From: Willbrand, Zhulieta - OSEC, Washington, DC

To: McKinney, Ted - OSEC, Washington, DC; Isley, Ken - FAS, Washington, DC

Cc: Brewster, Ryan - FAS, Washington, DC; Kunickis, Sheryl - OSEC; Chao, Julie - FAS, Washington, DC; McKinnell,

Cathy - FAS, Washington, DC

**Subject:** FW: Summary of Thailand Ban - Developments Moving Quickly

**Date:** Wednesday, October 9, 2019 9:43:51 AM

Attachments: <u>image001.png</u>

Some additional info on Thailand's Ban on 3Als.

From: Prado, Marta M. EOP/USTR < Marta M Prado@ustr.eop.gov>

Sent: Wednesday, October 9, 2019 9:20 AM

**To:** 'TRAVIS, JAMES K [AG/1920]' (b) (6) @bayer.com>

**Cc:** Julia\_Doherty@ustr.eop.gov; Willbrand, Zhulieta - OSEC, Washington, DC <zhulieta.z.willbrand@usda.gov>; Nicely, Russ - FAS, BANGKOK, THAILAND

<Russ.Nicely@fas.usda.gov>; Lisa.Anderson-FASContact <Lisa.M.Anderson@ustr.eop.gov>

Subject: RE: Summary of Thailand Ban - Developments Moving Quickly

Jim,

It was good to see you earlier this week.

I am adding Lisa Anderson to this email chain who covers Thailand for USTR's Agriculture office. We'll review the information you provided and get back to you. One initial question – did you raise this issue with Ambassador Thani?

Best regards,

Marta

Ms. Marta M. Prado

Deputy Assistant U.S. Trade Representative for Southeast Asia and the Pacific

Office of the United States Trade Representative

Executive Office of the President

Tel: 202 395-6216

From: TRAVIS, JAMES K [AG/1920] (b) (6) @bayer.com>

Sent: Tuesday, October 8, 2019 7:10 PM

To: Prado, Marta M. EOP/USTR < Marta M Prado@ustr.eop.gov>

Cc: Doherty, Julia M. EOP/USTR < Julia Doherty@ustr.eop.gov >; Zhulieta Z. Willbrand

(zhulieta.z.willbrand@osec.usda.gov) <zhulieta.z.willbrand@osec.usda.gov>;

Russell.Nicely@fas.usda.gov;(b) (6) @bayer.com

Subject: [EXTERNAL] Summary of Thailand Ban - Developments Moving Quickly

Marta,

It was great visiting with you at the luncheon honoring Ambassador Thani. As we discussed, there is

a similar situation developing in Thailand similar to Vietnam relative to efforts to ban glyphosate.

I received an update from our team overnight and it appears that the Deputy Agriculture Minister Manyana is seeking to dramatically accelerate the imposition of a ban, which would ensure that actions taken by the government would bypass any scientific rigor.

Recently, a DoA working group appointed by the Deputy Ag Minister voted to request the National Hazardous Substances Committee (NHSC) to change the regulatory status of glyphosate (and two other chemistries, paraquat and chlorpyrifos) from category 3 (registration) to category 4 (banned). The ban would reportedly commence on December 1, 2019.

It is now up to the NHSC to make a decision on the request from the DoA, which could come as early as October 27<sup>th</sup> as that is the date the new NHSC becomes effective.

Another possibility is that the Deputy Ag Minister submits the working group's resolution to ban the 3AIs to the Prime Minister this week. Sending the resolution to the PM directly is a departure from the standard process and reinforces the pressure she is seeking to apply. Along with the parliamentary ad hoc committee's recent announcement to recommend banning, there is a risk that an emergency decree is issued to ban the 3AIs. The cabinet can request parliament to approve an emergency decree to protect the people's safety. This would likely be the preferred deputy ag minister's preferred option as it would bypass the NHSC which currently remains unsupportive of banning.

Of additional interest, our current understanding is that if a ban for domestic use of glyphosate were to be imposed, MRL's for imports of soybeans would likely be required to move to zero (from today's codex level of 20ppm). Public records indicate that over the last 5 years, the US has supplied approximately 30% of Thailand's imported soy demand, averaging about \$378 million USD annually. Thailand is almost entirely reliant on imported soybeans (>98% import reliance) and Brazil supplies the bulk of Thailand's soy imports. If the MRL for glyphosate were to become zero, it is unclear how Thailand could meet its need for soy.

I have copied Julia and Zhulieta who are aware as well as FAS Officer Russ Nicely who has been in touch with our team in Bangkok.

### **SUMMARY OF THAILAND CROP PROTECTION DEVELOPMENTS**

# Cooperative effort for AI restrictions recently concluded and regulations on restrictions soon to go into effect

- About two years ago, the Director General of the Department of Agriculture (DoA) announced that he supported the restrictions of 3AIs (glyphosate, paraquat and chlorpyrifos). This triggered a regulatory assessment and a stakeholder consultation process that lasted nearly two years to determine how the restrictions should be implemented.
- Bayer along with the value chain –participated in the two-year process and is in full agreement to implement and adhere to restriction regulations.
- The National Hazardous Substances Committee (NHSC), responsible for approving pesticides,

approved the proposed restrictions early this year. The notification on the restrictions has already been published in the Royal Gazette and will become effective on October 20th unless NHSC changes its previous decision. Bayer supports the implementation of these agreed upon restrictions.

### Recent elections have resulted in an effort to move from restrictions to bans

- Following the election in Thailand held in March, new officials have taken up the most senior roles in the agriculture ministry.
- The new Deputy Minister of Agriculture, Mananya Thaiset, is from a different party from the Minister of Agriculture, Chalermchai Sri-on, and is standing in for her brother until he is cleared to take up the position. The Deputy Minister is from the same party as the Minister for Public Health and seeks to exert more pressure on the use of crop protection.
- The Deputy Minister has taken the following actions:
  - 1. DoA working group selected by the Deputy Ag Minister made a recommendation to NHSC recommending a ban
  - 2. Has paused the approval process for all ag chemicals
  - 3. Developing a new law to control manufacturing, import and export of agricultural chemicals
- The Deputy Minister needs NHSC approval for these decisions since DoA regulates chemicals under the NHSC. Implementation without approval that affects peoples' rights could violate the Criminal Code.

#### The Agriculture Minister supports the existing restriction measures

- The Agriculture Minister and other high level officials continue to support the existing three Al restriction measures (the ag ministry notification for the restrictions has already been published in the Royal Gazette and will be effective on October 20th unless NHSC changes its decision)
- The Agriculture Minister has been concerned that banning these ag chemicals will impact oil palm and rubber plantations which are large agricultural industries in southern Thailand the home base of the minister's Democrat Party. However, we remain unsure about what decision he will ultimately take.

## Recently, the Prime Minister ordered the NHSC to undertake stakeholder consultation, including farmers and importers, to determine the consequences of a ban

However, in light of recent developments, we are growing more concerned that some
policymakers and lawmakers are rushing the process and will not thoroughly consult all
farming stakeholders nor fully consider the economic and environmental impact of banning
glyphosate.

#### **LOOKING FORWARD**

Given the speed with which the Deputy Minister is moving, we believe that USG engagement in the near term would be very timely. The recent USG engagement in Vietnam I think would be a good model to replicate to request clarity directly from the Ag Minister and office of the Prime Minister

the government's crop protection policy, to reinforce the importance of science-based decision making and reiterate the EPA's assessment of glyphosate.

There is a coalition of Thai farm sector leaders who have been vocal. I understand that the coalition recently issued a statement. I will try to obtain a copy for you.

Trade associations will also likely soon stress with GoT officials the need for a science based approach.

I hope you find this background useful. Please let me know if there is any additional information you might need.

Below, please find latest Bangkok Post article summarizing recent developments.

 $\verb| > https://www.bangkokpost.com/thailand/general/1766914/working-group-agrees-to-ban-toxic-farm-chemicals?fbclid=IwAR37Iq-\\$ 

P6aY751daighNQdJd9d4W122F3YVjHWo053gH9rbN57OXrcCC7aE<

Best regards,

Jim

-----

### Jim Travis

Senior Director, International Government Affairs & Trade

### 

Bayer U.S. 801 Pennsylvania Avenue, NW Suite 745 Washington, DC 20004

Direct: (b) (6)
Cellular: (b) (6)

(b) (6) @bayer.com



The information contained in this e-mail is for the exclusive use of the intended recipient(s) and may be confidential, proprietary, and/or legally privileged. Inadvertent disclosure of this message does not constitute a