



FOOD & AGRICULTURE EXPORT ALLIANCE

FAEA Board Meeting Agenda
November 15, 2021
9:00 am – 11:00 am Eastern Time

Location: Virtual Meeting via Zoom Conference Call

Participants:

Jim Sutter	US Soybean Export Council
Ryan Olson	US Soybean Export Council
Kurt Shultz	US Grains Council
Sam Clemence	US Grains Council
Anthony Jones	Foreign Agricultural Service, USDA
Jim Sumner	US Poultry and Egg Export Association
Greg Tyler	US Poultry and Egg Export Association
Nick Gardner	US Dairy Export Council
Michael Schumpp	North American Meat Institute
Trachelle Carr	National Pork Producers Council
Jessie Sevcik	Elanco
Allison Finn	Merck
Dan Halstrom	US Meat Export Federation
Kent Swisher	North American Renderers Association
Kent Sisson	Food & Agriculture Export Alliance
Rosida Nababan	Food & Agriculture Export Alliance
Rita Kishore	Food & Agriculture Export Alliance

Call to Order

Chairman Jim Sutter

Welcome to New Members and Introductions

FAEA welcomed two new members:

- US Meat Export Federation Dan Halstrom President & CEO
- North American Renderers Association Kent Swisher President & CEO (incoming)

Rosida will follow up with the new members for information to update FAEA website. Kent reported that the American Feed Industry Association will consider joining in April/May 2022.

Approval of July 15, 2021 Board Minutes

Nick Gardner moved that the minutes be approved and Greg Tyler seconded the motion. The members approved the minutes.

Update on 2021 Activities

Kent Sisson

Kent Sisson gave a PowerPoint presentation updating the Board on FAEA activities. Rita Kishore presented the updates on Codex activities. The presentation is attached to these minutes as Appendix A.

Member Priorities

All members

Each Board member gave a short overview of their current priorities and shared comments as follows:

USSEC: FAEA activities in Africa are important. Nigeria in particular is a market that FAEA should continue to monitor and engage with when possible. USEEC supports FAEA work in Bangladesh and Pakistan which are developing markets for soybean exports. In Southeast Asia, FAEA should continue to work in Vietnam and also in Myanmar as soon as the political situation allows FAEA to do so. China continues to be a high priority country to monitor. China has great influence all over the world. Travel to China may not be possible until after April 2022. Registration of pesticides and the MRL policy/standards in Taiwan are important to monitor.

USGC: The Council has made big investments in East and West Africa with ATP funds and activities. There are market access issues in Kenya for feed grains and biotech. Encourage FAEA to explore potential for engagement with Ethiopia, and check in on the situation in Nigeria and Ghana to see if anything more can be done there. In South Asia, Bangladesh remains a high priority. Pakistan is more complicated and good contacts are needed there partly because FAS changes its American officer every year, so it's difficult to develop on-going relationships. In Southeast Asia, Cambodia and Vietnam are important as is China in North Asia.

USAPEEC: Has a major presence in most of Asia and where market access is not much of a challenge. Cambodia is currently not a large market for poultry but interested in any opportunities for the long term. Africa presents challenges. For example, poultry does not have access to Kenya. Nigeria and Senegal are priority markets. In South Asia, USAPEEC is interested in opportunities in both Bangladesh and Pakistan although they are not currently good poultry markets. USAPEEC has a new office in India which also covers Pakistan and Bangladesh.

USDEC: Southeast Asia is a critically important region for dairy. China is also very important. Africa is dominated by the Europeans. Kenya is viewed as an important growth market but there are some market access issues there. Codex is a top priority. Recent action/inaction on moving Zilpaterol forward for establishing standards is an example of how Codex has not followed its mandate to not consider non-science and non-risk based issues. FAEA can help sponsor like-minded delegates to appropriate Codex meetings.

NAMI: The NAMI EMP project is moving forward with Phase I to conduct an assessment of the Kenya livestock (primarily beef and swine) production and meat processing sector in the country. The assessment and final report will be completed in February 2022 by the Kenyan consultant hired by NAMI. Ultimate objective is to invest in the construction of a new or renovated existing meat processing facility that will include a training center for Kenyan meat processors as well as processors from other African nations in the region. NAMI and FAEA



representatives will travel to Kenya in December 2021 to meet with the consultant and also potential partners for the project. In Southeast Asia, Vietnam in particular is important. China is important in North Asia.

NPPC: Codex issues are very important to NPPC. In Southeast Asia, Vietnam and the Philippines are important markets where work on trade issues is needed. China as well where U.S. pork faces trade barriers. Africa is of low priority. Bangladesh and Pakistan are not important since they are not consumers of pork.

ELANCO: Codex engagement and support is the top priority. With the lack of new trade agreements, it's important to continue working on a bilateral basis to gain and/or establish market access. China, Bangladesh, Southeast Asia and Kenya are all important countries for FAEA to continue its work.

USMEF: Market access is a key priority for the meat industry where FAEA can help. In Asia, China, Vietnam and Philippines are all important markets. In Africa, Kenya is not so much of a market due to market access issues. Nigeria, Ghana, Gabon, Senegal and Angola are markets of interest.

NARA: China is a big market but could be larger if not for market access restriction on ruminant meat based feed products. Bangladesh, Pakistan, Nigeria and Kenya are not as important. In general, market access barriers that are not science-based are limiting NARA exports.

MERCK: Key priority is for FAEA to support and influence trade/import policies that are not science-based. Thus, support for Codex and encouraging other countries to proactively participate in committees to support positions shared by the US is important for FAEA to continue.

Financials and Budget
MAP/GBI Funds
Member Funds

Sam Clemence

Sam Clemence presented an overview of the MAP/GBI and FAEA funding situation for 2021.

Forecast MAP/GBI and Member Budget Situation

Kent Sisson

Kent presented a historical, current and forecast of the MAP/GBI and FAEA budget and expenditure situation out to 2026. Those tables and charts included in Appendix A.

Member Fee Structure/Consider Changing?

Kent Sisson

Jim Sutter and Kent Sisson introduced this topic for discussion and consideration by the Board.

Background: During the outreach to prospective new members, one of the organizations indicated they would be interested in joining FAEA however they said the \$12,000 membership fee is too expensive for them.



Discussion: The question put to the Board was, “Do we want to consider charging a reduced membership fee to some organizations based on criteria such as the size or funding (FAS program funds) level of an organization.” Board members made points against this including:

- Inequity of charging different fees to different members
- Potential lack of long-term commitment to FAEA by organizations that don’t pay the full fee (citing examples of this based on experience with other organizations that charged different levels of membership fees)
- The current fee is reasonable and in fact, was much higher in the past. New members should be willing to pay the full \$12,000 if they consider membership a priority for their organization and members
- Administratively, it would be more challenging for FAEA to adopt and manage a multi-tiered membership fee structure

Outcome: Given the lack of support for changing the fee structure, there was no motion to change the current structure, so it will remain as is. The Executive Director will inform the prospective member who raised the issue and welcome him to participate in specific projects/activities that are of mutual interest to FAEA and his organization.

2022 GBI Proposal

Kent Sisson

Kent gave a short overview of the GBI funding request (see the slide Appendix A) that was included with the USGC UES application for 2022 MAP/GBI funds.

Tony Jones of FAS added that the GBI 2022 funding approvals would be forthcoming soon and that the EMP proposal requesting funds to supplement FAEA GBI funds in Kenya had been set aside for the time being. FAS is considering whether to approve additional funds for FAEA in 2022 that would be up to \$100,000 more than in 2021, in lieu of approving EMP funds that would require more administrative work for both FAEA and FAS. Tony also encourage FAEA to prepare and submit success stories to support of our activities and budget request.

Other Business

All Members

FAS Food Assistance Programs/Role for FAEA?

Background: At the July Board meeting, there was a discussion of whether and how FAEA might be able to leverage or compliment/supplement its funding and staff resources through FAS food assistance programs. Prior to this November Board meeting, FAEA staff did some research on current food assistance programs and discussed this further with USAPEEC staff. Since FAEA cannot apply for food assistance program funds as an entity, it was concluded that the FAEA role should be to identify which markets and projects may be of interest to FAEA members and then explore whether it would make sense to collaborate with the program implementors. An additional role would be for FAEA to provide input into relevant proposed food assistance programs to encourage that they have a positive impact on FAEA member exports and/or do not have a negative impact on member exports.



Discussion: FAEA members supported the general concept of encouraging FAS program administrators to use food assistance programs as a “carrot” by linking assistance to greater market access for FAEA member products. With regard to FAEA collaboration with food assistance program implementors, it was cautioned that some implementors may only be interested in collaborating with FAEA as a way of getting FAS support for winning a bid, but in the end, may not enthusiastically welcome FAEA to join them in implementation.

Outcome: FAEA staff will follow-up with FAS/Washington DC to determine how FAEA can monitor and provide input into the food assistance programs administered by FAS. Subsequently the FAEA Executive Director sent an email to Mark Slupek, FAS requesting contact information for appropriate FAS staff to liaise with. FAEA staff will also identify and explore collaboration with food assistance program implementors in FAEA markets of interest where the programs designed to address market access and food/feed safety issues. (Note: FAEA is already doing some of this collaborative work in Bangladesh and Kenya with implementors of USAID Feed the Future and other programs.)

FAS Halal Standards (Bangladesh)/Role for FAEA?

Background: During a quarterly meeting with FAS Washington staff from the Trade and Regulatory Capacity Building Division (TRCBD), they indicated that they will be assisting Bangladesh authorities in developing halal inspection/certification standards and procedures. They asked if FAEA would be interested in collaborating in any way on this program.

Discussion: Members pointed out that halal inspection/certification requirements differ among the various countries that require halal certification for specific products. Because of the differences and variations between markets, this type of work would require a significant investment of FAEA staff time and could also potentially put FAEA in an awkward position if it were seen supporting standards and procedures that are acceptable for one country but not another. The general consensus of the members is that FAEA staff should be supportive to FAS in their Bangladesh project by providing input/suggestions, but should be cautious about getting too involved and should not initiate any FAEA funded activities on developing halal standards/processes.

Outcome: FAEA staff will inform FAS staff of Board discussion and monitor/support FAS halal activities but will not necessarily initiate any FAEA activities.

Next Board Meeting

The next Board meeting will be held in Washington, DC on the margins of the USAEDC Attache’ Seminar (July 13-14, 2022). We are tentatively planning for this to be an in-person meeting on the morning of July 12, 2022 to be hosted by one of the FAEA members with an office in Washington DC.



Chairman Sutter noted that it would be a good idea for FAEA Board members to meet with relevant US Government leaders involved in food/feed safety and SPS issues (e.g., USDA, FAS, US Codex Office, APHIS, FSIS, USTR, FDA, and others) since it had been a couple years since FAEA has done it. Also, with new Administration officials in place, it would be beneficial to educate them on the FAEA mission, activities, and successes.

Board members should save Tuesday, July 12, 2022 for the next Board meeting from 8:00 am – 10:00 am and plan on meetings with US Government officials in the Washington, DC area for the remainder of the day.

Adjourn

Chairman Jim Sutter

There was no other business brought to the Board. Chairman Sutter adjourned the meeting at 11:00 am.



Appendix A



FOOD & AGRICULTURE EXPORT ALLIANCE



FAEA NOVEMBER BOARD MEETING

Call to Order & Introductions

New Member Outreach Results

Approval of July Minutes

Update on 2021 Activities

Member Priorities

Financials and Budget

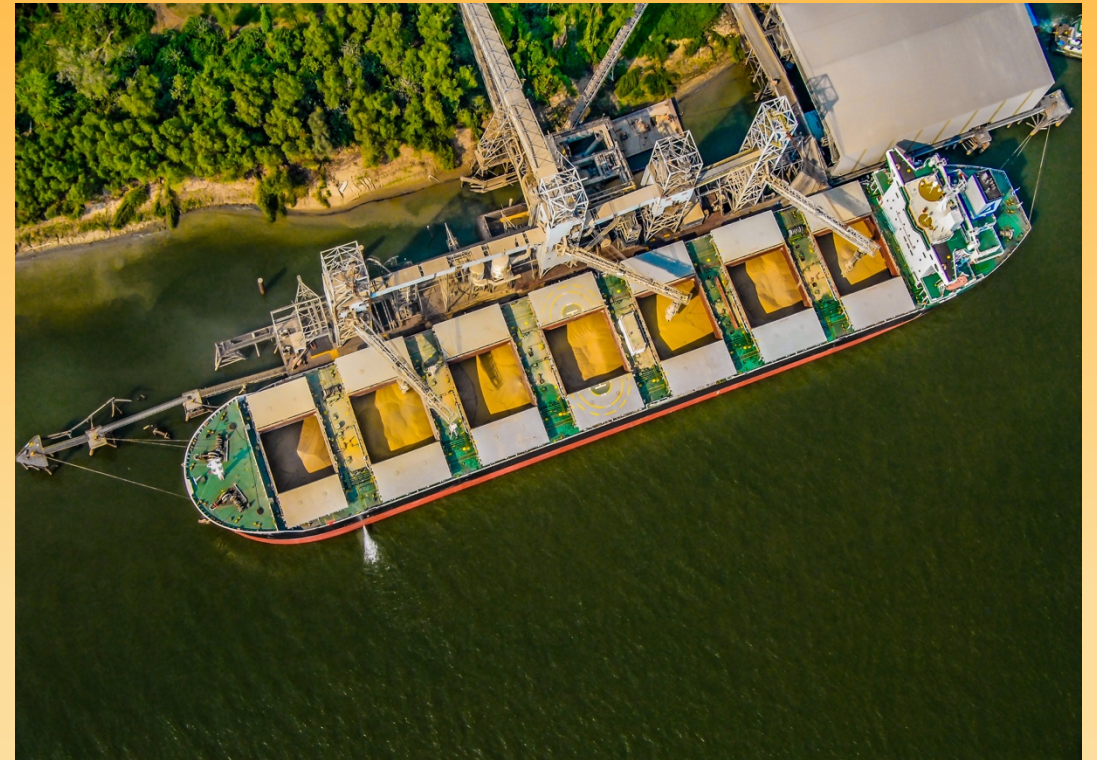
2022 GBI Proposal

Other Business

Adjourn

CALL TO ORDER & INTRODUCTIONS

- *Welcome everyone!*
- *In particular, welcome to our two new members, the U.S. Meat Export Federation (USMEF) and the North American Renderers Association (NARA)*
- *Let's go around the table so everyone can briefly introduce themselves*



NEW MEMBER OUTREACH RESULTS

- *As most of you know, we reached out to six organizations last spring to ask about their interest in joining FAEA*
- *We gave presentations to everyone and are very pleased that USMEF and NARA decided to join*
- *The American Feed Industry Assn is also interested in joining subject to their budget approval -- if approved will join in May at the start of their fiscal year*
- *US Livestock Genetics Export Council is also interested but the \$12,000 membership fee is a challenge. We'll discuss this a little later when we get to the financials.*
- *Pet Food Institute has not responded*
- *Rosida will be contacting new members for information that we will use to update our website*



APPROVAL OF JULY BOARD MINUTES



Vote on approving the minutes of the July 15 Board meeting

UPDATE ON 2021 ACTIVITIES

- *Kenya*
- *Bangladesh*
- *Cambodia*
- *Vietnam*
- *China*
- *Pakistan*
- *Codex*

KENYA

- *First draft of the Food Safety law was completed this summer*
- *Has been circulated for review and consideration of comments from:*
 - ✓ *Kenyan food and ag industry and local officials in 47 counties*
 - ✓ *US regulatory agencies and other third-party organizations*
- *Next steps include validation by relevant Kenyan Federal Gov't Ministries including Agriculture, Health and Trade, then publication in national newspapers for public review and comment*
- *Target date for submission to Parliament is before current session goes into recess April 2022*

KENYA (CONT'D)

- *All unused funds in other FAEA countries are being shifted to Kenya to cover cost of remaining activities in 2021*
 - ✓ *The EMP proposal/request for additional \$\$ in Kenya has been set aside after consultation with FAS. Verbal agreement reached that if FAEA spends most of its 2021 budget, then FAS will consider raising our overall budget from \$275,000 in 2021 to \$375,000 in 2022; in large part to cover expected needs in Kenya for conducting Phase II (assistance in developing regs to implement the FS Law) and Phase III (capacity building training for Kenyan food and feed safety regulators)*
- *Exec Dir travel to Nairobi for meetings Dec 6-10 to evaluate program and discuss plan for implementing Phases II and III. Accompanied by Michael Schumpp from NAMI who is implementing a meat processing project in Kenya that he will explain later*

BANGLADESH

- *FAEA has an MOU to collaborate with IDG, the implementing organization for a USAID Feed the Future trade facilitation program*
- *USAID changed its strategy this fall. Moving away from helping the Bangladesh Food Safety Authority build its organization*
- *Now focused on assisting the private sector (i.e., importers, exporters, producers, processors, etc.)*
- *Target audience for their training materials and activities is trade and food industry associations as well as food and feed safety testing laboratories*
- *FAEA had virtual meeting with new IDG COP and will review their activities planned for 2022 to identify those that are a good fit for our collaboration*
- *Exec Dir plans to travel there the 1st Qtr of 2022.*

CAMBODIA

- *Sharon Bommer-Lauritsen virtual seminar on WTO/SPS objectives, notification and reporting requirements sponsored by FAEA in July*
- *Waiting for feedback from Ministry of Ag and Ministry of Commerce and FAS/W on needs and topics for additional training*
 - ✓ *FAS program with Cambodia ended in Sept*
 - ✓ *FAEA must identify and develop direct relationships with appropriate contacts in Cambodia as well as the newly hired FAS Cambodian staff member to assess needs and plan next activities*
 - ✓ *May be opportunities to use some of the materials Rita has, and will develop for training of regulatory staff*
 - ✓ *Travel to the country asap in 2022 to engage and prepare workplan*

VIETNAM

- *Program for co-sponsoring (w/USGC and USSEC) three 2-day training workshops on implementing the Animal Husbandry Law & guiding regs in livestock and animal feed has been postponed to 2022*
 - ✓ *70 people per day – feed producers/technicians/traders and provincial level animal production and animal health staff*
 - ✓ *One workshop each in North, Central and South Vietnam*
 - ✓ *FAEA industry funded - \$10,000*
 - ✓ *Postponed until COVID situation improves*
- *Travel there in conjunction with trip to Cambodia*

CHINA

- *No travel or activities in 2021 due to Covid*
- *Travel there ASAP in 2022*
 - ✓ *to meet Chinese & US regulatory (APHIS, FSIS, FDA) agencies to assess their needs*
 - ✓ *to identify potential contractor to keep FAEA appraised of food/feed safety developments in real time*

PAKISTAN

- *Unable to explore potential in 2021 due to Covid*
- *Plan to travel there in 1st half of 2022 to assess needs and opportunities to engage based on previous discussion with FAS/Pakistan*

TRAVEL PLAN SUMMARY (2021 & 1ST HALF OF 2022)

- Assumptions
 - No quarantine requirements
 - COVID risk is moderate to low
- Primarily Exec Dir travel but other FAEA staff might travel depending on the need
- Will discuss plan with FAEA members prior to travel to get recommendations for contacts and meetings
- Will combine travel for other SIAM clients to share expenses, when possible

FAEA Tentative Travel Plan 2021 and 1st Half of 2022

COUNTRY	TIMING	PURPOSE	TRAVELER	CDC COVID RISK ASSESSMENT*
Kenya	December-21	Evaluate program; plan activities for Phases II & III	Exec Dir	Moderate
Bangladesh	January-22	Identify activities to collaborate implementation with USAID/IDG	Exec Dir	Moderate
Kenya Pakistan	March-22	Kenya - Begin implementing Phases II & III Pakistan - Assess situation & establish contacts	Exec Dir	Moderate
China	April-22	Assess situation & establish contacts; identify/interview potential representative	Exec Dir	Low
Cambodia Vietnam	May-22	Cam - Assess needs & build relationships Viet - assess needs & build relationships	Exec Dir	Cam-Unknown Viet - High

* As of November 2021. US risk assessment level is Very High for comparison purposes

CODEX

- FAEA Codex activity included:
 - ✓ Virtual participation in some Codex committee meetings
 - ✓ 2021 Codex Meetings were held virtually and may continue for first half of 2022
 - ✓ Prepared inventory of presentations to give to various target audiences
 - ✓ Assessing need for assisting African nations in participating in virtual Codex committee meetings
 - ✓ Virtual meeting with Codex Vice Chair Purwiyatno Hariyadi
 - ✓ Participation in monthly FICC meeting
- 2022:
 - ✓ Continue preparing content for presentations
 - ✓ Work with FAEA members & US Codex office to assess needs & activities in target markets

MEMBER PRIORITIES

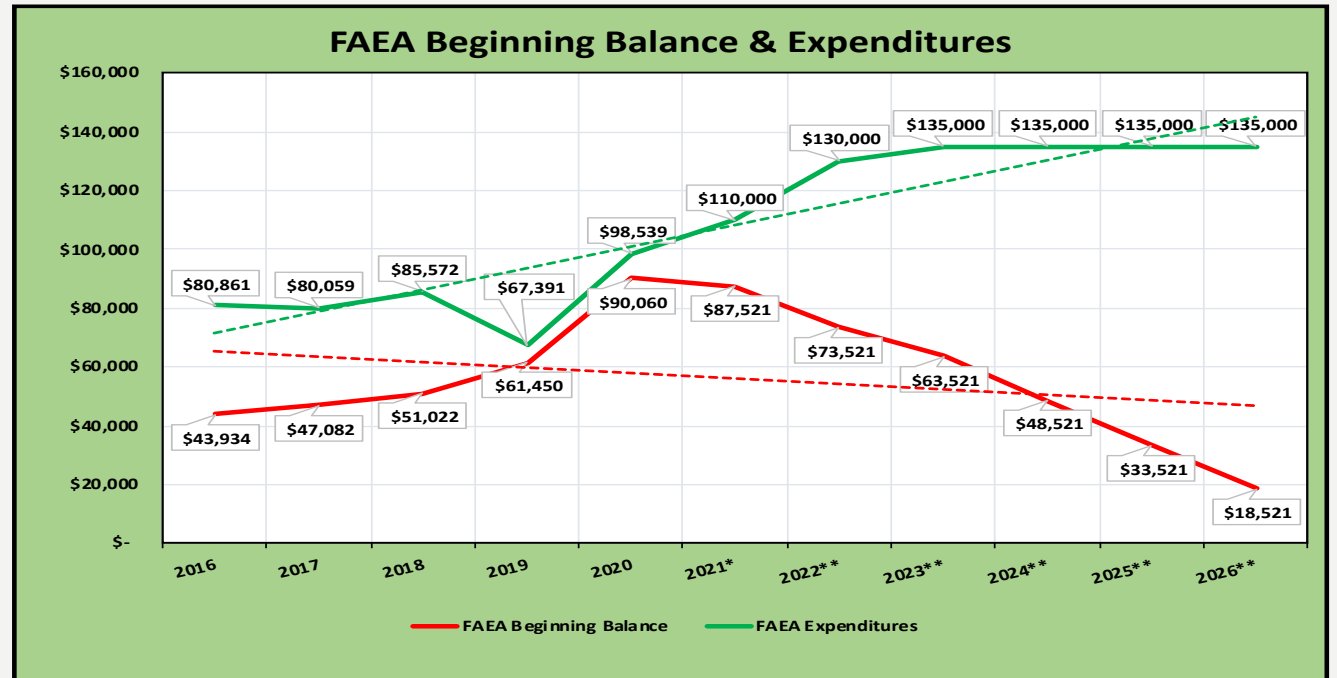
- *US Soybean Export Council*
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- *US Dairy Export Council*
- *North American Meat Institute*
- *National Pork Producers Council*
- *Elanco*
- *Merck*
- *US Meat Export Federation*
- *North American Renderers Association*

FINANCIALS AND BUDGET

- *MAP/GBI Funds*
- *Member Funds*
- *Forecast MAP/GBI & FAEA Financial Situation*
- *Member Fee Structure/Consider Changing?*

FAEA BUDGET/EXP FORECAST

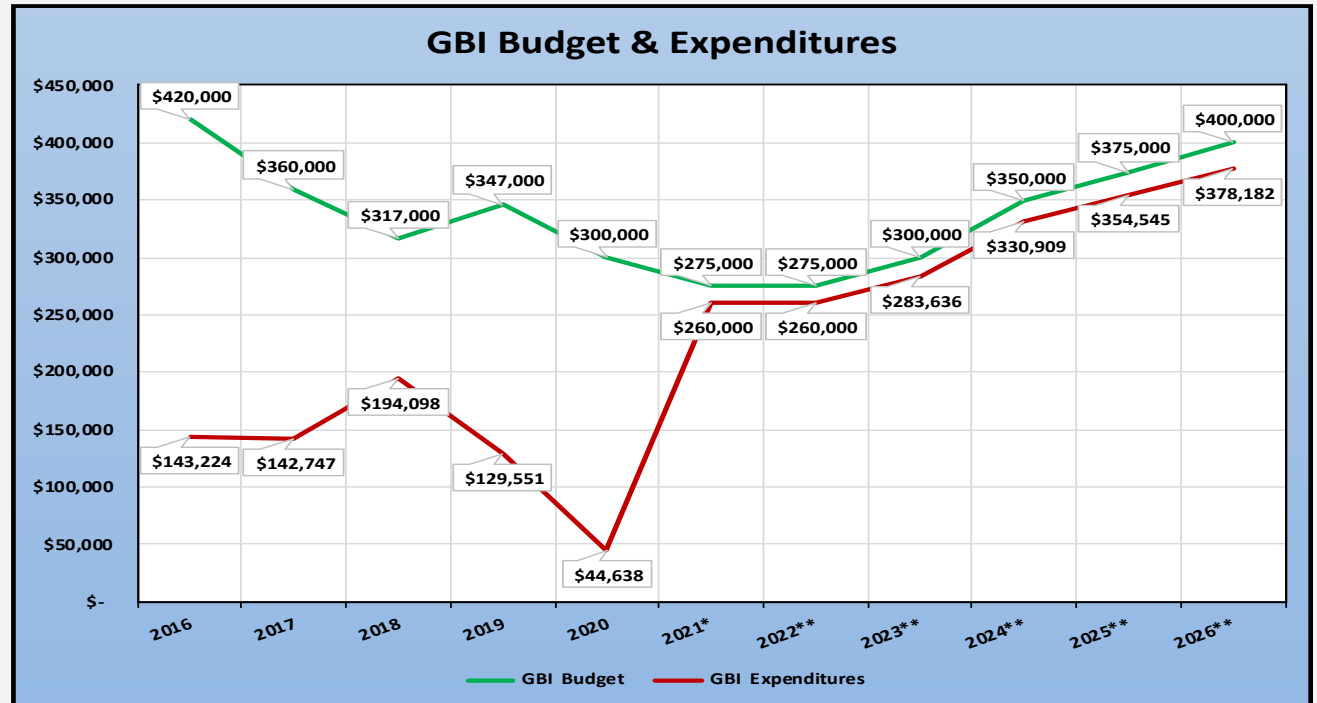
- Historically - have built up a surplus balance
- 2021 - due to addition of 2 FAEA staff in 2020, exp's are rising and balance is falling
- 2022 - income will increase due to new member fees but surplus balance will continue to fall as expenditures for Codex, Vietnam, and US are expected to rise
- Outlook – financial situation looks good thru 2024; and even better if AFIA joins in 2022



Calendar Year	FAEA			Exp Rate % (Exp/Bgt)	GBI		Exp Rate % (Exp/Bgt)
	Beginning Balance	Budget	Expenditures		Budget	Expenditures	
2016	\$ 43,934	\$ 84,000	\$ 80,861	96%	\$ 420,000	\$ 143,224	34%
2017	\$ 47,082	\$ 84,000	\$ 80,059	95%	\$ 360,000	\$ 142,747	40%
2018	\$ 51,022	\$ 96,000	\$ 85,572	89%	\$ 317,000	\$ 194,098	61%
2019	\$ 61,450	\$ 96,000	\$ 67,391	70%	\$ 347,000	\$ 129,551	37%
2020	\$ 90,060	\$ 96,000	\$ 98,539	103%	\$ 300,000	\$ 44,638	15%
2021*	\$ 87,521	\$ 96,000	\$ 110,000	115%	\$ 275,000	\$ 260,000	95%
2022**	\$ 73,521	\$ 120,000	\$ 130,000	108%	\$ 275,000	\$ 260,000	95%
2023**	\$ 63,521	\$ 120,000	\$ 135,000	113%	\$ 300,000	\$ 283,636	95%
2024**	\$ 48,521	\$ 120,000	\$ 135,000	113%	\$ 350,000	\$ 330,909	95%
2025**	\$ 33,521	\$ 120,000	\$ 135,000	113%	\$ 375,000	\$ 354,545	95%
2026**	\$ 18,521	\$ 120,000	\$ 135,000	113%	\$ 400,000	\$ 378,182	95%

GBI BUDGET/EXP FORECAST

- Historically – budget/FAS allocation has been declining as expenditure rates have been relatively low (15% - 61%)
- 2021- expenditure rate ~ 95%
- 2022 - FAS willing to consider budget increase of \$100,000 for a total budget of \$375,000 if exp rate is high and additional funds are needed for Kenya
- Outlook – positive if exp rate is maintained above 90%



FAEA AND GBI HISTORICAL & FORECAST BUDGETS, EXPENDITURES AND EXPENDITURE RATES

Calendar Year	FAEA			Exp Rate % (Exp/Bgt)	GBI		Exp Rate % (Exp/Bgt)
	Beginning Balance	Budget	Expenditures		Budget	Expenditures	
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2022 GBI PROPOSAL

- *FAEA 2022 member cash contributions of \$150,000 (\$96,000 @ \$12,000 per member plus \$54,000 carryover)*
- *Contribution rate is 26% = (((\$150,000 (cash) + \$10,000 (Goods & Services))/\$620,000)*
- *Funding for Vietnam would be 100% FAEA funds of \$15,000*
- *FAS approval forthcoming and hope to receive \$375,000*

Country & Project	MAP / GBI	Industry Cash	Industry G&S	Foreign TPC	GRAND TOTAL
Bangladesh Food Safety Regulations	\$80,000			\$10,000	\$90,000
China Food and Feed Safety Regulations	\$70,000				\$70,000
Kenya Food Safety Law & Regulations	\$150,000			\$10,000	\$160,000
Africa Country Engagement & SPS Support (Africa Continental Free Trade Area)	\$50,000				\$50,000
Southeast Asia Regulatory Training (Cambodia, Vietnam, Burma) and South Asia Engagement (Pakistan)	\$50,000	\$15,000			\$65,000
Codex Committee Participation & Support	\$40,000	\$10,000			\$50,000
FAEA Management & Administration	\$0	\$125,000	\$10,000		\$135,000
GRAND TOTAL	\$440,000	\$150,000	\$10,000	\$20,000	\$620,000

OTHER BUSINESS

- *FAS Food Assistance Programs/Role for FAEA?*
- *FAS Halal Standards Development (Bangladesh)/Role for FAEA?*
- *Next Board meeting July 2022 (in-person in DC week of USAEDC Attache Meeting)*

ADJOURN

Thank you for your time and participation!