

MemberUpdate

UPDATE 07 of 16 • 19 April 2016

TOPIC: Outcomes and next steps – New China Import - Export Laws

DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.

1. Issue

Member Update 4 of 16 noted that the Chinese Government has announced approval of the AQSIQ's "Administrative Measures for Inspection, Quarantine and Supervision of Inbound and Outbound Grains" or "the Laws". The Laws are effective from 1 July 2016. The AQSIQ is the General Administration of Quality Supervision, Inspection and Quarantine for the Chinese Government.

2. Background

The Global Agricultural Information Network (GAIN), an agency of the USDA Foreign Agricultural Service, has issued an **UNOFFICIAL** translation of the Laws which can be found here –

http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Admin%20Measures%20of%20Inspection%20and%20Quarantine%20for%20Entry%20and%20Exit%20Grain_Beijing_China%20-%20Peoples%20Republic%20of_2-5-2016.pdf

3. Comparison to the Draft Laws issued July 2015

GTA participated in a series of meetings in Beijing in August 2015 in relation to the proposed Laws following which GTA provided a detailed submission to the Australian Government outlining the issues and potential implications.

This submission can be found at:

http://www.graintrade.org.au/sites/default/files/file/Submissions%20GTA%20comments%20on%20China%E2%80%99s%20Proposed%20Grain%20Law%2023%20Sept_%2015%20%20Final.pdf

GTA would encourage any Member who is currently engaged in the Chinese market or has aspirations to review the above GTA submission in conjunction with Section 6 – Implications by Article.

4. Major implications of the Laws

- **There have been no changes of a material nature to the Draft Laws issued last year.**
- The Laws become effective 1 July 2016.
- Cuts across existing commercial export grain trading practices.
- Numerous references to quality which is not a phytosanitary issue.
- AQSIQ will manage a registration scheme for all Australian grain producers, processors and storage operators whose product may be exported to China. Practicalities of this process.
- Ability of Chinese officials to conduct 'spot checks' in Australia.
- Numerous references which will be further clarified where possible by GTA following DAWR/AQSIQ interaction.
- Precedence of bi-lateral protocols & Chinese Law.

5. Next steps

- GTA will be sharing this information with DAWR Biosecurity and seek DAWR's assistance for clarification on these issues, via the Australian Agricultural Attaché in China.
- GTA, on behalf of its members, will be seeking practical and commercially sensible outcomes / interpretation of the Laws.

6. Implications by Article (summary only)

Article	Issues that will be further explained by GTA following DAWR/AQSIQ interaction where appropriate
1	The precedence of the Protocols that have been/are in development between China and Australia for various commodities.
2	Refers to Beans, not pulses as a collective group.
2	Assumption that processing is for human consumption and stock feed purposes.
4	Risk analysis – assurance that rules will be applied consistently at all import ports.
5	References to “quality” which is not a phytosanitary issue. Determine implications.
6	AQSIQ shall implement a registration system, valid for 4 years, with requirement to abide by “applicable laws, regulations and standards of China” for the following categories of Australian organisations whose product is exported to China: <ol style="list-style-type: none"> 1. Grain producers; 2. Processors; and 3. Storage operators
6	AQSIQ may dispatch experts to conduct spot checks on Australian producers & processors seeking reregistration.
7	“Adding impurities is prohibited” – requires definition
8	“Certain grains imported for the first time”. Could varieties of existing grains be captured?
9	Imports only via ports prescribed by AQSIQ.
10	Need to seek approval from AQSIQ for a quarantine permit “prior to conclusion of a trading contract”.
11	Precedence between bi lateral arrangements and the regulations/laws of China and AQSIQ
12	Copy of relevant approval certificate for GMO consignments.
12	Request following certificates: <ul style="list-style-type: none"> • Quality certificates – not a phytosanitary issue • Health certificate and certificate of fitness – exactly what are these? • Weight certificate
13	Does this imply that on board fumigation must be conducted?
14	Practicalities associated with the logistics of inspection
14	Definition of ‘significant abnormality in quality and safety aspects’
14	Quality reference
15	Definitions of terms/service standards especially relating to time.
17	‘Living harmful insect’ – as per IPPC rules?
18	Provision to destroy or return inbound grains – substantial implications
18	“National technical codes” – what are these?
23	Requires a service charter detailing services provided and time to respond.
34	Risk monitoring plan – should not change by vessel
35	AQSIQ to establish grain quality and safety data collection system – reference to grain quality .
36 & 37	Quality reference.
37	What is an “emergency response plan”
39 & 42	Quality reference.
44	Meaning of “Inconsistence with the physical conditions of the declared grains”
44 to 49	Applications of fines. How enforced?
52	AQSIQ have ability to revoke an organisations registration
55	Quality reference