

NEWS YOU CAN USE

NEW – CUSTOMIZED VIRTUAL MATCHMAKING SERVICE DEVELOP OR EXPAND YOUR INTERNATIONAL BUSINESS

The Iowa Economic Development Authority's (IEDA) International Trade Office (ITO) now offers a virtual consultation program to develop new markets or expand existing for Iowa products and services.

This online, no travel opportunity will provide manufacturing and service exporters with market research, customized briefings and virtual one-on-one meetings with pre-qualified prospects specific to targeted industries. Meetings will be coordinated and secured based on each business' goals and desired outcomes.

Whether conducting market assessments, seeking direct export sales, locating distributors/agents or identifying strategic relationships, this will be an opportunity to build business in a new, dynamic way.

Why Virtual Matchmaking for International Trade?

- Opportunity: Better understand market size, development possibilities and growth potential
- Make Connections: Low-cost alternative for business (no travel and time away)
- High-Value Discussions: Build relationships in absence of in-person meetings
- Differentiation: Being adept at conducting international business virtually will help distinguish your business

Virtual Matchmaking Includes

- Initial Consultation and Export Readiness Review
- Market Research/Assessment
- Pre-Matchmaking Business Briefing/Planning
- Customized Online Business Appointments/Matchmaking
- Post-Matchmaking Review/Next Steps

Fee Structure

- Initial Consultation/Review: **FREE**
- Matchmaking Program: **\$500**

Complete a [Virtual Matchmaking request form](#), and the ITO will contact you within two business days to schedule a consultation. For questions, email international@iowaeda.com.



FOLLOW US ON LINKEDIN

The International Trade Office has a LinkedIn affiliate page. Follow the Iowa ITO for updates on activities, resources and services for Iowa companies at [linkedin.com/showcase/international-trade-office](https://www.linkedin.com/showcase/international-trade-office).

NEW INTERNATIONAL FINANCIAL ASSISTANCE OPPORTUNITIES

The ITO financial assistance programs now include additional eligible expenses to support Iowa companies.

Market Trade Assistance Program (MTAP)

Projects involving a third-party providing any of the below services. Eligible companies may receive one grant in each category per funding period (current funding period ends September 29, 2021.)



A (Cap = \$6,000)

- Website translation, search engine optimization and localization
- Design, translation and localization of brochure(s)/product information (i.e. foreign market compliant labels, packaging, technical manuals/documents)
- Design, translation and localization of all forms and channels of social media
- Design of digital international ad placements
- Translation of marketing media, including audio/video
- Required Compliance Testing of existing product for entry into an export market

B (Cap = \$6,000)

- International attorney fees for trademark registration, foreign sales/distributor contracts
- Consultant services to identify and meet regulatory and certification standards of existing product for entry into an export market (i.e. CE, CCC, CUL, etc.)
- Consultant services provided by IEDA-selected contractors in Australia, South Korea and select African markets – services equivalent to those offered by IEDA in-country representatives

C (Cap = \$10,000)

- Design and develop websites with an international focus
- Oversight and maintenance/monitoring fee for search engine optimization
- Online market listing fees
- E-commerce platform, including hosting and/or maintenance fees (limited to once per calendar year)
- Expenses to set up websites to accept international payments

Export Trade Assistance Program (ETAP) and Domestic Trade Assistance Program (DTAP)

Cap = \$4,000

- Exhibit in international trade shows - now includes virtual trade show booths
- The two times maximum for the same show is waived (temporarily) when moved to virtual event

For more information, visit iowaeda.com/ifa or contact lisa.longman@iowaeda.com.

USMCA BASICS – TARIFF CODES AND RULES OF ORIGIN

The U.S. – Mexico – Canada Agreement (USMCA) entered into force on July 1, 2020, replacing the existing North American Free Trade Agreement (NAFTA). When exporting to Canada or Mexico, many U.S. companies want to take advantage of the benefits of the USMCA to eliminate tariffs for customers in these countries. This can often be a strong selling point and competitive advantage for U.S. products.

Schedule B Tariff Codes

For companies new to export or not familiar with the USMCA agreement, one of the first pieces of information required is the Schedule B code for your specific product. The Schedule B code is a 10-digit subset of HTS codes for U.S. exporters. A few important points:

- Schedule B codes are maintained by the U.S. Census Bureau instead of the International Trade Commission
- As with HTS codes (Harmonized Tariff Schedule), the first six digits of a Schedule B code should be the same as an HS number; however, the last four digits may be different than the HTS code



Rules of Origin

Why is it necessary to know this code? When a company wants to take advantage of the USMCA agreement when shipping to Mexico or Canada, it first needs to know the product(s) tariff code to determine the rules of origin under USMCA. The rules of origin are used to determine the origin of a product for a Free Trade Agreement, in this case USMCA. Many assume if a product is made in a factory in the USA that the product is “Made in the USA” and automatically qualifies, which is not the case. Qualification is dependent on whether a product meets the applicable rule of origin, and the first piece of information needed is the tariff code.

Don’t worry – there are resources to help!

Starting out? Please feel free to contact the ITO for resources and guidance: Ms. Andrea Smith andrea.smith@iowaeda.com or 515.348.6240. These online resources are a great place for a new exporter to learn more about USMCA and Schedule B tariff codes.

- Schedule B at Census Bureau website to determine HTS code: <https://www.census.gov/foreign-trade/schedules/b/2020/index.html>
- International Trade Administration USMCA resources: <https://www.trade.gov/usmca>

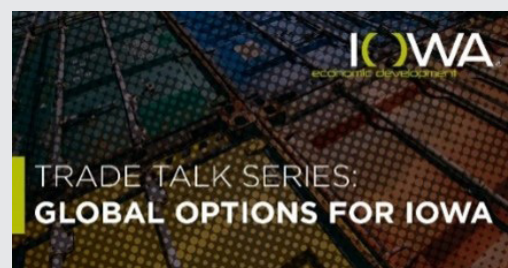
UPCOMING EVENTS

IOWA TRADE TALKS – GLOBAL OPTIONS FOR IOWA

Take time to join the ITO for the fall webinar series currently underway!

- Doing International Business Virtually – October 14
- Building Your Global Food Export Options – October 28
- CE Marking for Machinery in Plain English – November 4
- Export Opportunities in Thailand and Myanmar – November 18
- Export Opportunities in Chile and Peru – December 2
- Financing Your Exports – December 16

Details and registration are available at iowaeda.com/intlevents.



BEST PRACTICES TO START EXPORTING: EXPORT 101 SESSION FOR FOOD, BEVERAGE AND AGRICULTURE PRODUCTS

Prepared to test the export market, but not sure of the requirements or processes involved? Curious about what it would take to expand your business overseas?



Join IEDA's International Trade Office and its partner Food Export Association-Midwest to learn valuable insights, skills and requirements on exporting processed food, beverage or agricultural products.

This webinar training is hosted by IEDA, and the primary instructor will be long-time industry expert Dennis Lynch from Food Export-Midwest. Mr. Lynch has over 35 years' experience in counseling U.S. suppliers of food, beverage and agricultural products with export troubleshooting, readiness and getting started in the process.

Topics

- How to Become Export Ready
- Do's and Don'ts
- Product Classifications
- Market Research Needs
- Documentation and Regulations

When: Thursday, November 12, 9:00 a.m. – 12:00 p.m.

Fee: \$25

Learn more and register today at:

<https://www.foodexport.org/programs-services/export-education/seminars/G20EDS-IA>

Find More Events at
iowaeda.com/intlevents
and Educational Opportunities at
iowaeda.com/intlcalendar

RECENT HIGHLIGHTS

IOWA TRADE TALKS SERIES

This spring the ITO hosted the Iowa Trade Talks webinar series featuring Iowa representatives in key markets to help develop trade strategies for moving forward in this 2020 global environment. Local experts from China, Europe, S.E. Asia, Mexico, Korea, Australia and South Africa discussed emerging trade, economic information and opportunities for Iowa exporters.

Additionally, the Smart Online Global Marketing webinar discussed translation and localization of marketing media, interpretation for virtual meetings and calls, SEO, the European Union's General Data Protection Regulation (GDPR) and E-commerce. The USMCA Implementation webinar featured North American trade expert Adam Hill, president and COO, Scarbrough Group of Companies, discussing requirements for the new trade agreement that took effect July 1. The Global Ag Webinar featured Iowa Secretary of Agriculture Mike Naig and two Iowa State University agricultural economists reviewing trade policy, overseas ag trade, economic outlooks and forecasts, and the livestock and commodity sectors.

PROSPER AFRICA: OPPORTUNITIES AND PROGRAMS FOR IOWA COMPANIES



On September 2, the ITO kicked off its fall webinar series with a collaboration with the local U.S. Commercial Service for a look into Prosper Africa – a federal government initiative to substantially increase two-way trade and investment between the United States and Africa. This virtual webinar introduced Iowa companies to the multitude of opportunities within the African marketplace and resources available to assist them.

With six of the 10 fastest-growing economies in the world and over one billion consumers, Africa is ready to play a pivotal role in the global economy. Prosper Africa has a goal to become a one-stop shop where U.S. and African businesses can access the full range of the U.S. Government services.

The event featured presentations about Prosper Africa, U.S. Trade and Development Agency, the U.S. Commercial Service in Nigeria and first-hand experience from Vermeer Corporation. The program covered market penetration, funding support and success stories.

Please visit the Prosper Africa's website, <https://www.trade.gov/prosper-africa>, for more information. If you're interested in learning more about opportunities in Africa and about State of Iowa Resources, contact Ms. Andrea Smith at andrea.smith@iowaeda.com or 515.348.6240.

CHINA PHASE 1: REALIZATIONS & NEW CROP OUTLOOK

On Sept. 16, the International Trade office hosted the China Phase 1: Realizations and New Crop Outlook webinar. Iowa Secretary of Agriculture Mike Naig was joined by U.S. Meat Export Federation CEO Dan Halstrom and U.S. Soybean Export Council CEO Jim Sutter. The esteemed panel provided viewpoints on the latest ag policies and a current Phase 1 overview on the meat and soy trade for this vital market.

Secretary Naig kicked off the event with insights and recaps of the importance of the Phase 1 agreement, including where current progress stands in meeting those requirements by China. He addressed some key measuring points to monitor over the next year.

Halstrom, a native of Cherokee County, Iowa, shared current perspectives on meat trade trends in China. He outlined that while trade tensions exist, the supply and demand factors within China favor continued increases in exports of U.S. beef and pork.

Sutter opened with a historical perspective on China, detailing how USSEC first made visits to China in 1982 and opened an office in the late '80s. The net benefits of the trade impact took roughly 10 years to see growth, and the past 15 years the significance continues to be magnified. He outlined how early 2020 sales to China had seen challenges, but September was a record volume month.

All three speakers echoed comments that the China market is essential to both Iowa and U.S. agricultural interests, and continued support and verification on Phase 1 agreement guidelines will benefit farmers and the U.S. economy overall.

Recordings for all webinars are available at <https://iowa1.sharepoint.com/:f/s/InternationalTrade/EhOprZCZGH1Bs55llr9xE1gBHbIHKkS0B8ipPsr40xJX9Q?e=UmmLgF>

GUEST ARTICLES

AN INTERNATIONAL BUSINESS PLAN: YOUR FIRST STEP

By *Dave Bidenbach*, ISU SBDC Regional Director, dbieden@iastate.edu

Are you a small business owner who has always thought about engaging in international trade, but you're just not sure where to begin? The thought of international trade can be overwhelming. The counselors at America's SBDC Iowa can help you with a strong foundation to increase the outreach of your business.

Where do I begin with exploring international trade? A good place to begin is to establish a solid business plan. A typical business plan has you put into words your business opportunity, products and services, marketing plan and market research, operational plan and how you will fund your business. With international trade, many aspects of your plan will need to be considered. How will you market your products? Will your pricing be different abroad, as you may need different packaging and product information? How will you ship your products? Your cash flow may change as collection methods may take longer, resulting in the need for additional operating capital. A sample business plan template can be found at: <https://iowasbdc.org/business-plan-template-3/>.

Whether you are experienced in international trade or you are beginning to explore the idea, the counselors at America's SBDC Iowa are ready to help!

About America's SBDC Iowa

The team at America's SBDC Iowa is a resource partner of the U.S. Small Business Administration and stays informed about the latest federal, state and local programs for assisting small businesses. SBDC counselors are trained to assist with international trade questions, as well as connect you to resources. An appointment for confidential, no-cost business advising at one of 15 regional centers across the state of Iowa can be requested on iowasbdc.org.



EMERGING DAIRY INDUSTRY IN VIETNAM

Submitted by *Orissa International Pte Ltd*, Iowa's Representative in SE Asia, joseph.rude@iowaeda.com

The Southeast Asia region is seen by many analysts as among the most vital in the dairy world. While consumption of dairy is lower than developed western markets, the region's importance lies in the speed of growth. Demand for dairy is on the rise across the region despite the Covid-19 pandemic. According to the U.S. Dairy Export Council, between April and July 2020, a major contributor of the growth of U.S. dairy export volumes came from increased shipments of nonfat dry milk/skim milk powder (NDM/SMP) to Southeast Asia.

The Vietnamese market is of particular interest as the government issued a new decree which took effect from July 10, 2020, which reduces the competitive disadvantage for U.S. dairy exporters. The decree unilaterally lowers tariffs by 50% or more on key dairy products and ingredients, including skim milk powder, whole milk powder, cheese, milk albumin and protein isolate. Iowa companies could take advantage of this and build up their presence in this rapidly growing market.

According to the Vietnam Dairy Association, revenues from the dairy sector were valued at \$4.7 billion in 2018. Between 2010 and 2018, the sector grew by an average of 12.7% per year. The two main products behind the strong growth of the industry are powdered milk and liquid milk, accounting for nearly 75% of the value share.



Vietnam's dairy industry revenue is forecasted to reach \$8 billion in 2020, driven by the following factors:

- Compared with other countries, annual dairy consumption per capita in Vietnam's 97 million population is still low at 26 liters per person, highlighting the potential for continued growth in the sector.
- Rising dairy consumption of the elderly population. Based on current demographic trends, Vietnam's elderly population will double from 7% to 14% of the total population in about 17 years, according to the World Bank.
- Interestingly, Vietnam's dairy exports are also growing rapidly, with modified whey powder, cream milk products, liquid yogurt, butter, cheese and curd, and concentrated cream and milk as the top exported dairy products. In 2019, Vietnam's exports of milk and dairy products went past VND 10 trillion (USD 428 million), a 13% increase from the figures in 2018. China's approval in February 2020 for dairy imports from Vietnam is projected to potentially add around a quarter billion U.S. dollars to Vietnam's dairy export sales in the near term.

Within Asia, Vietnam is emerging as one of the countries with dynamic milk production and processing industries, especially in recent years. However, its production capacities are unable to keep up with the local demand and its growing exports of higher value dairy products.

Vietnam's domestic dairy industry has a set a target to produce 1 billion liters of fresh milk in 2020, equivalent to around 38% of domestic demand. This is projected to further increase in the next five years to 1.4 billion liters, based on a development plan set by the local industry. According to the Department of Livestock Production under the Ministry of Agriculture and Rural Development, the cow herd in Vietnam is growing strongly as companies increase their investments in expanding production and turn to animal husbandry. Accelerated development of dairy farms in the country can be seen through the importation of cattle from countries like the U.S.

Given that Vietnam plans to increase its dairy cattle from 500,000 in 2020 to 700,000 cows by 2030, related sectors that are expected to see growth include animal nutrition and solutions that will prevent diseases, ensure livestock development, improve product value and provide safe dairy products for domestic consumption and export. Vietnam is not a traditional dairy farming country, and thus, technical knowledge in areas such as cattle digestion, feed management, forage production and storage have become of importance to dairy farmers in the country. Local companies can now be seen partnering with foreign experts to acquire knowledge and products that will provide suitable nutrition for their dairy cattle and increase their milk yield and quality.

Many enterprises in the dairy industry are also investing in modern equipment and updating advanced technology to produce high-quality dairy products, ensuring food safety and competitiveness in the domestic and foreign markets. Dairy companies in Vietnam have been seen renovating their facilities and production equipment as part of wide-ranging expansion projects. It is also worth noting that businesses in the dairy industry usually import technology, materials and equipment from overseas due to the limited domestic resources. Comprehensive production lines are also imported from countries that possess developed dairy equipment.

Vietnam's growing dairy industry presents opportunities to Iowa companies that could provide solutions and technologies related to dairy cattle raising and management as well as dairy production. Orissa International can help you enter the Vietnamese market by connecting you with the right local partners.

CONTACT INFORMATION

EUROPE, NORTHERN AFRICA & MIDDLE EAST

Peggy Kerr, Team Leader
+1.515.348.6242 | peggy.kerr@iowaeda.com

AMERICAS & SUB-SAHARAN AFRICA

Andrea Smith, Marketing Manager
+1.515.348.6240 | andrea.smith@iowaeda.com

ASIA/PACIFIC

Joseph Rude, Marketing Manager
+1.515.348.6244 | joseph.rude@iowaeda.com

AGRICULTURAL PRODUCTS - WORLDWIDE

Brad Frisvold, Marketing Manager
+1.515.348.6241 | brad.frisvold@iowaeda.com

FINANCIAL ASSISTANCE

Lisa Longman, Financial Assistance Administrator
+1.515.348.6243 | lisa.longman@iowaeda.com

IOWA ECONOMIC DEVELOPMENT AUTHORITY

1963 Bell Avenue, Suite 200
Des Moines, IA 50315 USA

International: +1.515.348.6200
Domestic: 1.800.245.4692

international@iowaeda.com

iowaeda.com/exports



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