspections and Production Technology Committees on March 13 and meetings of the Contracts Committee, Membership and Board of Directors on March 41. Minutes will be available for these meetings in the coming weeks. Actions taken during the meetings include:

Board of Directors Elected by Members

On Monday, March 14 the NAEGA Membership renewed the terms of five expiring Board Members – Augusto Bassanini ,John Griffith, Jason Hofer, Fuyuhiko Nakata and Holly Womack – for an additional three-year period expiring in 2025. Gordon Russell of Louis Dreyfus stepped down with Kim Hawks elected to take his place. Chad Becnel was elected to a three-year term:

Name	Company	Term Expiration
Tyler Schultz	Cargill, Inc.	March 2023
Kim Hawks	Louis Dreyfus Company	March 2025
Charles Colbert	Zen-Noh Grain Corp.	March 2024
Steve Strong	Bunge North America	March 2023
John Griffith	CHS, Inc.	March 2025
Matt Hopkins	ADM	March 2024
Carsten Bredin	Richardson International	March 2023
Holly Womack	CoBank	March 2025
David Smoot	Viterra	March 2024
Fuyuhiko Nakata	Mitsui & Co.	March 2025
Jason Hofer	Gavilon Grain, Inc.	March 2025
Kurt Haarmann	Columbia Grain, Inc.	March 2024
Augusto Bassanini	United Grain Corporation	March 2025
Kevin LaGraize	Southport Agencies, Inc.	March 2024
Chad Becnel	SGS North America	March 2025

Board of Directors Actions

Following the NAEGA Members meeting, the new Board of Directors organized itself and elected a chairman and executive committee. Board leadership for 2022 will include:

<u>Name</u>	<u>Company</u>
John Griffith, Chairman	CHS Inc.
Matt Hopkins, First Vice Chair	ADM
Tyler Schultz, Vice Chair	Cargill, Inc.
Charles Colbert, Vice Chair	Zen-Noh Grain Corp.
Steve Strong, Vice Chair	Bunge North America
Carsten Bredin, Vice Chair	Richardson International
Kim Hawks, Vice Chair	Louis Dreyfus Company
Holly Womack, Treasurer	CoBank
Augusto Bassanini, Secretary	United Grain Corporation

The Board approved the NAEGA lists of Arbitrators and Special Grain Arbitrators for 2022. Both can be found on NAEGA.org. here:

- [List of Arbitrators \(effective March 14, 2022\)](#)
- [List of Special Grain Arbitrators \(effective March 14, 2022\)](#)

The Board also approved a NAEGA Staff request to apply for Market Access Program funding from the U.S. Department of Agriculture for calendar year 2023.

U.S.-Canada Grain Trade Website

NAEGA launched an updated, modernized the U.S.-Canada Grain Trade Resources website at <https://uscanadagraintrade.org/>. This website, initially launched in 2012 during the implementation of Canada's Marketing Freedom for Grain Farmers Act, is now updated and modernized to reflect the impact of the U.S.-Mexico-Canada Agreement, as well as other developments, on the cross-border grain trade between the U.S and Canada. The site contains question and answer modules for [American](#) and [Canadian](#) grain producers, as well as the [commercial grain trade](#), and will be updated regularly. Users are encouraged to review the modules and submit additional questions, which may be included in future updates.

Letter to USDA on Global Commodity Supply Challenges

NAEGA joined a coalition of agricultural trade associations in submitting a letter to U.S. Secretary of Agriculture Tom Vilsack, requesting that the U.S. Government "provide flexibility for acres within the Conservation Reserve Program (CRP)" to allow for U.S. farmers to produce more grain and oilseeds to grain and oilseed supply challenges in light of Russia's invasion of Ukraine.

The letter asks that farmers be granted the flexibility to plant crops on prime farmland as well as the least environmentally sensitive acres currently in the CRP, noting that the prime farmland in the CRP is defined as "land that has the best combination of physical and chemical characteristics

for producing food, feed, forage, fiber, and oilseed crops that is also available for these uses.” The letter also requests that USDA only enroll environmentally sensitive land and preclude the addition of any additional prime farmland into CRP during the current application period. The letter as submitted [can be found here](#).

Letter to USDA on GSM-102 Program

NAEGA submitted a letter to U.S. Department of Agriculture Foreign Agriculture Service (FAS) Administrator Dam Whitley regarding changes to the Export Credit Guarantee (GSM-102) Program that have the potential to disrupt trade. In FY 2022, several countries were reclassified into new regions under the program. Certain financial institutions residing in countries formerly part of the Middle East, North Africa, Turkey, Caucasus, Central Asia (MENATCCA) region and financing trade flows in that region, are now only eligible for allocations to the Sub-Saharan Africa region.

A significant majority of the trade flows financed by these institutions are through countries in the MENATCCA region rather than the Sub-Saharan Africa region, making these institutions ineligible for funds allocated to the Sub-Saharan Africa region to be used for existing trade flows in the MENATCCA region. The letter requests that USDA allow flexibility during the current fiscal year to authorize financial institutions within the Sub-Saharan Africa region to finance trade flows as part of the GSM-102 Program. The letter as submitted [can be found here](#).

Treated Seed Prevention

NAEGA again called for an industry wide effort to communicate the need to not allow treated seeds in the grain and oilseed commodity supply. Communication with the public and your constituents throughout the year is needed.

You can find more resources on treated seed management here:

- The American Seed Trade Association and Crop-Life America “Guide to Seed Treatment Stewardship”, an industry-wide initiative to promote the safe handling and management of treated seed. The purpose of the Guide is to provide farmers and seed companies with critical information and up-to-date guidelines for managing treated seed effectively to further minimize the risk of exposure to non-target organisms. We encourage you to visit the [Guide website](#).
- The National Grain and Feed Association (NGFA) has “Treated Seed Guidance” which outlines best practices for handling treated seeds and proper disposal of treated seeds. The best practices for preventing treated seeds from being mixed with grain is to handle treated seeds with separate and dedicated equipment. Disposal of treated seeds should be done in compliance with state and local regulations. Resources, guides and contacts for waste disposal can be found at: <https://www.epa.gov/environmental-topics/land-waste-and-cleanup-topics>.
- The U.S. soybean family notes that “because U.S. farmer compliance is critical to avoid disruption of U.S. soybean exports to overseas markets, disposal recommendations were included in the ‘Treated Seed Disposal’ section of the Pesticide Environmental Stewardship website of the Center for Integrated Pest Management”. It can be found at: <http://pesticidestewardship.org/disposal/Pages/treatedseeddisposal.aspx>.

A copy of the letter NAEGA sent to industry partners [can be found here](#).

Current & Ongoing Actions

Mexico Carta Porte

APPAMEX notified us the SAT (Mexican IRS, Spanish acronym for Tributary Administration Service) announced an extension of the transition period that temporarily waves the requirement for use of the Complemento Carta-Porte (CCP) until October 1, 2022. The initial transition period was initially set to end on March 30, 2022. During the transition period, no penalties will be enforced in case of missing or wrong entries in the CCP electronic form.

After October 1, penalties will be enforced for missing or incorrect 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.

The official, untranslated announcement from the SAT [can be found here](#).

USDA/APHIS Changes to Phytosanitary Certificates

As of October 1, 2022, APHIS and U.S. Customs and Border Protection (CBP) will accept only original phytosanitary certificates and forms for plant commodities. USDA/APHIS and CBP will continue to accept digital exchange of electronic phytosanitary certificates through the ePhyto system.

Acceptable phytosanitary certificates include:

- Certificates created through a participating country's ePhyto system, or signed paper forms.
- Acceptable foreign site certificates of inspection and/or treatment include signed paper forms, signed copies of the master PPQ Form 203, and digitally signed electronic PPQ Form 203s.

For questions about plant or plant product exports, contact ppqexportservices@usda.gov.

Late in 2021, 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 PCs. Some wet signature PCs, 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 are focusing on communication and mitigation. Please let us know if you have a concern or experiencing a disruption of trade. Detailed information, including the specifics of who and where the concern originated from, is appreciated.

News:

Nominee for USTR Chief Agricultural Negotiator Withdrawn

The Biden Administration withdrew Elaine Trevino’s nomination for Office of the U.S. Trade Representative’s Chief Agricultural Negotiator on March 15. Trevino wrote in a letter to the White House that [“it now seems clear that there is no timely path forward to gain Senate confirmation”](#). Trevino is now expected to take a non-Senate confirmed post in the Department of Agriculture. Trevino was nominated in September 2021. There is currently no named nominee for the position at USTR.

U.S. Investigating Supply Chain Exploitation

The U.S. Department of Justice (DOJ) [announced an initiative](#) to deter, detect, and prosecute companies colluding to overcharge consumers under the guise of supply chain disruptions. The DOJ’s Antitrust Division and Federal Bureau of Investigation (FBI) will “will investigate and prosecute criminal violations of the antitrust laws, including agreements between individuals and businesses to fix prices or wages, rig bids or allocate markets.” DOJ has also formed a working group with its partners in Canada, the United Kingdom, Australia, and New Zealand to develop and share intelligence to detect and combat global supply chain collusion.

Calendar & Member Notices:

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

2022

March

23 –WTO Thematic Session on Trade Facilitative Approaches to MRLs

23-24 - 8th Meeting of the Global Low-Level Presence Initiative – Virtual

23-24 – Private NAEGA Contracts & Best Practices Seminar

April

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

10 – Part 2 – Kunming, China

TBD – NAEGA/NGFA FGIS Workshop – Great Lakes Region/Virtual

May

3-4 – Private NAEGA Contracts & Best Practices Seminar

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

June

6 – 9 – IGTC Meetings (Virtual and In-person) and IGC Annual Conference in London, UK

July

13-14 - U.S. Agricultural Export Development FAS Attaché Seminar – McLean, VA

September

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

21-23 – Inaugural International Plant Health Conference – London, UK

TBD – NAEGA/NGFA FGIS Workshop – New Orleans, LA/Virtual

November

TBD – IGTC General Assembly

17-18 – U.S. Agricultural Export Development Council Annual Workshop – Baltimore, MD

TBD – NAEGA/NGFA FGIS Workshop – Pacific Northwest/Virtual

December

TBD – COP 16 – CBD – Turkey

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