

MARCH/APRIL 2010

## CAIRO TO CAPE TRADE MISSION – APRIL 8-18, 2010

This trade mission will visit Cairo, Egypt, Johannesburg and Cape Town, South Africa. South Africa is a logical and attractive choice for companies to enter the African continent and the Indian Ocean rim countries with its macroeconomic stability and a pro-business environment. It is the most advanced, broad-based and productive economy in

Africa. Iowa

exports  
to South  
Africa

increased 43 percent  
in 2008 making it our  
14th largest export  
destination.



Egypt is the fourth largest export market for U.S. products and services in the Middle East and a significant importer of American agricultural commodities, machinery and equipment. Iowa exports to Egypt increased 71 percent in 2008.

One-on-one pre-qualified appointments will be arranged for participating companies whether they are seeking to develop or expand direct export sales, locate distributors or agents, conduct market research or have other goals.

Details are available at <http://www.iowalifechanging.com/intlevents/downloads/africa.pdf> or contact Peggy Kerr for discussion at 515.725.3143 or [peggy.kerr@iowa.gov](mailto:peggy.kerr@iowa.gov).

**IMPORTANT:** The International Trade Office will be transitioning the *INTERNATIONAL UPDATE* to an electronic format **ONLY!** If you wish to continue to receive this newsletter, or know others in your company/organization that should be included, please email their contact information to:

[lisa.mason@iowa.gov](mailto:lisa.mason@iowa.gov) and include: Name, Company, Email Address

**Japan is Iowa's third largest export market and one of the most important export markets for agricultural products. Iowa companies currently doing business or wanting to do business in Japan should consider joining the Iowa Department of Economic Development (IDED) in one of the following activities.**

## PARTNERS IN AGRICULTURE – JAPAN - APRIL 3-11, 2010

The IDED, in partnership with the Iowa Pork Producers Association, Iowa Soybean Association, Iowa Corn Promotion Board, Iowa Beef Industry Council and Iowa Sister States will join with the U.S. Foreign Agricultural Service in Japan to commemorate the “hog lift” and the 50th anniversary of the Iowa-Yamanashi sister state relationship. This historic event helped facilitate markets for U.S. goods and services and launch the agricultural cooperator programs between the United States and Japan.

Yamanashi symbolizes the success of the United States' worldwide cooperator program and the special agricultural relationship with Japan. Within this global relationship, Japan stands out as the most successful country for the market development of U.S. food and agricultural products in history. The defining moment in the Japan success story was the “hog lift” in 1959, when Iowa farmers and the Foreign Agricultural Service assisted Yamanashi in rebuilding its hog industry after two typhoons hit the prefecture. Iowa farmers sent swine breeding animals and corn to feed them. This event helped to create the U.S. Grains Council, U.S. Meat Export Federation and the Iowa-Yamanashi sister state relationship, the oldest such relationship in Japan.

Today, Japan is Iowa's largest export market for feed grains and meat. During the first week of April, various events will be scheduled in Japan including a seminar/trade show/reception for the meat industry, an Iowa reception featuring Iowa's products and a two-day celebration in Yamanashi to commemorate the 50th anniversary.

Iowa companies exporting to Japan should consider participating in this historic event. For more information visit <http://www.iowalifechanging.com/intlevents/downloads/pia.pdf> or contact Kathy Hill at [kathy.hill@iowa.gov](mailto:kathy.hill@iowa.gov) or 515.725.3141.



## **FIGAP/VIV AMERICA LATINA 2010 – GUADALAJARA, MEXICO – OCTOBER 21-23, 2010**

A State of Iowa pavilion has been reserved at the next edition of FIGAP which for the first time is a joint-venture between FIGAP, the leading animal husbandry trade show organizer in Mexico and VNU Exhibitions Europe (VIV). This new combination offers international and national companies a strong livestock business platform in Latin America's emerging market and encompasses animal production and processing from feed to meat. FIGAP 2010 receives major exhibitors and manufacturers of machinery for the balanced food industry, agricultural equipment, animal health, genetics, nutrition, livestock software, grain and seed handling and storage equipment, feed ingredients and additives, pet foods, aquaculture companies, distributors of ingredients and additives, as well as transport

companies, slaughtering and meat processing equipment and technology, among others.

Latin America's animal protein industry has a lot to offer for international suppliers in the feed-to-meat chain. Poultry production shows an annual increase of 5 percent, pig production 4 percent and dairy 2 percent. As a result, feed production is growing at an annual rate of 5 percent. Therefore, local livestock producers are facing many challenges. New technologies and production methods are vital to comply with the increasing consumer demand for safe and healthy food.

Visit [www.iowalifechanging.com/intlevents](http://www.iowalifechanging.com/intlevents) or contact Peggy Kerr at 515.725.3143 or [peggy.kerr@iowa.gov](mailto:peggy.kerr@iowa.gov) for additional information.

### **IOWA TRADE MISSION TO MEXICO CITY AND GUADALAJARA, MEXICO – OCTOBER 17-23, 2010**

Mexico is the second largest single country market for Iowa exports, capturing an average of 16 percent of Iowa exports the last three years. This mission will concentrate on two of the top market areas of the country: Mexico City and Guadalajara, and is open to all industries.

One-on-one pre-qualified appointments will be arranged in each location for participating companies who are seeking to develop or expand direct export sales, locate distributors or agents, conduct market research or have other goals. Mexico City and surrounding states are the political and financial center of Mexico and constitute over 45 percent of Mexico's total industrial base.

Monterrey is the second largest city and third largest manufacturing base. It has been dubbed the "Silicon Valley of Mexico" and is an agribusiness region with manufacturing industries such as footwear, apparel, processed food, furniture, chemicals, pharmaceuticals and metalworking. If you are unfamiliar with the Mexican market, need updated market information or just want to see what type of contacts are available prior to making a participation decision, we encourage you to apply for one of our individualized services. For more information contact Peggy Kerr at [peggy.kerr@iowa.gov](mailto:peggy.kerr@iowa.gov) or 515.725-3143.

### **SIAL & IPA MIDDLE EAST 2010 – ABU DHABI, UAE - NOVEMBER 22-24, 2010**

SIAL & IPA Middle East is a new food and hospitality trade exhibition serving the Middle East region scheduled to take place from November 22-24, 2010 in Abu Dhabi. SIAL is focused on the food and beverage industries, and IPA is dedicated to food processing and packaging equipment. Imex Management is organizing a U.S. Pavilion to facilitate the participating American exhibitors' experience.

SIAL & IPA Middle East 2010 welcomes exhibitors from around the world and trade buyers from the Middle East, Africa and the Indian subcontinent. SIAL & IPA Middle East is positioned to stand out as a must-attend event. At the center of the region, Abu Dhabi is regarded as the richest city in the world and a market not to be ignored. Despite global economic turndown, Abu Dhabi remains a booming business and tourist destination. Home to over two billion consumers, the Greater Middle East region boasts an estimated foodservice market of \$35 billion and ranks fourth in the global retail index. SIAL & IPA Middle East 2010 is offering an Early Bird pricing special: \$700 off the standard booth price for reservations before March 26.

Additional Assistance for USA Pavilion Participants – Through the State Regional Trade Group Branded Programming, your company may be eligible to take advantage of financial support that helps offset the costs of exhibiting at international tradeshow. By exhibiting in the USA Pavilion, eligible companies can receive up to 50 percent cost reimbursement for a variety of expenses, including exhibiting fees, international travel costs, set-up rental and freight. FOOD SHOW PLUS!™ SERVICES provides you with the information and in-market support you need to be more prepared to do business at the show. The list of services offered is customized for each show but may include: pre-show product research regarding pricing, import regulations, competitive analysis; translation of sales materials; on-site interpreters, pre-arranged meetings with potential buyers; market-briefing and local industry tours; on-site show assistance and follow-up after the exhibition. To learn more about SIAL & IPA Middle East 2010, the State Regional Branded Program and FOOD SHOW PLUS visit Food Export of the Midwest at <http://www.foodexport.org/>, or contact Lisa Mason at [lisa.mason@iowa.gov](mailto:lisa.mason@iowa.gov) or 515.725.3139, or Kathy Hill at [kathy.hill@iowa.gov](mailto:kathy.hill@iowa.gov) or 515.725.3141.

**ALL EYES ON CHINA - STILL**

*Submitted by John E. Clarke, President, Phoenix Consulting – Iowa China office*

What a difference a year makes! At this time last year the world was watching U.S. stock markets collapse, banks on the brink, and business trading volumes drying up. However, after the implementation of spending stimulus packages in both the U.S. and in China, stock markets in both countries have made sharp recoveries and China manufacturing is again ramping up production to meet increased internal and external demand. China has rebounded so quickly so as to overtake Germany as the world's largest exporter and to pass the US with the biggest market for automobile production and sales.

With a good portion of the U.S. stimulus money not yet spent, many are crediting China's role in driving world economic growth and recovery from the recession. With a loose monetary policy, China has sought to foster confidence and increase consumer spending as a counter balance to the rest of the world. This appears to have been effective with retail sales numbers increasing some 20 percent year on year.

What does this mean for Iowa companies? The China market can be a significant growth platform as you look to diversify sales. In order to maintain stability, China will continue to use its massive financial and human capital reserves to drive economic growth and to increase the living standards for the people.

For more information on researching potential China market opportunities for your company, please contact Kathy Hill at [kathy.hill@iowa.gov](mailto:kathy.hill@iowa.gov) or 515.725.3141.

**IMPORTER SECURITY FILING (10+2)**

*Guest Article Submitted by: Tony Joseph, President, Joseph Int'l Freight Service*

January 26, 2010, U.S. Customs started to enforce the so called 10+2 rule. This article is meant to be used as a common sense approach to what importers need to do to comply with U.S. Government regulations.

If you are an importer or someone thinking of importing goods into the U.S. by vessel and have not heard of 10+2 or Importer Security Filing (ISF), STOP reading this article, do not pass go and go directly to: [www.cbp.gov](http://www.cbp.gov) and search for 10+2 or ISF filing. You may also see a full version of the regulation at this web site. If you have heard of 10+2 or just read about it, we will proceed.

The data collecting and filing responsibility for 10+2 lies strictly within the importer of record. What does this mean to micro importers (five or less imports/ year) and large importers? In a recent article in the Journal of Commerce, Richard DiNucci, director of Customs' Security Freight Initiative stated:

"The bottom line is you have to get the thing done," said DiNucci. "The regulation is out there. It's not too late to get it done." Noncompliant importers may face delays in the delivery of their goods, or monetary sanctions, but it's a chance they take. It's Customs' job to assess the security risk of the cargo before it's released.

"The vast majority of importers required to file ISFs are filing them," DiNucci said. "We're focused on those guys, making them successful. We hope the folks that haven't filed are still preparing to, and getting it done quickly. We're not going to allow the other 10 percent drag this thing or push it backward. It's up to them to get it done, and we're here to help them".

"If they're not going to do anything, they'll be dealt with accordingly. One of the primary mitigating factors is, 'Are you filing? Have you made an attempt? Have we seen you?' " DiNucci said. "You don't need perfection, but if you're attempting to get the ISF done, you're in better shape. If you're not, don't look for us to exercise compassion. We've been more than patient, but if you're not making the attempt, that's a different framework for enforcement."

As you can see, U.S. Customs are not going to be patient with importers who are non-compliant.

I want to speak directly to micro and small importers, as I believe that most midsized to large importers have already implemented a plan to comply with these regulations.

If you are planning to or currently are importing into the US via ocean vessel, here are a few steps you will want to put into place immediately:

1. On the Performa invoice, be sure you are controlling the transportation of the goods into the US (use INCOTERMS: ex work foreign Port/ foreign City)
2. Choose a good, reliable Freight Forwarder / Customs Broker in the US, which has an agent in the country origin.
3. Create a plan on how you will want to handle your next ocean import. (I would suggest you make a plan for all imports.)
4. Contact your supplier via fax or e-mail, with the data points they are required to furnish and let them know you have to comply with new regulations in the U.S.

*Continued on page 4*

## OTHER INFORMATION

### WHY EXPORT – WHY NOW? – STORM LAKE, IA - APRIL 21, 2010

Regional economic development groups Northwest Iowa Development, Iowa Lake Corridor Development Corp., Mid Iowa Growth Partnership and Western Iowa Advantage and the Iowa Department of Economic Development will present this seminar. Visit: [www.paloaltoiowa.com/images/2010/registration.pdf](http://www.paloaltoiowa.com/images/2010/registration.pdf) for registration information.

### NASCO 2010 – SAVE THE DATE! – JUNE 15-17, 2010

Join us at the 2010 NASCO Conference Tuesday, June 15, through Thursday, June 17, 2010, to learn about the latest developments in logistics and transportation, and take part in discussions concerning a variety of issues related to North American transportation, trade and economic development. For more information go to <http://www.nascoiowa2010.com/>

### INDIVIDUALIZED ASSISTANCE AVAILABLE IN SELECT MARKETS:

Various assistance programs have been developed in conjunction with our global offices and representatives to provide services to Iowa companies seeking to establish or expand a presence in the global marketplace.

Basic services, some of which are fee-based, vary by location. Examples include:

- General Market Information
- Market Research
- Pre-Screening Potential Customers & Partners
- Appointment Scheduling
- Trade Show Support

Contact the International Office at 515.725.3107 or [international@iowalifechanging.com](mailto:international@iowalifechanging.com) to learn more.

### EDUCATION NEWSLETTER AND VALUABLE COUNTRY REPORTS AVAILABLE!

- International Education Newsletter: A compilation of export/import education events in Iowa and surrounding areas, webinars, technical updates, etc. typically sent monthly via email.
- International Agriculture Newsletter - China – Monthly summary of current topics affecting various aspects of China's agricultural industries, regulations, market opportunities, etc.
- International Economy and Politics Brief – Mexico – Monthly update from the Iowa Mexico Office.

To sign up for any of these specialized newsletters, please go to: [www.iowalifechanging.com/subscriptions/subscription\\_free.aspx](http://www.iowalifechanging.com/subscriptions/subscription_free.aspx)



Iowa Department of  
Economic Development  
200 East Grand  
Des Moines, IA 50309

*Moving? Or, want to list a new or additional contact? Please contact [International@iowa.gov](mailto:International@iowa.gov) or 515.725.3139 with your updates.*

PRSRT STD  
U.S. POSTAGE  
**PAID**  
Des Moines, IA  
Permit No. 1195

### IMPORTER SECURITY FILING (10+2)

*Continued from page 3*

5. Have a meeting with your freight forwarder/ Customs broker and discuss how and when their agent will gather information, time frames for transmission to the U.S. and how your forwarder will let you know if the entry is accepted or rejected.

If you don't currently work with a local freight forwarder/ Custom broker, today would be a good day to start the process of finding one, as the penalties for non compliance can reach \$10,000 per violation.

I know the above may seem to be a herculean-like task, but I can assure you this can be done within a few hours, which will allow you to have many days of stress free importing.

The main reason for these new regulations is our homeland security. 10+2 is one of many regulatory statutes our government has put into place to help mitigate another terrorist attack on the homeland.

We all have been asked to do our part to ensure safety in transportation and maintain a strong supply chain.