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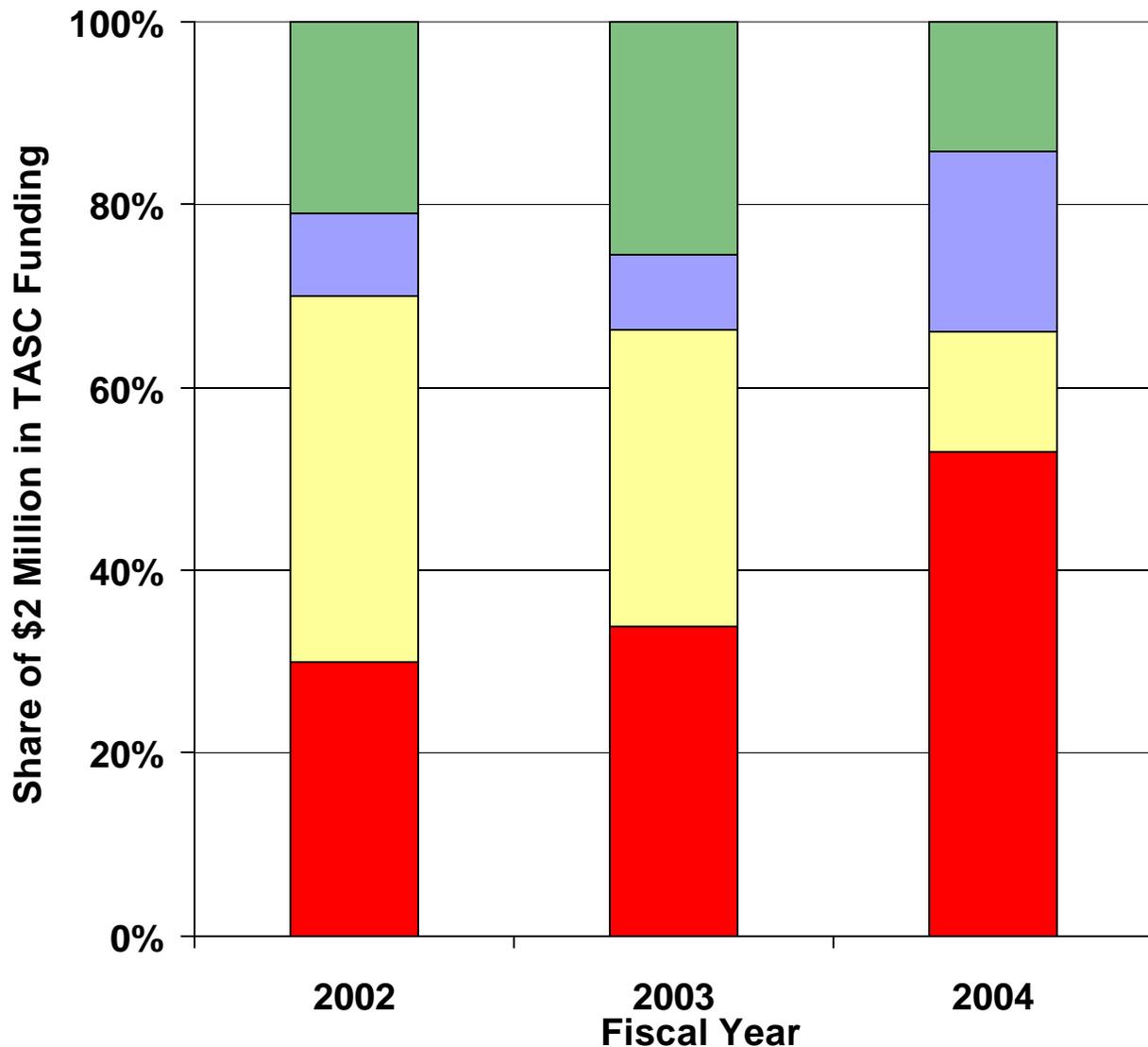
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Technical Assistance for Specialty Crops (TASC) Project Funding by Category

- Research
- Pre-Clearance Programs
- Technical Exchanges
- Maximum Residue Limits Projects



CONTACT	PHONE/EMAIL ADDRESS	PORTFOLIO
Kent Sisson	720-6590	DIRECTOR
ANGELLA GREAVES Administrative Assistant	720-6590 Angella.Greaves@fas.usda.gov	
MARKETING		
SHARON MCCLURE	720-7931 Sharon.McClure@fas.usda.gov	DEPUTY DIRECTOR FOR MARKETING
ERIC MOYÈ Management Analyst	690-0556 Eric.Moye@fas.usda.gov	Canada/Snapback, NAFTA Quarterly Report, UES Technical Contact, HTP Homepage Coordinator, Strawberries, Cling Peach
JEFFREY JONES Supervisory Marketing Specialist	720-8495 JJones@fas.usda.gov	Papaya Adm. Comm., Cranberry
LISA TWEDT Marketing Specialist	720-6086 Lisa.Twedt@fas.usda.gov	Kiwifruit, Raisin, Table Grape, Potatoes, Emerging Markets Program, QSP Program, GBI Coordinator
ELIAS OROZCO Agricultural Economist	720-6791 Elias.Orzoco@fas.usda.gov	Honey, Hops, Blueberries, Cochran, Export Credits, Honey Analysis
EVELYN ALEXANDER Marketing Specialist	720-9903 Evelyn.Alexander@fas.usda.gov	Lettuce, Vegetables, Apricots, Dates, Figs, Pomegranates, Western Pecans, Asparagus
SONIA JIMENEZ Marketing Specialist	720-0898 Sonia.Jimenez@fas.usda.gov	Citrus, Tree Fruit, Peaches, Plums, Sunkist, Nectarines, Apples, USA Cherries, Texas Produce (Grapefruit), Section 108 Program
INGRID MOHN Marketing Specialist	720-5330 Ingrid.Mohn@fas.usda.gov	Pears, Ginseng, Watermelon, Cherries, and Hort Buzz Newsletter
KRISTA DICKSON Marketing Specialist	690-1341 Krista.Dickson@usda.gov	Dried Plums, National Potato, Tomatoes
KHALIAKA MEARDRY Marketing Specialist	720-8498 Khaliaka.Meardry@fas.usda.gov	Tree Nuts, Pistachio, Tart Cherries
ANALYSIS		
LARRY DEATON	720-3423 Larry.Deaton@fas.usda.gov	DEPUTY DIRECTOR FOR ANALYSIS
DEBRA PUMPHREY Senior Agricultural Economist	720-8899 Debra.Pumphrey@usda.gov	Fresh and Processed Citrus; Coffee; U.S. Trade Questions on Spices & Essential Oils ; Information Technology Coordinator
MARK RASMUSSEN Senior Policy Analyst	720-7304 Mark.Rasmussen@fas.usda.gov	Biotech Issues, SPS/Food Safety/Quality Issues Coordinator, Bilateral Technical & Policy Issues
EDWIN LEWIS Agricultural Economist	720-6590 Edwin.Lewis@fas.usda.gov	Policy Issues Coordinator for Subsidies & Tariff Issues, Tariff-Rate Quotas & Licensing, Trade Agreements, Multilateral Policy Issues, Kiwifruit
NANCY HIRSCHHORN Supervisory Agricultural Economist	720-2974 Nancy.Hirschhorn@fas.usda.gov	Situation & Outlook Supervisor, Publication Editor, Export Forecast Coordinator, Briefing Paper Coordinator, Key Development Coordinator, Trade Issues Database Coordinator, Panama FTA
KYLE CUNNINGHAM Agricultural Economist	720-0875 Kyle.Cunningham@fas.usda.gov	Tree nuts, Cut Flowers, and Nursery Stocks
ROBERT KNAPP Agricultural Economist	720-4620 Robert.Knapp@fas.usda.gov	Canned Deciduous Fruit and Sugar
SHARI KOSCO Agricultural Economist	720-2083 Shari.Kosco@fas.usda.gov	Fresh and Processed Vegetables, SACU FTA
DWIGHT WILDER Agricultural Economist	690-2702 Dwight.Wilder@fas.usda.gov	Dried fruit, Berries, Hops, Melons, Tropical Fruit, Stone Fruit, Avocados, Israel FTA
HEATHER VELTHUIS Agricultural Economist	720-9792 Heather.Velthuis@fas.usda.gov	Deciduous Fruit, Grape Juice, Apple Juice
CHANDA BECKMAN Agricultural Economist	720-0897 Chanda.Beckman@fas.usda.gov	TASC Program, Mushrooms, Olives, Papayas

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Introduction

The U.S. Specialty Crops Trade Issues Edition of the FAS Reference Guide to World Horticultural Trade is the second in a series of annual reports that provides the status of significant phytosanitary and technical barriers to U.S. exports of specialty crop products. The removal of barriers to trade for U.S. specialty crops is of great importance to the U.S. Congress. On December 22, 2004, the Specialty Crops Competitiveness Act of 2004 was signed into law, requiring the USDA to submit a report to Congress providing the status of phytosanitary barriers impacting U.S. specialty crop exports. For the purposes of this publication, “specialty crops” are defined in accordance with the Specialty Crops Competitiveness Act of 2004 – (Sec. 3) as fruits, vegetables, tree nuts, dried fruits, and nursery crops (including floriculture).

The implementation of phytosanitary measures and tariffs are accepted methods of protection provided such measures are consistent with the World Trade Organization (WTO) Agreements. However, import restrictions that fail to comply with international rules are actionable under U.S. trade law and through the WTO. This report presents trade barriers that adversely affect, or threaten to disrupt, U.S. specialty crop exports that may or may not be consistent with international trading rules.

The report provides a review of significant barriers to trade impacting a broad spectrum of the U.S. specialty crop industry’s interests. The omission of a particular trade issue or country does not imply that it is not of importance to the U.S. Government.

In addressing trade barriers, the U.S. Government uses several fora that include bilateral and multilateral negotiations, collaborative research, pre-clearance programs, and dispute settlement mechanisms. In addition to bilateral negotiations on specific issues, negotiations on trade barriers may take place within the context of the WTO, Free Trade Agreements (FTA), Consultative Committees on Agriculture (CCA), or the International Plant Protection Convention (IPPC). Additionally, the pest research, field surveys, and pre-clearance programs that are often funded under the Technical Assistance for Specialty Crops (TASC) Program play an important role in supporting efforts to remove trade barriers. Finally, if the U.S. Government has sufficient evidence that a trading partner has failed to address a trade issue within the terms and conditions of international trade rules, the U.S. Government may seek to pursue dispute resolution within the WTO.

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The information presented in this report and other data related to specialty crop trade is available on the HTP homepage at: <http://www.fas.usda.gov/htp/>.

The U.S. Specialty Crop Horticultural Trade Issues Publication is published in the spring and the annual Horticultural Charts Publication will be published in the summer of 2005. The FAS Production, Supply and Distribution (PS&D) online database contains current and historical official USDA data on production, supply and distribution of agricultural commodities for the United States and key producing and consuming countries. Users may select from a menu of pre-defined tables categorized by commodity or commodity group, or customize trade tables to accommodate individual data requirements.

The analytical articles formerly published in *World Horticultural Trade and U.S. Export Opportunities* are now updated on the HTP Homepage. FAS no longer publishes the *FAS Quarterly Reference Guide To World Horticultural Trade: Trade Data Edition*. The U.S. trade data presented in this report are available at: <http://www.fas.usda.gov/ustrade>. The U.S. Trade Internet System, located at this web link, supports the tracking of imports and exports of agricultural commodities into and out of the United States. The system allows users to generate reports that provide trade information on one or more commodity(ies) for one or more country(ies) over a user-specified time period. In addition, FAS will no longer publish the *FAS Quarterly Reference Guide To World Horticultural Trade: World Production, Supply and Distribution of Key Products Edition*. The U.S. data presented in this report are available at: <http://www.fas.usda.gov/psd/>

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U.S. Specialty Crop Trade Issues

Summaries of Barriers to Trade by Commodity

Country: India
Commodity: Almonds (in-shell)
Barrier: Phytosanitary Restriction

Issue: India imposes restrictive fumigation requirements on U.S. in-shell almonds that may unnecessarily disrupt trade.

Status: On January 1, 2004, India implemented new fumigation requirements under its Plant Quarantine Order (PQO) of 2003 requiring the use of methyl bromide for dried fruit imports. This requirement presents a significant obstacle to the U.S. almond industry, which typically uses phosphine as a fumigant to control storage pests. The measure was adopted in November 2003 and notified 2 months after being implemented.

To avoid considerable disruption to trade, USDA negotiated two extensions that allowed the continued use of phosphine for fumigation of almonds through June 30, 2004, and then a longer-term agreement through June 30, 2005. However, U.S. exports of almonds to India may be disrupted unless another waiver to India's new fumigation requirement for almonds is granted or a permanent solution found. The U.S. almond industry remains concerned about the impact of intermittent disruptions on sales valued at \$92.4 million in 2004. U.S. almonds are the largest U.S. agricultural export to India.

As part of these extensions, APHIS agreed to provide research data on the efficacy of fumigating almonds with phosphine. The U.S. almond industry and APHIS developed a study protocol that was reviewed and approved by India with additional recommendations approved in December 2004. The research is not expected to be complete before the expiration of the phosphine extension. The USDA requested an extension in May 2005 and will share with Indian officials initial results from the efficacy study to prompt a reply in advance of the June 30, 2004, deadline.

Note: See Section titled "Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations" of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: Australia
Commodity: Apples (Pacific Northwest)
Barrier: Phytosanitary Ban

Issue: Australia prohibits imports of U.S. apples primarily due to phytosanitary concerns regarding fire blight (bacteria).

Status: In March 2000, the U.S. apple industry provided Australia with a list of pests known to occur in the Pacific Northwest, including information on the quarantine pest fire blight, to initiate an import risk assessment (IRA). The U.S. apple industry has expressed to the USDA concerns regarding the market access because Australia has not initiated the IRA.

Australia prohibits access of apples from New Zealand, as well, due to fire blight. In 2000, Australia published a draft IRA for New Zealand apples with risk management measures for fire blight as well as other pests and pathogens. Australia published a revised draft IRA for New Zealand apples in February 2004, proposing a system of risk management measures for fire blight. The risk assessment and proposed risk mitigation measures for New Zealand apples have major implications for U.S. apple access, since Australia has advised APHIS that the policy decision regarding access for New Zealand apples will apply to U.S. apples.

The United States and New Zealand contend that fire blight is not transmitted by commercially packed apples. The USDA has cited the November 2003 WTO ruling in favor of the United States that quarantine measures for fire blight imposed by Japan on U.S. apples were maintained without sufficient scientific justification. New Zealand and the United States question Australia's justification for the proposed risk management measures for fire blight as well as the appropriate level of protection against fire blight, in light of the scientific and legal analysis underpinning the WTO decision overturning Japan's risk management measures for fire blight in U.S. apples.

Australian apple producers are strongly protesting access for New Zealand apples and are carefully evaluating the IRA. An Australian Senate panel is also conducting an inquiry into Biosecurity Australia's (BA) analysis of the pest risk presented by apples imported from New Zealand. Following the 2004 national election, BA was required to reissue five IRAs, including the New Zealand draft IRA for a 60-day comment period. BA has indicated that it intends to extend the import policy decision from the New Zealand IRA to U.S. apples.

In February 2005, access for U.S. apples was added to the agenda of the Working Group on Animal and Plant Health Measures, established by the U.S.-Australia Free Trade Agreement. In view of the WTO ruling, APHIS will soon submit a comprehensive technical package to BA to facilitate a timely, risk-based decision. The United States will continue to press Australia to review the U.S. request for access as quickly as possible and to object to any undue phytosanitary import restrictions.

Note: See Section titled "Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations" of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: Dominican Republic
Commodity: Apples
Barrier: Phytosanitary Restriction

Issue: The Dominican Republic requires unjustified, restrictive import requirements on U.S. apple imports, due to concerns regarding Mediterranean fruit fly.

Status: U.S. apples are required to undergo cold treatment as a mitigation for Mediterranean fruit fly. However, the United States meets the international requirements to be considered free from Mediterranean fruit fly.

The Dominican Republic has demonstrated little interest in resolving this issue. APHIS has provided Dominican officials with information on the United States' success in eradicating Mediterranean fruit fly and encouraged them to visit fruit fly trapping programs in Florida and California. The USDA continues to engage the Dominican Republic in discussions on this issue.

Country: India
Commodity: Apples
Barrier: Food Safety Restriction

Issue: In August 2003, India imposed a ban on the sale of fresh fruits and vegetables coated with wax. This action threatens U.S. horticultural exports to India, particularly apples and pears, which amounted to \$9.5 million in 2004.

Status: On Aug. 13, 2003, the Indian Ministry of Health & Family Welfare (MOHFW) issued a Gazette Notification G.S.R. 656(E) amending food regulations prohibiting the sale of fresh fruits and vegetables coated with waxes, mineral oils, and colors. Although this amendment has not been enforced, it threatens U.S. apple, pear, and other horticultural exports to India.

The U.S. industry uses coatings of carnauba wax and shellac to maintain the quality and shelf life of fresh horticultural products. Due to the lengthy time required for U.S. produce to arrive in India, shipping uncoated fresh fruits or vegetables is not a viable alternative for the U.S. industry.

India has not authorized the use of carnauba wax and shellac on U.S. fresh fruits and vegetables despite Codex Alimentarius Commission (Codex) agreements on the safety of these products and numerous requests for approval by the United States. The United States continues to press India to remove this requirement from the food standard regulations.

Country: Japan
Commodity: Apples
Barrier: Phytosanitary Restriction

Issue: Japan imposes overly restrictive mitigation measures for fire blight (bacteria) that prohibit U.S. apple imports.

Status: After years of negotiating with Japan to modify restrictive import measures for U.S. apples, the United States initiated WTO dispute settlement procedures against Japan in March 2002. The WTO panel and subsequent Appellate Body rulings in 2004 agreed with the United States' central position that commercially packed (mature, symptomless) apples is not a vector for transmission of the bacterium that causes fire blight and therefore, Japan's import measures are unjustified under the WTO Sanitary-Phytosanitary (SPS) Agreement.

In January 2004, Japan announced that it would comply with the WTO Appellate Body ruling. Subsequently, Japan and the United States submitted to the Dispute Settlement Body (DSB) of the WTO an agreement to an implementation period and phase-out of existing import restrictions for apples by June 30, 2004.

In three bilateral meetings leading up to the June 2004 deadline, Japan failed to submit proposals to the United States that significantly eliminated import measures that the WTO ruled to be in violation of the SPS Agreement.

In July 2004, the United States requested the WTO to convene a dispute settlement compliance panel to determine if Japan's revised import measures for U.S. apples were in compliance with the SPS Agreement. The United States also requested authorization from the WTO to suspend trade concessions on Japanese products if the panel rules in favor of the United States. In that request, the United States proposes to increase tariffs on Japanese products with an annual trade value of up to \$143.4 million, which is the approximate amount of annual harm to the U.S. economy caused by Japan's measure on U.S. apples.

A final report of the WTO compliance panel ruling is schedule to be released in June 2005. If the WTO rules in favor of the United States, Japan will be required to come into compliance with the panel's finding or the United States will be allowed to suspend trade concessions on imports from Japan following arbitration proceedings on the amount of damages.

Country: South Africa
Commodity: Apples
Barrier: Phytosanitary Ban

Issue: South Africa prohibits imports of apples produced in the Pacific Northwest and California due to concerns regarding fire blight (bacteria) and brown rot.

Status: APHIS requested access for U.S. apples into South Africa in the late 1990s. The National Department of Agriculture (NDA) of South Africa has denied access due to concerns that fire blight may be transmitted to South Africa's domestic crops if import restrictions are removed for U.S. apples. NDA has not provided APHIS with scientific evidence that would justify excluding apple exports due to fire blight.

APHIS maintains that commercially packed apples (mature, symptomless) are not a vector for transmission of the bacterium that causes fire blight. The December 10, 2003, WTO ruling supporting that Japan's quarantine measures for fire blight imposed on U.S. apples were maintained without scientific justification will provide the basis for requesting NDA to remove fire blight as a quarantine concern.

NDA has also indicated that brown rot is of quarantine concern, although it is primarily a pest of stone fruit, not apples. NDA has proposed to APHIS various mitigation measures that would unnecessarily hamper apple exports if implemented. APHIS continues to engage NDA on these issues in order to reach an agreement that would allow exports of U.S. apples to South Africa. In light of the WTO ruling, APHIS will soon submit a comprehensive technical package to NDA to support/facilitate a timely, risk-based decision.

Note: See Section titled "Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations" of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: Taiwan
Commodity: Apples
Barrier: Phytosanitary Restriction

Issue: Taiwan law prohibits fumigation at ports-of-entry as a least-restrictive option for shipments in which pests are intercepted. This law negatively impacts U.S. apple imports.

Status: In accordance with the technical agreement (work plan), Taiwan suspended U.S. apple shipments on Dec. 21, 2004, after detecting a third codling moth in U.S. apple imports during the 2004-05 shipping season. APHIS and the U.S. apple industry strengthened inspection measures to allow the market to be reopened. USDA negotiated acceptance of these terms by Taiwan's Bureau of Plant Health Inspection and Quarantine (BAPHIQ) in February 2005. Following a March 2005 site visit by Taiwan officials, the United States anticipated a timely reinstatement of the program. Taiwan reinstated the export program on April 26, 2005. The SPS bilateral technical talks are scheduled for June 2005 and APHIS will focus on the need to renegotiate the current apple export work plan for the 2005-06 shipping season at that time to alleviate undue restrictions.

The U.S. apple industry would like Taiwan to adopt a risk-based approach to manage the presence of quarantine pests in U.S. apple shipments that would allow for the use of methyl bromide upon the detection of a codling moth at the ports of entry. However, Taiwan law prohibits this option. BAPHIQ has shown little interest in renegotiating the apple work plan to allow fumigation in Taiwan for codling moth detections. Although fumigation is a viable and proven means of providing phytosanitary protection, BAPHIQ insists that non-compliant shipments of U.S. apples be rejected or destroyed. In contrast, APHIS maintains that fumigation, as a quarantine measure of last resort, would be less trade-restrictive, and provide Taiwan with an appropriate level of phytosanitary protection, as outlined in the SPS Agreement.

Taiwan has imported U.S. apples for over 30 years. Taiwan is the third-largest market for U.S. apples, after Canada and Mexico, in marketing year 2003/04 with shipments valued at nearly \$32 million, representing 10 percent of total U.S. apple exports.

Country: Mexico
Commodity: Avocados
Barrier: Phytosanitary Restriction

Issue: Mexico has not granted expansion of the California avocado market beyond two ports (Tijuana and Mexicali), which has limited trade.

Status: APHIS expects the conclusion of this issue during the 2005 California avocado shipping season. APHIS is awaiting the conclusion of the Mexican pest risk assessment associated with the market expansion request and will then meet to negotiate specific entry conditions.

Country: Australia
Commodity: Cherries
Barrier: Phytosanitary Restriction

Issue: Australia restricts access of U.S. cherries to areas outside Western Australia due to phytosanitary concerns.

Status: After shipping cherries from California and the Pacific Northwest States to mainland Australia for several years, the United States requested access in January 2004 for U.S. cherries to Western Australia. During the January 2004 technical bilateral meeting, Biosecurity Australia (BA) offered to facilitate the U.S. request with Western Australia. However, little progress was made. At the April 2005 technical meeting, APHIS reiterated its request, noting that U.S. cherries are exported to New Zealand, Tasmania, and South Australia, areas that already export cherries to Western Australia.

Country: Israel
Commodity: Cherries
Barrier: Phytosanitary Ban

Issue: Israel prohibits U.S. sweet cherry imports due to phytosanitary concerns.

Status: APHIS submitted a list of pests associated with the Pacific Northwest and California to allow Israel to initiate a pest risk assessment (PRA). The PRA will be conducted by Israel to determine which pests are of quarantine concern. Once the PRA is complete, APHIS will review the PRA and propose mitigation measures. Note: Israel imposes bound-duty rates of over 80 percent on sweet cherry imports.

Country: Japan
Commodity: Cherries
Barrier: Phytosanitary Restriction

Issue: Japan requires methyl bromide fumigation of U.S. sweet cherry imports for codling moth.

Status: U.S. sweet cherries are a very poor host of codling moth. Methyl bromide fumigation is an unnecessarily stringent and costly mitigation. APHIS is working with the Ministry of Agriculture, Forestry, and Fisheries (MAFF) of Japan to develop mitigation measures that are more appropriate to the risk presented by codling moth on U.S. sweet cherry exports. The United States has shipped sweet cherries to Japan for over 25 years with few incidents of codling moth detections. APHIS demonstrated that the risk of codling moth presented by unfumigated cherries to Japan is less than the risk of codling moth presented by fumigated walnuts, which currently have access to Japan. As such, APHIS has worked to remove the fumigation requirements for sweet cherries since the late 1990s but has made little progress with Japan on this issue until recently.

After a number of meetings from 2001 to 2003, APHIS presented a systems approach proposal for pests of sweet cherries to MAFF in 2004. MAFF recognized this approach as a viable alternative to fumigation. In January 2005, USDA and MAFF technical teams met to discuss the proposal in detail. In March 2005, a Japanese delegation visited California cherry orchards to discuss issues and next steps for moving forward with the systems approach proposal. U.S. sweet cherry exports to Japan in 2004 were approximately \$83.5 million.

Country: Mexico
Commodity: Cherries
Barrier: Phytosanitary Restriction (*Resolved*)*

Issue: Mexico requires costly and lengthy inspection measures for the importation of U.S. cherries.

Status: Mexico requires a high degree of fruit inspection and cutting for U.S. sweet cherries and imposed stiff penalties for growers whose shipments were rejected due to pest finds. These restrictive import measures were implemented to address quarantine concerns associated with apple maggot and plum curculio. During the February 2004 technical bilateral meeting, APHIS and Mexico were at an impasse and a work plan was not approved because of Mexico's proposal to double the inspection and cutting levels for the 2004 shipping season. However, on Dec. 2, 2004, APHIS negotiated a 75-percent reduction in inspection and cutting levels and eliminated grower sanctions. In 2004, U.S. cherry exports to Mexico dropped to \$93,000, from \$1.1 million in 2003.

***This trade issue was resolved during the first 7 months of fiscal year 2005 and included in this portion of the report to account for APHIS Accomplishments during this period.**

Country: South Africa
Commodity: Cherries
Barrier: Phytosanitary Ban

Issue: Sweet cherries produced in California and the Pacific Northwest are prohibited from entering South Africa due to phytosanitary concerns.

Status: Due to concerns regarding mites and various other pests, South Africa precludes imports of sweet cherries produced in California and the Pacific Northwest. South Africa has proposed that production areas must be free from various pests, a high sampling rate, and a May to October shipping period as market access conditions for sweet cherries. These import conditions are not feasible for the U.S. cherry industry. APHIS continues to negotiate with South Africa to gain more favorable market access conditions.

Country: Argentina
Commodity: Citrus (Florida)
Barrier: Phytosanitary Ban

Issue: Argentina prohibits entry of citrus from Florida due to concerns over citrus canker and Caribbean fruit fly.

Status: On June 18, 2001, Argentine officials representing Servicio Nacional de Sanidad y Calidad Agroalimentaria (SENASA) signed a work plan allowing the importation of Florida citrus. Argentina agreed to allow imports of citrus under the condition that shipments were certified free from quarantine pests and soil. The publication of the resolution that would have lifted the prohibition was contingent upon SENASA officials completing a site visit to Florida. On Sep. 29, 2001, the U.S. regulation approving the entry of Argentine citrus into the United States was remanded and the site visit was canceled. SENASA subsequently declined to reschedule the site visit.

During 2003, discussions between APHIS and SENASA regarding market access for Florida citrus to Argentina were renewed. APHIS provided updated information on Florida citrus canker and Caribbean fruit fly control programs to SENASA. SENASA is reviewing the 2001 operational work plan to determine if modifications are necessary. SENASA has not indicated if a site visit will be needed.

In December 2004, Argentina requested a list of information from APHIS required to open the market to Florida citrus. APHIS is in the process of compiling this material.

Country: Australia
Commodity: Citrus (Florida)
Barrier: Phytosanitary Ban

Issue: Australia prohibits citrus from Florida due to various phytosanitary concerns.

Status: In July 2003, Biosecurity Australia (BA) released a draft import risk analysis (IRA) for Florida citrus, identifying 17 arthropods and three pathogens of quarantine concern associated with the importation of Florida citrus. In the draft IRA, BA proposed overly restrictive measures to manage field and post-harvest treatments for post-bloom fruit drop (PFD).

APHIS does not believe the proposed orchard measures for PFD are justified and requested that BA not finalize the IRA until this issue could be resolved. During 2004, APHIS and the State of Florida worked with BA in this regard; however, outstanding issues remained. Following the 2004 national elections in Australia, BA was mandated to reissue five IRAs, including the IRA for Florida citrus. During the April 2005 technical bilateral, APHIS provided new data regarding PFD to further support the U.S. position and requested BA to review the data during the mandated review of the Florida citrus IRA.

This issue has been placed on the agenda of the Working Group on Animal and Plant Health Measures established by the U.S.-Australia Free Trade Agreement.

Country: Japan
Commodity: Citrus
Barrier: Phytosanitary Restriction (*Resolved*)*

Issue: Japan requires unnecessary fumigation of U.S. citrus for pests that are present in Japan and are not officially controlled.

Status: Historically, Japan has rejected or fumigated U.S. citrus shipments with either methyl bromide or hydrogen cyanide gas for pests that are present in Japan and not under official control. Japan is an important export market for U.S. citrus, valued at more than \$200 million annually. Fumigation of U.S. citrus under these conditions unnecessarily increases costs for U.S. shippers, needlessly reduces product quality, and is inconsistent with International Plant Protection Convention (IPPC) definitions and guidelines. IPPC guidelines state that an importing country may not take action at the border for pests that are present domestically unless the importing country is actively eradicating or containing the pests. In contrast, Japan has considered its voluntary grower management of these pests as the equivalent of official control.

Recently, the USDA has made some progress with Japan, which has agreed that its voluntary grower management program does not meet the criteria for official control. In April 2005, Japan added three citrus pests (Fuller Rose Beetle, California and Florida Red Scale) to the non-quarantine list, eliminating mandatory fumigation for citrus.

*This trade issue was resolved during the first 7 months of fiscal year 2005 and included in this portion of the report to account for APHIS Accomplishments during this period.

Country: Korea
Commodity: Citrus (California)
Barrier: Phytosanitary Ban (*Resolved*)*

Issue: In 2004, Korea's National Plant Quarantine Service (NPQS) suspended Fresno and Tulare counties in California for interceptions of *Septoria citri* (fungus), a quarantine pest.

Status: APHIS negotiated an agreement on mitigation measures in November 2004 reinstating California oranges from Tulare and Fresno counties. Trade resumed in December 2004. Korea suspended California orange shipments from Tulare and Fresno counties in April 2004, due to repeated detections of *Septoria citri*, a quarantine fungus. The agreement called for mitigation measures including latency testing and on-site monitoring of orange groves by Korean inspectors. The agreement is to remain in place for 2 years and allows for review after the first year.

Korea is a significant market for California oranges. During calendar year 2004, U.S. exports of oranges to Korea amounted to approximately \$89 million.

***This trade issue was resolved during the first 7 months of fiscal year 2005 and included in this portion of the report to account for APHIS Accomplishments during this period.**

Country: Japan
Commodity: Figs (California)
Barrier: Food Safety Restriction

Issue: Japan does not permit the importation of dried figs treated with sorbic acid or potassium sorbate. Sorbic acid is a harmless substance that can be metabolized by humans and is used as an anti-microbial agent to retard the growth of common yeast and molds on baked goods, processed foods, and dried fruit.

Status: In 2003, Japan's Ministry of Health, Labor, and Welfare (MHLW) requested information and any detailed studies that relate to the use of potassium sorbate on figs. As a result, the Californian fig industry (CFI) conducted a comprehensive study that was completed at the beginning of 2005. CFI is currently working with a consultant to present the findings of the study to MHLW to gain approval for the use of potassium sorbate on figs.

The need for such approval is to permit the shipment to Japan of Mission figs with a moisture content of 26-30 percent as sold in the United States. Presently, only low moisture figs, 23 percent or less without sorbate treatment, can be shipped to Japan. CFI is aware that much of the imported figs undergo further processing in Japan to increase the moisture to the 26-30 percent range before being treated with potassium sorbate. Unfortunately, the secondary processing lowers the quality of the figs. High-moisture figs have better mouth feel, longer shelf life and are much more tender than low-moisture figs. Low-moisture figs form sugar crystals quickly that give the appearance of surface mold.

Note: See Section titled “Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations” of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: Australia
Commodity: Grapes (California)
Barrier: Phytosanitary Restriction

Issue: Overly restrictive safeguard measures imposed by Australia have hampered shipments of California table grapes.

Status: In 2002, Australia authorized imports of California table grapes provided shipments were fumigated prior to export. The fumigation requirement is to prevent the introduction of Pierce's disease by controlling the vector, the Glassy-Winged Sharpshooter (GWSS). The requirement for pre-departure fumigation significantly lowers the quality and shelf life of grapes. After the 2003 shipping season, APHIS negotiated on-arrival fumigation for U.S. grape shipments. However, Australia imposed costly containment measures which significantly hampered U.S. grape exports.

In 2004, APHIS negotiated a pilot program with a sunset agreement for the containment measures. During the pilot program, no GWSS, dead or alive, were found in any of the shipments fumigated in Australia or in the more than 375,000 boxes of grapes exported to Australia during the 2004 shipping season. Citing the results of this trial, APHIS requested Australia to remove the costly containment regime in October 2004.

This matter has also been included on the agenda of the Working Group on Animal and Plant Health Measures established under the U.S.-Australia Free Trade Agreement, and was also discussed at April 2005 bilateral plant health meetings. During the bilateral, Australia agreed to remove the containment requirement and is expected to issue a policy memo eliminating this restrictive measures from import procedures for California table grapes in time for the 2005 shipping season.

Note: See Section titled "Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations" of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: European Union
Commodity: Horticultural Products (Cherries, Apples, and Pears)
Barrier: Phytosanitary Restriction

Issue: The European Union (EU) started to enforce a longstanding Plant Health Directive on Jan. 1, 2005, requiring all Member States to impose 100-percent inspection rates for imports of fruits and vegetables that have not qualified for reduced inspection levels. The imposition of 100-percent inspection may cause significant delays, which could hamper trade to the United Kingdom (U.K.) for low-risk highly perishable products such as U.S. cherries, apples, and pears. The United States has secured a delay in the U.K.'s implementation of the Directive to U.S. products.

Status: The intent of the Plant Health Directive is to prevent the introduction and spread of pests and diseases from plants and plant products (primarily fruit) within the EU. The directive provides provisions for inspection rates lower than 100 percent if Member States have collected and compiled sufficient inspection data in previous years (600 inspections over a 3-year period) that justify a product to be of little phytosanitary risk (less than 1-percent interceptions).

U.S. apple, cherry, and pear imports have not qualified for these reduced inspection levels because the EU has not traditionally inspected these commodities at the level that meets the criteria described above, therefore there is little inspection data available to support lower inspections under the Plant Health Directive. The vast majority of U.S. cherries and apples shipped to the EU are imported by the U.K. Traditionally the U.K.'s Department of Environmental Food and Rural Affairs (DEFRA) has not subjected U.S. apples and cherries to extensive inspections because such products pose minimal risk. Yet, competitors' (e.g., China, Brazil, and South Africa) products that are likely to present a higher phytosanitary risk to the EU have qualified for lower inspection rates (10-50 percent) because inspection data was collected for these imports.

The U.S. horticultural industry expressed grave concerns to the European Commission (EC), DEFRA, and the USDA about the potential transportation delays and excessive exposure to summer heat that U.S. product may experience due to these overly restrictive inspection requirements. USDA and USTR raised this issue during the March 2005 WTO SPS committee meeting because the import provisions are unjustifiably trade disruptive. In addition, FAS and U.S. horticultural industry officials met with the EC March 9, 2005, to discuss such concerns. However, EC officials did not provide any assurances that U.S. horticultural trade would be subjected to lower inspection rates.

Recently, DEFRA has agreed to delay full implementation of the directive until Fall 2005. During the interim, DEFRA and other Member States are compiling pest-risk data for U.S. apples, cherries, and pears, which will be submitted to the EC to justify lower inspection rates.

During 2004, U.S. apple and sweet cherry exports to the EU totaled about \$47 million, of which \$37 million was shipped to the U.K.

Country: Korea
Commodity: Horticultural Products
Barrier: Food Safety Restrictions

Issue: Korea implemented a trade-restrictive import inspection program, SPS 123, in August 2003, that requires excessive and costly maximum residue level (MRL) testing.

Status: Under the new import regime, traders of fresh produce are to have each category of their products (on a packing-house basis) tested annually. All products are subject to additional tests, as standards are revised within these periods. Korea maintains that the new testing regime assures consumers of the safety of imported food. However, the repetition of such tests is trade-restrictive and does not necessarily increase the safety of food products. Moreover, horticultural products produced in Korea are subject to only a random testing program funded by the government. In contrast, Korea imposes a \$500 test fee on imports that is paid by the importer.

The United States continues to press Korea on SPS 123 in the WTO SPS committee and during bilateral trade discussions to apply national treatment to its import inspection program by reducing the testing fee and eliminating testing of food without justification.

Country: Thailand
Commodity: Horticultural Products (Potatoes, Cherries and Apples)
Barrier: Food Safety Restriction

Issue: Thailand proposed the implementation of burdensome certification and testing requirements for certain food imports including potatoes, cherries, and apples.

Status: On Sep. 20, 2004, Thailand announced new regulations (Ministerial Rule No. 11) requiring a certificate of analysis for imports of potatoes, cherries, and apples that became effective Jan. 1, 2005. The certificate would verify compliance with pesticide residue levels established in the regulation. The regulation in some cases is unnecessarily costly, requiring residue testing for three chemicals that are not in use on fruits in the United States. One aspect of the regulations requires every lot to be tested and declared free of certain pesticides and microorganisms.

Thailand has issued 90-day delays in implementation twice (Dec. 28, 2004 and March 29, 2005) at the urging of the United States and other trading partners. The current delay expires June 30, 2005. USDA and USTR are assessing appropriate next steps including the need for further engagement with Thai officials following the March 2005 Free Trade Agreement discussions to resolve this issue definitively.

Country: Canada
Commodity: Nursery/Cut Flowers (California Roses)
Barrier: Phytosanitary Ban (*Resolved*)*

Issue: Canada banned imports of California cut roses and rosebushes due to concerns regarding Sudden Oak Death Syndrome.

Status: In Spring 2004, Canada began to prohibit California cut flowers and nursery stock due to concerns about *Phytophthora ramorum*, the causative organism of Sudden Oak Death Syndrome. California cut roses and rosebushes were acutely impacted by the prohibition. In November 2004, APHIS negotiated the elimination of the restrictions and Canada lifted the prohibition in January 2005.

***This trade issue was resolved during the first 7 months of fiscal year 2005 and included in this portion of the report to account for APHIS Accomplishments during this period.**

Country: Japan
Commodity: Papayas
Barrier: Technical Barrier

Issue: The Ministry of Health, Labor, and Welfare (MHLW) of Japan currently prohibits imports of biotech papayas.

Status: In 1998, the Hawaii Papaya Industry Association (HPIA) submitted an application for ringspot-resistant biotech papaya to the government of Japan for regulatory review. Over the course of the last seven years, the biotech papaya has undergone significant risk assessment studies and, on two separate occasions, U.S. papaya scientists have been requested by MHLW to provide additional data in response to questions raised by the government of Japan.

The most recent data request was made in July 2003, at the time of Japan's official establishment of the Food Safety Commission (FSC), a new Ministry with food safety regulatory responsibilities. U.S. papaya scientists spent the subsequent year and a half developing data to address Japan's concerns. The data were submitted to Japan in December 2004. HPIA expects the data to fully address Japan's concerns, and that Japan will provide favorable consideration for food safety approval in a formal response to HPIA in early 2005. It is expected that if the data meets the approval of MHLW, it will be sent to the FSC for review in mid-May 2005.

In 2000, MAFF granted environmental approval to biotech papaya under Japan's voluntary environmental approval system. However, regulatory changes associated with Japan's ratification of the Biosafety Protocol in November 2003 transformed the previous voluntary environmental review into a mandatory review system. In August 2004, at the end of the grace period for re-submission of previously approved products, HPIA submitted the biotech papaya data package for the mandatory environmental review. HPIA understands that an evaluation committee convened by MAFF will review the environmental package.

Country: Korea
Commodity: Pomegranates (California)
Barrier: Phytosanitary Ban

Issue: Korea prohibits imports of U.S pomegranates due to phytosanitary concerns.

Status: In September 2001, the U.S. Pomegranate Council requested that APHIS pursue market access for pomegranates into Korea. A request for market access with the pest list was sent to Korea in May 2002. APHIS is currently reviewing the pest risk analysis (PRA) received from Korea to identify appropriate mitigation measures.

Country: Brazil
Commodity: Potatoes (Seed)
Barrier: Phytosanitary Ban

Issue: Brazil maintains an import ban on U.S. seed potatoes due to phytosanitary concerns.

Status: The U.S. seed potato industry requested market access to Brazil in 2000. Brazil is currently completing a pest risk assessment to determine the import requirements for U.S. seed potatoes. In a letter dated June 3, 2004, APHIS commented on Brazil's proposed import requirements for U.S. seed potatoes. In November 2004, a technical team from Brazil traveled to Minnesota, North Dakota, and Idaho, to observe production areas and seed potato certification programs. The trip provided an opportunity for the team to corroborate information provided by APHIS in support of addressing Brazil's phytosanitary concerns. During the December 2004 technical plant health meeting, Brazil stated that most outstanding issues regarding seed potatoes have been resolved. APHIS is expecting that Brazil will soon provide updated import requirements for U.S. seed potatoes.

Note: See Section titled "Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations" of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: Canada
Commodity: Potatoes
Barrier: Technical Barrier

Issue: Canadian regulations require that fruits and vegetables in bulk containers cannot be imported without a Ministerial Exemption or waiver issued by Canada. Waivers are only granted when fruit and vegetable supplies are deemed insufficient to meet domestic demand. The U.S. horticultural industry is concerned that Canada's bulk easement procedures restrict U.S. exports to Canada. Although this issue affects many fruits and vegetables, the National Potato Council (NPC) approached the U.S. government in 2003 to negotiate the elimination of the bulk-container restrictions.

Status: USTR requested consultations with Canada on its bulk restrictions in December 2003 and held initial discussions in March 2004. Canada held required consultations with its stakeholders during the summer, and the United States held two rounds of negotiations with Canada on October 22 and November 9, 2004, with another round currently being scheduled.

In 2004, U.S. potato exports to Canada were \$50.5 million, 31 percent less than in 2003.

Country: China
Commodity: Potatoes (Table Stock)
Barrier: Phytosanitary Ban

Issue: China maintains a phytosanitary ban on fresh table stock potatoes produced in the Pacific Northwest (PNW) and Alaska.

Status: Although APHIS has provided China's General Administration for Quality Supervision, Inspection, and Quarantine (AQSIQ) pest data, control methods, and quarantine regulations for PNW and Alaska table stock potatoes, China has not completed a pest risk assessment (PRA) on which market access would be based.

In July 2001, a Chinese technical delegation traveled to Idaho, Oregon, and Washington to observe table stock production areas and packing facilities. The delegation was provided an overview of all aspects of the U.S. potato industry from planting, growing, and harvesting, to packing and shipping. In addition, the delegation received data on potato pests, mitigation measures, pesticide use, sprout inhibitors, and the phytosanitary inspection and certification process that would allow scientists in China to conduct the PRAs.

In July 2003, AQSIQ informed APHIS that the PRAs have been initiated for U.S. fresh table stock potatoes. In August 2003, APHIS also provided AQSIQ with a draft export protocol for PNW table stock potatoes that set out the mitigation processes to address China's phytosanitary concerns.

During the September 2003 technical bilateral meetings, China agreed to make immediate progress in completing PRAs for PNW and Alaska table stock potatoes. The PRAs would provide a basis for negotiating a market access agreement with China. In an October 8, 2004, letter APHIS resubmitted pest and sprout inhibitor data previously submitted to AQSIQ. During the December 2004 plant health bilateral meeting, China could not provide any information regarding progress on the PRAs. APHIS continues to press China to complete the PRAs.

Country: Japan
Commodity: Potatoes
Barrier: Phytosanitary Ban

Issue: Japan maintains a phytosanitary ban on imports of U.S. potatoes.

Status: All potatoes are either prohibited entry into Japan or are subject to post-entry quarantine measures that serve as a *de facto* prohibition. In 2003, in an effort to resolve disagreements over Japan's phytosanitary concerns, the U.S. industry proposed a procedure that would allow potatoes to be shipped to chipping plants in Japan under safeguarding measures to prevent the introduction of potential pests. Official negotiations between USDA and Japan on the chipping potato protocol began in August 2004.

During the November 2004 plant health bilateral meeting with USDA, Japan committed to initiating stakeholder consultations on this issue. Since that time, the USDA and the Ministry of Agriculture, Forestry, and Fisheries (MAFF) have communicated frequently on issues related to the proposed chipping potato protocol. MAFF and USDA met in April 2005 to discuss the terms and conditions of the protocol. As this issue moves to conclusion, the U.S. potato industry has proposed a site visit for MAFF officials to observe U.S. potato production areas during mid 2005. The U.S. potato industry is hopeful that Japan will approve a protocol for chipping potato exports before the 2006 shipping season.

Note: See Section titled "Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations" of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: Mexico
Commodity: Potatoes
Barrier: Phytosanitary Restriction

Issue: Mexico has not allowed the market to expand from the current 26-kilometer border zone limit to the six northern states, despite a 2003 agreement to do so.

Status: U.S. potato exports to Mexico resumed in 2003 but were limited to within 26 kilometers of the U.S. border during the first year. APHIS is currently working with Mexico to ensure that market access to the Northern States of Mexico is granted. Mexico is second to Canada as the largest export market for U.S. fresh potatoes. In 2004, U.S. fresh potato exports to Mexico reached \$9.4 million, up from \$7.8 million and \$1.7 million in 2003 and 2002, respectively.

Country: Taiwan
Commodity: Potatoes (Montana)
Barrier: Phytosanitary Ban

Issue: Taiwan's phytosanitary restrictions prevent imports of U.S. table stock and seed potatoes produced in Montana.

Status: APHIS has been seeking access for Montana-origin seed and table stock potatoes since 1995. In 2003 Taiwan requested additional pest information from APHIS to complete a pest risk assessment (PRA). APHIS has submitted the pest information to Taiwan and reiterated a desire for a quick resolution to this issue. To date, the PRA for Montana-origin potatoes has not been authorized by Taiwan. APHIS will discuss the status of the market access request during the June 2005 technical bilateral meeting.

Taiwan currently authorizes imports of U.S. table stock potatoes from California, Idaho, Oregon, and Washington.

Country: Venezuela
Commodity: Potatoes
Barrier: Phytosanitary Restriction

Issue: Venezuela maintains phytosanitary restrictions on imports of U.S. table stock and seed potatoes.

Status: Venezuela requires that a pest risk assessment (PRA) be completed before import requirements for seed and table stock potatoes may be established. APHIS has submitted the necessary data and a draft protocol to Venezuela for the initiation of the PRA. Following completion of the PRA, Venezuela will consider implementing a work plan to facilitate the import of U.S. seed and table stock potatoes.

Note: See Section titled "Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations" of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: Australia
Commodity: Raspberries
Barrier: Phytosanitary Ban

Issue: Australia prohibits importation of U.S. raspberries due to phytosanitary concerns.

Status: At the January 2004 technical bilateral meeting, APHIS requested market access for California raspberries, and provided a full pest information package to Biosecurity Australia (BA). BA informed APHIS that its request for access of U.S. raspberries would be initiated after completion of other U.S. priority access requests, namely Florida citrus and U.S. stone fruit.

Country: Australia
Commodity: Stone Fruit
Barrier: Phytosanitary Ban

Issue: Australia has not initiated the import risk assessment (IRA) required to allow entry of U.S. stone fruit (peaches, nectarines, plums, and apricots).

Status: During Free Trade Agreement (FTA) discussions with the United States and in a plant health bilateral meeting with APHIS in January 2004, Australia agreed to authorize the initiation of an IRA in July 2004. However, Australia later informed USDA that, as a result of the 2004 national elections and the resultant organizational restructuring of Biosecurity Australia (BA) the IRA was not initiated in 2004. During the April 2005 plant health bilateral meeting, BA was positive about initiating the IRA in 2005.

APHIS requested Australia to initiate an IRA for U.S. stone fruit produced in California, Washington, Oregon, and Idaho in 1993. In 1994, APHIS submitted information regarding pests found in the proposed exporting area required by Australia to complete the IRA. In May 2002, APHIS resubmitted the pest list data to Australia to initiate the IRA. This issue has been on the agenda of plant health bilateral meetings since 1994, and the subject of intense correspondence between APHIS and BA. This issue is also on the agenda of the Working Group for Animal and Plant Health Measures established under the U.S.-Australia FTA.

Country: China
Commodity: Stone Fruit (Plums and Nectarines from California)
Barrier: Phytosanitary Ban

Issue: China prohibits the importation of U.S. plums and nectarines produced in California due to quarantine concerns relating to the bacterial disease, fire blight.

Status: APHIS has been engaged in discussions with the plant health officials in China regarding market access for U.S.-origin plums from California since 1994. Despite the efforts of APHIS to supply all necessary scientific information, China has expressed continued concern regarding the host status of U.S.-origin plums (and other varieties of stone fruit) for fire blight. In September 2002, a Chinese scientific delegation visited U.S. stone fruit research facilities and commercial orchards to collect scientific data regarding the pest and disease status of U.S. stone fruit and review pest mitigation practices used in commercial orchards. Leaders of the Chinese delegation indicated that information collected would be used to finalize a pest risk assessment for U.S.-origin stone fruit.

In December 2004, at the annual U.S.-China Plant Health Bilateral Meeting, China informed APHIS that sufficient scientific information had been received and that a favorable decision regarding the U.S. market access request should be expected mid 2005. In January 2005, APHIS subsequently received a letter from China reiterating concerns that plums are a host for fire blight. During a March 2005 meeting, APHIS again pressed China on this issue. China reiterated its prioritization of market access for U.S. plums and agreed to review its letter of January 2005.

Country: Mexico
Commodity: Stone Fruit
Barrier: Phytosanitary Restriction

Issue: U.S. stone fruit exports to Mexico are increasingly hampered due to restrictive and costly import requirements under the systems approach program.

Status: A systems approach work plan for the 2005 season was agreed to by APHIS and Mexico in December 2004. APHIS negotiated reduced measures and lower penalties for pest interceptions in addition to lower inspection and cullage rates from the previous work plan. On April 11, 2005, APHIS and Mexico signed the work plan for U.S. stone fruit to Mexico.

Since the Mexican market for U.S. stone fruit under a systems approach opened in 1999, Mexico has imposed increasingly restrictive requirements on an almost yearly basis. In 2003, Mexico added 14 new pests to the work plan, many of which APHIS believes are present in Mexico and are not under official control. Mexico also strengthened the penalties associated with the interception of these pests to a level that significantly hampered exports. This situation prevented agreement of a systems approach work plan for the 2004 shipping season, and only authorized imports of fumigated U.S. stone fruit (apricots, nectarines, peaches, and plums) into Mexico.

During the December 2004 technical bilateral meeting, APHIS negotiated a stone fruit work plan for the 2005 shipping season that dramatically reduces the penalties associated with intercepted pests. To resolve the pest status issue, APHIS and Mexico agreed to make use of the North American Plant Protection Organization (NAPPO) dispute settlement process to resolve a long-standing disagreement about whether certain pests of stone fruit, that Mexico treats as quarantine pests, are actually present in Mexico. The terms of reference for the NAPPO stone fruit pest dispute has been agreed to by both parties and an independent expert has been selected to review the case. The expert's report and recommendations are expected to be issued in 2005.

Mexico is an important market to the U.S. stone fruit industry. Stone fruit exports to Mexico were valued at \$15.5 million for 2004, down from \$22.6 million in 2003. The drop in stone fruit exports to Mexico in 2004 is primarily due to the absence of an agreement on the systems approach work plan.

Note: See Section titled "Technical Assistance for Specialty Crops Fiscal Year 2004 Project Summaries and Allocations" of this periodical for information on TASC projects addressing trade barriers related to this issue.

Country: Mexico
Commodity: Stone Fruit (Pacific Northwest)
Barrier: Phytosanitary Ban

Issue: Mexico prohibits access of nectarines and plums produced in the Pacific Northwest (Idaho, Oregon, and Washington) due to phytosanitary concerns.

Background: APHIS requested market access for Pacific Northwest nectarines and plums under a systems approach in July 2004. At the February 2005 technical bilateral meeting, Mexico responded to APHIS inquiry on this matter that the work plan was under review, and that further pest information would be required.

Country: Mexico
Commodity: Tomatoes (California)
Barrier: Phytosanitary Ban (*Resolved*)*

Issue: Mexico prohibited entry of U.S. tomatoes produced in Imperial Valley, California, due to concerns regarding the Pink Hibicus Mealybug (PHMB).

Status: With the discovery of PHMB in Imperial County in 1999, all Imperial County fruit and vegetable (peppers, lettuce, carrots, and melons) exports to Mexico were prohibited. In May 2004, APHIS negotiated relief for tomatoes, which would be subject now only to an export inspection for this pest. In February 2005, during the technical bilateral meeting, Mexico agreed to lift the general prohibition, and require only export inspection for the other fruit and vegetables.

***This trade issue was resolved during the first 7 months of fiscal year 2005 and included in this portion of the report to account for APHIS Accomplishments during this period.**

Country: Mexico
Commodity: Tomatoes (California)
Barrier: Phytosanitary Restriction

Issue: Mexico requires the import tolerance for stem and leaf matter not to exceed five pieces per 100 tomatoes.

Status: The intent of this standard was to limit pest and debris entering Mexico. However, the restriction on stem and leaf matter imposes a barrier to trade that prevents exports of U.S. on-the-vine tomatoes. APHIS and the California Tomato Commission continue to press Mexico to eliminate the current restriction.

Country: Japan
Commodity: Vegetables (Lettuce)
Barrier: Phytosanitary Restriction

Issue: Japan requires unnecessary fumigation of U.S. lettuce (and other vegetables including broccoli and asparagus) for pests that are present in Japan and are not officially controlled.

Status: Historically, Japan has rejected U.S. lettuce shipments or required fumigation with either methyl bromide or hydrogen cyanide gas for pests that are present in Japan and not under official control. Unnecessary fumigation increases costs for U.S. shippers, limits market access, reduces product quality, and is inconsistent with International Plant Protection Convention (IPPC) definitions and guidelines. IPPC guidelines state that an importing country may not take action at the border for pests that are present domestically unless the importing country is actively eradicating or containing the pests. In contrast, Japan has considered its voluntary domestic grower management of these pests as the equivalent of official control.

In 2004, the United States raised Japan's fumigation of U.S. lettuce and other imported horticulture products during Regulatory Reform Initiative (RRI) discussions. The RRI was established by President Bush and Prime Minister Koizumi to promote economic growth and open markets. Japan's official control policy is the first agricultural issue to be raised in this high level forum. In April 2005, a collaborative U.S./Japan workshop on harmonizing plant quarantine practices relating to official control and pest risk assessment was held. During the workshop, Japan conveyed that its past practice would no longer be considered official control. Japan noted that it will now determine whether several cosmopolitan pests of lettuce meet the criteria of quarantine pests using the IPPC guidelines.

Recently, the USDA has made progress with Japan in this regard, Japan added one pest (thrips tabaci) of lettuce to its non-quarantine list.

Country: Korea
Commodity: Walnuts (in-shell)
Barrier: Phytosanitary Ban

Issue: South Korea prohibits the importation of U.S. in-shell walnuts due to codling moth.

Status: In order to export in-shell walnuts to Korea, the National Plant Quarantine Service is seeking a 3-year pre-clearance program to ensure shipments are free from codling moth. However, U.S. walnuts are subject to significant import duties, in addition to the cost of implementing a pre-clearance program. In May 2005, the U.S. walnut industry agreed to pursue the pre-clearance program, and will work with APHIS in developing a feasible work plan.

2005 Applied Tariff Rates

Key Countries and Selected Commodities

Commodity HS # (s)	Oranges 080510	Grapefruit 080540	Lemons 80550	FCOJ 200911	OJ, nt frz 200919 *	Apples 080810	Pears 080820
Country							
NAFTA							
United States	2.1	12.3-23.9	4.5	47	14.8	0	0-0.26
Canada	0	0	0	0	0	0	0-8
Mexico	0	0	0	6.29 cents/liter /2	1.41 cents/liter /3	0 4/	0
WESTERN HEMISPHERE							
Argentina	10	10	10	14	14	10	10
Brazil	10	10	10	14	14	10	10
Chile	0	0	0	0	0	0	0
Venezuela	15	15	15	20	20	15	15
EUROPE							
European Union	3.2-16.0 5/	1.5-2.4	6.4 6/	33.6 7/	33.6 7/	4.0-11.2 8/	5-10.4 8/
MIDDLE EAST							
Israel	OQ NS0.63/kg BNM145.8%	OQ NS0.56/kg BNM145.8%	OQ NS0.69/kg BNM221.4%	0-27	0-27	OQ NS1.65/kg BNM498%	OQ NS1.84/kg BNM394.2%
Kuwait	0	0	0	5	5	0	0
Saudi Arabia	5	5	5	5	5	5	5
Turkey	60.0	60.0	60.0	75.0	75.0	67.0	67.0
AFRICA							
Egypt	22	5	5	32	32	40	40
South Africa	5	5	5	25	25	5	5
ASIA							
China	25.43	26.56	25.43	25.78	52.1	24.3	24.3-31.08
Hong Kong	0	0	0	0	0	0	0
India	30.6	25.5	30.6	30.6	30.6	51	30.6
Indonesia	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT + 10 STL	5 + 10 VAT + 10 STL	5 + 10 VAT	5 + 10 VAT
Japan	16-32 10/	10	free	25.5	25.5	17	4.8
Korea, Republic of	50	30	30	54 + 10 VAT	54 + 10 VAT	45	45
Australia	0	0	0	0	0	0	0
Malaysia	0	5	5	6	6	5	5
New Zealand	0	0	0	5.0-6.5/liter	5.0-6.5/liter	0	0
Philippines	10	7	10	7	1	7	7
Singapore	0	0	0	0	0	0	0
Taiwan	20-30*	15-30*	15-30*	21-30	22.5-30.0	20	10-25 08082020006: NT\$49/KGM
Thailand	30 CIF value or 25.00 B/kg 20/	40 CIF value or 33.50 B/kg 20/	40 CIF value or 33.50 B/kg 20/	30 CIF value or 10 B/liter + 7 VAT 20/	30 CIF value or 10 B/liter + 7 VAT 20/	10 CIF value or 3 B/kg 20/	30 CIF value or 25.00 B/kg 20/

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Note 2: Sole numbers (without further description or details) means or refers to the applied tariff in percent.

Note 3: Shaded areas represent import tariffs higher than the United States.

* 200912 Orange Juice, not frozen, of a brix value not exceeding 20 has not been separately reported in this exercise.

1/ 0.26 if entered during the period 7/1-3/31

3/ the lesser of 20 percent ad valorem or \$0.0786/liter, with import permit \$0.0462

4/ antidumping duties for U.S. Red and Golden Delicious apples of 46.58%.

5/ plus entry price during the period 12/1-5/31: max 71 EUR/ton

6/ plus entry price: max 256 EUR/ton

7/ plus 206 EUR/ton

8/ plus entry price: max 238 EUR/ton

10/ 32 during the period 12/1-5/31 and 16 during the period 6/1-11/30

9/ plus entry price: max 274 EUR/ton

20/ B = Baht, which is the Thai currency.

2005 Applied Tariff Rates Key Countries and Selected Commodities

Commodity HS # (s)	Cherries 080920	Peach/Nect 080930	Strawberry 081010	Grapes 080610	Almonds ns 080211	Almonds sh 080212
Country						
NAFTA						
United States	0	0-0.25	0.26-0.64	\$1.13-1.80/cubic meter	9.8	5.5
Canada	0-8	0-8	0-8.5	0-1.41 cents/kg	0	0
Mexico	0	0	0	0	0	0
WESTERN HEMISPHERE						
Argentina	10	10	10	10	10	10
Brazil	10	10	10	10	10	10
Chile	0	0	0	0	0	0
Venezuela	15	15	15	15	15	15
EUROPE						
European Union	12 9/	17.6 12/	11.2-12.8	11.5-17.6 13/	5.6	3.5
MIDDLE EAST						
Israel (*)	Released Apr- July: NS3.30/kg BNM72.9%; Aug. - March: NS1.55/kg BNM72.9%	OQ Apr. -Nov.: NS1.18/kg BNM 80.1%; Dec.- March: NS.75/kg BNM 80.1%	Oct. -May: NS3.78/kg BNM 84.6%; June - Sept.: NS1.22/kg BNM84.6%	OQ NS1.53/kg BNM314%	OQ NS8.10/kg BNM91.8+17%VAT	OQ NS14.40/kg BNM91.8%+17% VAT
Kuwait	0	0	0	0	5	5
Saudi Arabia	5.0	5.0	5.0	5.0	5.0	5.0
Turkey	62.0	62.0	62.0	61.0	48.0	48.0
AFRICA						
Egypt	5	5	5	40	12	12
South Africa	5	5	15	5	0	0
ASIA						
China	24.3	24.3	37.07	24.3	40.12	24.3
Hong Kong	0	0	0	0	0	0
India	30.6	30.6	30.6	30.6	Rs 35/kg*	Rs 65/kg*
Indonesia	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT
Japan	8.5	6	6	7.8 - 17 21/	free - 2.4	free - 2.4
Korea, Republic of	24	45	45	45	8	8
Australia	0	0	0	0	0	0
Malaysia	5	5	5	5	0	0
New Zealand	0	0	0	0	0	0
Philippines	7	7	15	7	3	3
Singapore	0	0	0	0	0	0
Taiwan	7.5	20	20	20	5% - 10%(NT\$4/Kgm)	2.5% - 10%(NT\$4/Kgm)
Thailand	40 CIF value or 33.50B/kg 20/	40 CIF value or 33.50B/kg 20/	40 CIF value or 33.50B/kg 20/	30 CIF value or 25.00B/kg 20/	10 CIF value or 8.50B/kg 20/	10 CIF value or 8.50B/kg 20/

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2/ 0.25 percent if entered during the period 6/1-11/30

11/ plus 0.12-0.33 EUR/kg

12/ plus entry price during the period 6/1-9/30: max 130 EUR/ton

13/ plus entry price during the period 7/21-11/20: max 96 EUR/ton

20/ B = Baht, which is the Thai currency.

21/ from 3/1-10/31: 17 percent; and 11/1-the last day in February: 7.8 percent

2005 Applied Tariff Rates

Key Countries and Selected Commodities

Commodity HS # (s)	Pistachios 080250	Walnuts 08023	Corn p/p 200580	Broccoli 070410	Lettuce 070511	Tomatoes 070200
Country						
NAFTA						
United States	0.2-0.45	8.0-16.9	5.6	2.5-14.0	0.84-6.75	2.19-3.7
Canada	0	0	0-10.5	0-4.0	0-12.5	0-4.7
Mexico	0	0	0	0	0	0
WESTERN HEMISPHERE						
Argentina	10	10	14	10	10	10
Brazil	10	10	14	10	10	10
Chile	0	0	0	0	0	0
Venezuela	15	15	20	15	15	15
EUROPE						
European Union	1.6	5.1	5.1 + 94 EUR/Ton	9.6-13.6 14/	10.4-12 15/	8.8-14.4 16/
MIDDLE EAST						
Israel	0 + 17%VAT	0+17% VAT	10.8%+NS0.86/kg g BNM45%+17% VAT	OQ NS1.08/kg BNM115.2%	0.62/kg BNM80%	OQ June-Oct.: NS0.81/kg BNM 244.8%; Nov. - May: NS1.09/kg BNM 244.8%
Kuwait	5	5	5	0	0	0
Saudi Arabia	5.0	5.0	5.0	5.0	5.0	5.0; OQ May- Aug.: 25
Turkey	48.0	48.0	75.0	25.0	25.0	54.0
AFRICA						
Egypt	12	12	32	5	5	5
South Africa	0	0	20	0	0	15
ASIA						
China	24.3	35.6-41.25	28.7	24.3	24.3	27.69
Hong Kong	0	0	0	0	0	0
India	30.6	30.6	30.6	30.6	30.6	30.6
Indonesia	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT	5 + 10 VAT
Japan	0	10	14.9 - 10 19/	3	3	3
Korea, Republic of	30	45 in-shell; 30 shelled	15 + 10 VAT	27	45	45
Australia	0	0	0	0	0	0
Malaysia	0	0	8	0	0	0
New Zealand	0	0	7	0	0	0
Philippines	3	3	15	25	25	10
Singapore	0	0	0	0	0	0
Taiwan	3	5	13-20	20	20	10
Thailand	10 CIF value or 8.50B/kg 20/	10 CIF value or 8.50B/kg 20/	30 CIF value or 25B/kg + 7 VAT 20/	40 CIF value or 4.18B/kg 20/	40 CIF value or 4.18B/kg 20/	40 CIF value or 4.18B/kg 20/

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Note 3: Shaded areas represent import tariffs higher than the United States.

14/ from 1/1-14 and 12/1 - 12/31: 96 percent of the cif value, minimum of 1.6 Eu per 100 kg/net and 4/15-11/30: 13.6 percent, minimum of 1.6 EUR per 100 kg/net

15/ from 1/1-3/31 and 12/31: 10.4 percent minimum 1.3 EUR per 100kg/gross; and 4/1-11/30: 12 percent, minimum 2 EUR per 100 kilograms

16/ plus entry price: 298 EUR/ton

17/ plus 0.25-0.45 Eur/kg

20/ B = Baht, which is the Thai currency.

2005 Applied Tariff Rates

Key Countries and Selected Commodities

Commodity	Raisins	Prunes	Wine	Potato x sd	Potato chip	Frz f/f
HS # (s)	080620	081320	22042	070190	200520	200410
Country						
NAFTA						
United States	0.29-1.89	0.98-14.0	0.37-20.06	1.5-3.1	6.4	6.4-8.0
Canada	0	0	3.74-17.2 cents/liter	0-\$4.94/metric ton	0-6	0-6
Mexico	0	0	0**	0	0	0
WESTERN HEMISPHERE						
Argentina	10	10	20	10	14	14
Brazil	10	10	20	10	14	14
Chile	0	0	6	3	3	3
Venezuela	15	15	15-20	15	20	20
EUROPE						
European Union	2.4	9.6	13.1-32 EUR per hl	9.6-13.4	14.1	17.6
MIDDLE EAST						
Israel	OQ NS6.30/kg BNM 306%+17%VAT	0813.2091 OQ NS0.90/kg BNM27%+17%VAT	OQ 10.8% BNL NS1.00/liter+17% VAT	OQ July-Apr.: NS1.59/kg BNM 207%; May- June: NS1.34/kg BNM 207%	10.8%+17% VAT	20.6%-53% 20041090 45%BNL NS2.16/kg
Kuwait	0	5	Not Allowed	0	5	5
Saudi Arabia	5.0	5.0	5.0	5.0; OQ Jan.- June.: 25	12.0	5.0
Turkey	61.0	48.0	120.0	25.0	50-75	25-75
AFRICA						
Egypt	40	22	1800	5	32	32
South Africa	10 (full duty less 4.6)	10 (full duty less 6.6)	25 (excise&customs rebates)	0.44 c/kg	20	20
ASIA						
China	24.3	41.25	33.38-40.4	27.69	34.55	32.21
Hong Kong	0	0	80	0	0	0
India	100*	25.5	See note B	30.6	30.6	30.6
Indonesia	5 + 10 VAT	5 + 10 VAT	90 or 170 + 10 VAT + 40 or 75 STL	25	5 + 10 VAT	5 + 10 VAT
Japan	1.2	2.4	15	4.3	13.6	8.5
Korea, Republic of	21 + 10 VAT	18 (Dried)	15 + 10 VAT	IQ-30 OQ-304	20 + 10 VAT	18 + 10 VAT
Australia	0	0	0	0	0	0
Malaysia	5	5	RM7/liter + EXT RM 8/liter	0	0	0
New Zealand	0	0	7	0	5	5
Philippines	3	7	7	IQ-40 OQ-40	7	10
Singapore	0	0	EXT S\$9.50 per liter	0	0	0
Taiwan	NT\$2/kg	6.6	10	20	12.5 -18	12.5-18
Thailand	30 CIF value or 25B/kg 20/	40 CIF value or 33.50B/kg 20/	54 CIF value or 18.00B/liter + 60 EXT + 10 Municiple Tax + 2 Health Tax + 7 VAT 20/	OQ, 125 CIF value	30 CIF value or 25B/kg + 7 VAT 20/	30 CIF value or 25.0B/kg + 7 VAT 20/

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18/ plus minimum 25 EUR/hl

19/ plus maximum 0.09 EUR/kg

20/ B = Baht, which is the Thai currency

India notes Note A: In July 2004, an education cess of 2% of the total custom duty (basic duty + CVD) imposed. However, items with * mark are exempted from the education cess. Note B: Total applicable duty on wine ranges from 143 to 255 percent on advalorem value that includes

/1: Basic Duty applicable on CIF value of the good = 100 percent

/2 : Countervailing Duty (CVD): applied on the CIF Value plus Basic Duty: 75% for CIF value not exceeding \$25 per case (case is package of total volume 9 liters of liquor); 50% or \$37 per case whichever is higher for CIF value more than \$25 but less than \$40 per case; 20% or \$40 per case, whichever is higher for CIF value exceeding \$40 per case

/3: Education Cess: 2 percent of Basic Duty Plus Countervailing Duty

/4: Total Effective Duty = Basic Duty + CVD + Education Cess

APHIS PHYTOSANITARY ACCOMPLISHMENT REPORT FOR U.S. SPECIALTY CROPS

Summary of the Animal and Plant Health Inspection Service (APHIS) Phytosanitary Accomplishments for U.S. Specialty Crops during Fiscal Year (FY) 2004

INTRODUCTION

The following represents a portion of the ninth annual Phytosanitary Accomplishment Report that summarizes USDA's successes in resolving trade barrier issues related to animal and plant health concerns, prepared by APHIS. This summary details USDA's successes related to phytosanitary barriers and illustrates the nature and effectiveness of USDA's efforts in the U.S. specialty crops trade area. These activities include the opening, retaining, or expanding overseas markets for U.S. agricultural products, supporting the work of international standard setting bodies, and technical assistance activities.

This summary defines phytosanitary export issues resolution as the resolution of a phytosanitary issue in a way that enables the export of commodities and satisfies the health concerns of the countries involved. APHIS divides phytosanitary accomplishments into three categories:

1. **Market retention** means that access to an existing market is preserved in the face of some action that threatens to close that market.
2. **Market expansion** involves increasing the openness of an existing market, for instance by enlarging the area eligible for export, expanding the number of varieties eligible for export, or reducing mitigation measures (and therefore costs) applied to the export.
3. **Market access** refers to obtaining first-time access to a previously closed market or reopening a market that has been closed for some time.

For APHIS, a phytosanitary issue arises when plant health concerns restrict or potentially restrict the movement of a commodity in international trade. In such instances, APHIS scientists and technical staff enter into discussions with their foreign counterparts on the scientific issues related to the movement of the product.

Import requirements designed to protect the biological health of the agricultural sector can significantly restrict trade. The exchange of technical and scientific information can often convince an importing country that the risk associated with imported products is less than has been perceived or can be safely addressed through certain risk mitigation measures.

EXPORT ACCOMPLISHMENTS

In FY 2004, export accomplishments involved the retention of existing markets for almonds to India and cherries to China representing over \$92 million in trade.

Table 1 – Current Export Markets Retained in FY2004

Country	Product(s)	FY2004 Trade
China	Cherries	N/A
India	Almonds	\$92,187,826
Total		\$92,187,826

Source: USDA Foreign Agricultural Trade of the United States.

N/A notes that market access was restored after the conclusion of the shipping season.

APHIS efforts to expand markets allowed about \$25 million in trade of specialty crop products to occur. These efforts included gaining access for Alaskan seed potatoes to Canada; lifting suspensions imposed by Mexico and China on apple packing sheds; negotiating access for apricots and plum exports to Mexico; and, obtaining approval for ring rot testing of seed potatoes in U.S. laboratories that reduces the cost of U.S. seed potato exports to Canada.

Table 2 – Current Export Markets Expanded in FY 2004

Country	Product (s)	FY 2004 Trade
Canada	Seed Potatoes	\$2,507,420
China	Apples	\$3,504,016*
Mexico	Potatoes	\$9,068,003
Mexico	Apples	\$2,793,766*
Mexico	Plums and Apricots	\$6,874,000
Total		\$24,747,205

Source: USDA Foreign Agricultural Trade of the United States.

**Trade data is based on expanding access to suppliers previously precluded from the market.*

In addition, APHIS opened four new export markets for U.S. specialty crop products in FY 2004. The United States gained access for seed potatoes to Panama; cherries and lettuce to the Philippines; and Alaskan seed potatoes to China.

Table 3 - New Markets Gained in FY 2004

Country	Product
China	Alaska Seed Potatoes
Panama	Seed Potatoes
Philippines	Cherries
Philippines	Lettuce

New market access is usually the smallest category of the SPS export accomplishments in value terms. However, new market access accomplishments are very significant because of the export growth in subsequent years. Table 4 illustrates this by showing how the values of some markets that were opened in FY 2002 have since increased. For instance, exports of walnuts (shelled) to Korea and grapes to Australia grew significantly in FY 2004.

Table 4 - Export Markets Opened in FY 2002

Market	Product	Opened	FY 2002	FY 2003	FY 2004
Australia	Grapes	FY2002	\$2,285,000	\$2,608,000	\$11,020,000
Cuba	Apples	FY2002	\$97,000	\$795,000	\$597,000
Cuba	Pears	FY2002	\$0	\$29,000	\$42,000
Korea	Walnuts (shelled)	FY2002	\$6,315,000	\$6,870,000	\$12,305,000
Pakistan	Apples	FY2002	\$24,000	\$0	\$0
Uruguay	Seed Potatoes	FY2002	\$53,058	\$191,000	\$53,000

Foreign Government Market Access Requests

The table below provides a representative sample of the scope of current import market access requests to the United States. For a complete list of current requests and their pest risk assessment status, please refer to the following website: <http://www.aphis.usda.gov/ppq/pr/>

Region	Country	Commodity
<u>Africa</u>	Egypt	Mango
	Ghana	Eggplant, Okra, Papaya
	Morocco	Tomatoes
	Namibia	Grape
	South Africa	Apricot, Avocado, Cherries, Mango, Pineapple,
	Zambia	Okra, Pepper
<u>Asia</u>	China	Apple, Mangosteen, Orange, Passion Fruit, Pear, Rambutan,
	India	Mango
	Japan	Grapes, Peach, Persimmons
	Korea	Apple, Grapes, Orchid, Pepper, Sweet Potato
	Malaysia	Passion Fruit
	Philippines	Passion Fruit
	Taiwan	Citrus, Grapes, Litchi, Longan, Raw Peanut
	Thailand	Guava, Mango, Passion Fruit, Pineapple, Rambutan
Vietnam	Papaya, Pineapple, Plum, Sugar Apple, Watermelon	
<u>Europe</u>	European Union	Hazelnut, Plants
	France	Apricot, Fig, Tomatoes
	Italy	Artichoke, Basil, Eggplant, Lettuce, Pears
	Netherlands	Skimmia Plants, Tomatoes
	Portugal	Green Bean
	Spain	Apricot, Avocado, Cherry, Grapes, Nectarines, Peaches, Raspberry
Middle East	Israel	Chard, Longan, Spinach
<u>North America</u>	Canada	Fir Logs, Pine Logs
	Mexico	Citrus, Green Bean, Guava, Hyacinth Bean, Longan, Neem Fruit, Potatoes, Pitaya, Squash, Star Fruit, Sweet Lime, Sweet Mace
<u>Oceania</u>	Australia	Apricot, Avocado, Broccoli, Citrus, Cherries, Mango, Tomato
	Fiji	Papaya
	New Zealand	Honeybees, Lemon, Orange, Persimmons, Sweet Pepper, Unshu Orange
<u>South America</u>	Argentina	Arugula, Beet, Cantaloupe, Carrot, Lettuce, Pepper, Pumpkin
	Brazil	Kiwi, Papaya, Plum, Pomegranate, Sour Lime
	Chile	Baby Kiwi, Chestnut, Fig, Grape, Pomegranate, Tomato
	Colombia	Blueberry, Carrot, Papaya, Squash, Tomato
	Ecuador	Guava, Tomato
	Guyana	Cauliflower
	Peru	Avocado, Cherry, Tomato, Cucumber, Papaya, Sage, Spinach
	Uruguay	Citrus, Watermelon
	Venezuela	Apricot

Summary of Projects Funded under the Technical Assistant for Specialty Crops (TASC) During Fiscal Year 2004

The Technical Assistance for Specialty Crops (TASC) Program is designed to assist U.S. organizations by providing funding for projects that address sanitary, phytosanitary, or technical barriers that prohibit or threaten the export of U.S. specialty crops. U.S. specialty crops, for the purpose of the TASC Program, are defined to include all cultivated plants, or the products thereof, produced in the United States, except wheat, feed grains, oilseeds, cotton, rice, peanuts, sugar, and tobacco. The TASC Program is intended to benefit the represented industry rather than a specific company or brand. Projects must address barriers to U.S. specialty crops that are currently available on a commercial basis and for which barrier removal would predominantly benefit U.S. exports.

The TASC Program was established in the Farm Security and Rural Investment Act of 2002. The Act instructs the Secretary of Agriculture to make available \$2 million in Commodity Credit Corporation resources in each of fiscal years 2002-2007 to fund the TASC Program. Program funding continues to be sought by industry and is highly competitive. For more information about the TASC Program, please visit the FAS website at: <http://www.fas.usda.gov/mos/default.htm>.

AgriChem Data Service, Inc.

This is a third year proposal to develop and implement a database that helps users determine rates and limitations on the use of agricultural pesticides to ensure compliance with a target country's Maximum Residue Levels (MRL) standards. The International Pesticide Application Database (IPAD) is a crop-specific database that cross references pesticides by chemical brand name, time, method, and frequency of application. The database contains information for the United States, Mexico, Canada, Codex, and Korea, 45 crops, 1,400 active ingredients, 29 pesticide types, and 14 different timings resulting in nearly 24 million combinations. This funding provides for database maintenance and industry outreach and training.

Agricultural Research Service (ARS) – Weslaco, TX

This is a second year proposal from ARS to continue irradiation research on various agricultural products to determine radiation doses that are sufficient to remove the threat of various pests. The research will be used as efficacy data to address quarantine concerns in other countries.

Almond Board of California

The U.S. almond industry is concerned that foreign governments may impose additional sanitary requirements on U.S. raw almonds, disrupting U.S. almond exports. Therefore, the industry is taking steps to prevent future outbreaks that could damage the overseas markets for U.S. almonds. Currently, the domestic industry can use the fumigant propylene oxide (PPO) to sterilize raw almonds. However, no foreign government has established a Maximum Residue Limit (MRL) for PPO. The Almond Board is using this funding to work with foreign governments in key markets to establish the necessary PPO MRL.

Blue Diamond Growers

This will address trade barriers erected by the Government of India (GOI) by seeking to establish the efficacy of aluminum phosphine as a suitable alternative to methyl bromide. The initial steps are to identify the exact areas of research that address the GOI's concerns on the efficacy of aluminum phosphide. The appropriate laboratory tests will be conducted and the results shared with the relevant GOI interlocutors.

California Department of Food and Agriculture

Funding has been awarded to create a centralized database to record pest occurrences at phytosanitary certification points. Since APHIS maintains a similar database, the funding request was revised. Funding was approved to update and create new pest lists to be placed in an on-line tracking system. The pest lists must be created in coordination with APHIS priorities, and must contain standardized APHIS coding indicators that provide specific information related to pest and disease association.

California Farm Bureau Federation

Funding was awarded to research and produce a report on CODEX, the International Plant Protection Convention (IPPC), and the Organization of International Epizootics (OIE). The intention is to create a report that is useful for USDA, other relevant U.S. government agencies, and U.S. industry to gain a better understanding of how these three international organizations operate and how they may be better used to benefit U.S. agriculture. As the significance of standard setting committees and organizations in horticultural trade continues to increase, the information included in this report will aid U.S. industry and government in understanding and using these organizations more fully.

California Farm Bureau

Funding was provided to conduct a seminar providing information on the economic viability, consumer perception, and recent regulatory developments of irradiation technology. The seminar was developed jointly with the Foreign Agricultural Service (FAS), the Animal and Plant Health Inspection Service, and Texas A&M. FAS believes the U.S. horticultural industry may benefit from such a seminar to gauge the practicality of using irradiation technology to address significant phytosanitary export barriers and possibly expand exports.

California Fig Advisory Board

Initially approved in FY 2002, the project goals are to eliminate Japan's prohibitions for sorbic acid and potassium sorbate on dried figs. These two substances allow shippers to ship figs of a higher moisture content without the problem of 'sugaring,' which occurs when the fruit's natural sugars crystallize on the surface and give the appearance of surface mold, rendering the product un-marketable. Elimination of this barrier would allow U.S. shippers to supply a higher-quality product and increase revenue for U.S. producers.

California Grape and Tree Fruit League

This is a 1-year project to expand exports of California stone fruit to Mexico by developing and implementing less restrictive export requirements. The funding will be used to support two primary activities: quarantine pest research and analysis, and Mexican inspection oversight in California. In addition, the proposal seeks funding for pest research and technical information dissemination activities.

California Pistachio Commission

This project provides funding to organize a trade educational mission to California for a group of health authority officials and importers during the 2004 pistachio harvest. These individuals will come from such new European Union (EU) countries as the Czech Republic, Hungary, Poland, Malta, Cyprus, Slovenia, Lithuania, Estonia, and Latvia. The purpose of the visit is to familiarize these individuals with the California pistachio industry, covering the food safety practices of the industry with emphasis on the prevention of aflatoxin. The industry is expecting another ban on pistachios to be declared soon, similar to the one in 1997 that resulted in a 50-percent drop in exports to the EU. The education will be instrumental in preventing a backlash against U.S. pistachios in these new EU countries.

California Table Grape Commission

The California Table Grape Commission will conduct research to develop a new systems approach for U.S. table grapes exported to New Zealand. Currently New Zealand requires a highly expensive Sodium Dioxide/Carbon Dioxide (SO₂/CO₂) treatment for all U.S. fresh table grapes imported due to concerns about black widow spiders. The new systems approach could be proposed as an alternative to New Zealand's restrictive SO₂/CO₂ regime. The development of an effective systems approach would result in greater participation of U.S. suppliers in the table grape export program to New Zealand and may be proposed to Australia as a substitute for its SO₂/CO₂ treatment requirements as well.

California Table Grape Commission

Funding is for pre-clearance for fresh U.S. table grape exports to Australia. This is the third year of funding for this pre-clearance program. While the trade impact has not matched anticipated levels, APHIS strongly recommends the continued funding of this project while the U.S. continues to negotiate and improve its export protocol. It is possible that all trade with Australia would cease if this support were discontinued.

California Table Grape Commission

Funding is to identify a controlled atmosphere quarantine treatment as an alternative to methyl bromide fumigation that will allow the export of green seedless grapes. Australia's current methyl bromide treatment and restrictive packaging requirements have severely limited export opportunities for U.S. green seedless grapes.

California Table Grape Exporter's Association

This is to undertake research to support the removal of Australia's import barrier on California table grapes before the end of the 2004 shipping season. Australia imposes a secure containment regime (SCR) requirement on imports of California grapes before authorizing on-arrival fumigation. The SCR was put in place by Australia to ensure that grape shipments that may contain quarantine pests (i.e. Glassy-Winged Sharpshooter) are not released into the environment prior to fumigation. The SCR would require significant infrastructure investment in existing fumigation chambers in Australia. As an alternative treatment, Australia has agreed to allow the California Table Grape Export Association (CTGEA) to test an in-transit SCR (which includes insect-proof netting and on-arrival fumigation) for table grape exports to Australia. The research will provide quantifiable

evidence that the SCR regime is unnecessary and will provide data on the effects the netting may have on fruit quality and shelf life.

California Tree Fruit Agreement

This project will evaluate a Controlled Atmosphere/High Temperature Forced Air (CATT) treatment that is less prohibitive, safer, and less detrimental to fruit than the current methyl bromide fumigation that is required for entry into Japan and Mexico. From initial studies, CATT treatment results in the delivery of a better-tasting product that poses no threat to worker safety and can be conducted in all locations. The industry will work jointly with the Agricultural Research Service to execute the research.

CropLife America

This is a third-year proposal to develop and implement a database that provides users with a list of Maximum Residue Level (MRL) tolerances by active ingredient to desired export destinations. Users may query by crop, pesticide active ingredient, and pesticide type. Over 300 specialty crops are covered, as are 300 pesticides approved by the Environmental Protection Agency (EPA) for use on those commodities in the United States. MRL data are included from 70 countries, the European Union, and the Codex Alimentarius Commission (Codex). Third-year funding focuses on maintenance of the database content, addition of one new crop, and industry outreach.

Foreign Agricultural Service

This funds the participation of industry representatives in international standard setting and rule making organization meetings over the next 2 years. U.S. industry representatives will participate in the plenary sessions of the United Nations Economic Commission for Europe (UNECE) Specialized Session on the Standardization of Fresh Fruit and Vegetables; the UNECE Specialized Session on the Standardization of Dried and Dried Produce (fruits and nuts); the Codex Alimentarius Committee on Fresh Fruits and Vegetables; the Codex Committee on Processed Fruits and Vegetables; and the Codex ad hoc Inter-governmental Task Force on Fruit and Vegetable Juices. The importance of standard-setting international organizations for the U.S. agricultural community continues to grow. The Agricultural Marketing Service will help identify and select industry representatives to participate at these meetings.

Indian River Citrus League

The Indian River Citrus League, in collaboration with the University of Florida, received funding for the development of the Caribbean Fruit Fly Export Alert Network (FlyNet), a predictive technology designed to support the Caribbean Fruit Fly Free Zone Protocol. The strength of FlyNet will lie in its abilities to produce trend forecasts, automated alerts, and commercial management recommendations. FlyNet will operate in realtime and provide state-of-the-art pest tracking services critical to maintaining an effective certification program. Florida grapefruit growers confront trade barriers in exporting their fruit to Japan and other countries. Fruit must be certified free of Caribbean fruit fly so that importation into those countries is permitted. FlyNet will reduce industry costs dramatically helping them to predict and prevent fruit fly outbreaks.

Michigan Apple Committee

This funds the cost of placing a Mexican fruit inspector in Michigan and to meet other conditions of the phytosanitary protocol and work plan. This is the third year of funding for this project. The Michigan apple industry began shipping the first Michigan apples to Mexico on Feb. 27, 2004, as a result of TASC funding. As of June 2004, approximately 12,000 cartons with a value of \$250,000 have been shipped. In the 2004/2005-season, trade is expected to reach almost \$2.1 million. Currently eight shippers are registered to export fruit to Mexico, and they are undergoing training and inspections by APHIS.

National Potato Promotion Board

This is funding to conduct research to strengthen and complete the chipping potato safeguarding proposal to Japan. The National Potato Promotion Board (NPPB) estimates the initial annual trade impact will be \$10.5 million. However, NPPB states that Korea imports 20,000 tons of chipping potatoes per year and predicts that U.S. potato exports to Japan will exceed the market in Korea. The United States is fairly competitive in international potato markets and it is clear that Japan cannot produce enough product to meet its domestic demand.

National Potato Promotion Board

This supports research on pests of concern that is needed to negotiate protocols concerning U.S. seed potatoes to Venezuela and Brazil and fresh potatoes to China. Estimated annual trade impact is \$5 million to China, \$2 million to Brazil, and \$1 million to Venezuela. The U.S. is fairly competitive in international potato markets and this could open up the market in each of these countries.

National Potato Promotion Board

Japan bans the import of all fresh potatoes from the United States based on phytosanitary restrictions. Working with the Japan Potato Chip Manufacturers' Association, the National Potato Promotion Board is requesting "special zone" designation for potato chip plants in Japan to bring in fresh chip-stock from the United States. The request is to allow U.S. chip-stock to enter Japan from January through June of each year for direct processing at the plants. The "special zone" designation will be granted only with U.S. sponsorship of a Japanese team to observe the implementation procedures in the United States, and completion by May 2004 of a test shipment using the U.S. safeguarding procedures.

Northwest Fruit Exporters

This provides funding to open the Australian and South African markets for U.S. apples in the Pacific Northwest for the 2005-06 shipping season. Northwest apple exporters are prohibited from exporting to Australia and South Africa for quarantine reasons related to fire blight. The World Trade Organization (WTO) ruled in favor of the United States that Japan's restrictions were imposed without scientific justification. In the second year of this project, Northwest Fruit Exporters will support retaining a contractor to work with U.S. scientists to gather information to apply the Japan WTO precedent to Australia and South Africa for the removal of fire blight restrictions. First-year funds were used to draft an Australian risk assessment and import standards, and to gather technical data needed for South African negotiations.

Northwest Horticultural Council

Funding was awarded to complete the second year of research on the survival of fire blight bacteria on pears. Exports of pears to countries where fire blight does not occur can be restricted by phytosanitary concerns over the possible contamination of fruit with this bacterium. Similar concerns existed for apples, but extensive research has proven otherwise. No similar research has been conducted for pears. This project investigates if the reasons the fire blight is unlikely to be transmitted via apple shipments hold true for pears.

Northwest Horticultural Council

This provides funding to send an industry expert in apple grade standards to the United Nations Economic Commission for Europe (UNECE) specialized section. The European Union is proposing that the UNECE add various apple maturity standards such as sugar content and firmness to the already existing UNECE apple standards, which do not reflect commercial trade realities. In addition, the Codex Alimentarius Commission of the United Nations' Food and Agriculture Organization often uses UNECE standards as templates when this international organization establishes its advisory standards.

Northwest Horticultural Council

This is funding to host a technical site visit, in conjunction with APHIS, for two plant quarantine officials from the People's Republic of China. The Chinese government made a last minute announcement that they would require a technical site visit in order to allow U.S. sweet cherries from Oregon and Idaho to be shipped to China. APHIS was notified on July 12, 2004, that the Chinese would need to obtain visas and be cleared to travel by July 18, thus necessitating a need for quick response funds.

Organic Trade Association

The Organic Trade Association (OTA) in partnership with Sustainable Strategies (Sustainable) received a third year of funding to continue gap analysis and conformity assessments for Australia. OTA was granted TASC funds in 2002 to act as an advisor throughout ongoing negotiations regarding international organic trade with the European Union (EU) and Canada. Sustainable's comparative analysis of the U.S organic program and the EU's organic legislation was used as a basis for resolving numerous technical differences in the last round of negotiations. As a result, the EU and the United States are working on an agreement. For Canada, Sustainable conducted a formal International Standards Organization (ISO) 61 Audit Analysis that resulted in the National Organic Program (NOP) and the Agricultural Marketing Service (AMS) recognizing the Standards Council of Canada. In 2003, TASC funds were used to complete a comparative analysis of U.S. and Japanese standards, and to begin the development of a comparative database and draft gap analysis for Australia.

Regents of the University of California, Riverside

The University of California, Riverside, received funding to find cost-effective methods of reducing the level of live bean thrips in navel oranges shipped from California to Australia. Starting in 1996, adult bean thrips were found inside the navels of oranges shipped from California to Australia and New Zealand. The anticipated benefit to the industry is a reduced level of bean thrips in navel oranges and reduced fumigation of shipments to Australia. Less fumigation will result in fewer growers being removed from the Australian program and elimination of severe grower penalties. Research also may be applicable for New Zealand since it is anticipated that New Zealand might begin to require fumigation.

University of Maryland

This provides funding to bring Chinese officials from agencies that regulate a broad range of imported food and agricultural products from the United States including grain, oilseed, meat and poultry, cotton, horticultural products, and processed food products to the United States for biotech training activities. The 11-week seminar is designed to address the limited familiarity of Federal and Provincial Chinese government personnel with WTO obligations, regulations, and procedures. Emphasis will be placed on U.S. inspection and certification regulations and procedures. The University of Maryland requests funds for the portions of the training that pertain directly to horticultural and tropical products.

U.S. Hop Industry Plant Protection Committee

This is second-year funding to work toward harmonizing chemical residue standards in the United States, European Union (EU), Japan, and Canada. Current re-registration programs in Europe, and an increasing emphasis on Codex standards present the industry with potential trade disruptions as differences in standards among the major traders arise. The industry's objective is to prevent technical standards, such as residue levels and delayed chemical registrations, from inhibiting U.S. hop exports to markets around the world by increasing harmonization of standards between the United States, the EU, and Codex. Considerable progress was made in the first year of this project resulting in a proposed system by Codex that will enable Codex to establish interim tolerances for chemicals within 12 to 24 months versus the normal 6-8 year approval process. Future work will be carried out to highlight the need to simplify the Codex approval process.

Virginia Apple Growers Association

This provides a second year of funding to enable the Virginia Apple Growers Association (VAGA) to pay for a Mexican inspector, thereby securing Mexican customers for Virginia apples. The trade barrier is phytosanitary and involves a protocol and work plan that enables exports of apples from Virginia to Mexico. VAGA has successfully completed the first year of shipments under the new protocol. Exports doubled from the previous season, prices per case increased, and two new growers have signed on to the program.