

Trade Notes...

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U.S. Fishery Product Exports Exceed \$1.9 Billion

U.S. fishery product exports for fiscal 2001 are 13 percent ahead of last year's pace with sales for the first eight months at \$1.9 billion. Exports of Alaskan pollock fillets to the European Union and Korea as well as Alaskan pollock roe to Japan and Korea show significant growth.

Increased Alaskan pollock roe and fillet exports are a result of an allowable catch increase of 23 percent for Alaskan pollock and reduced supplies of pollock from Russia. Mad cow (BSE) and foot-and-mouth disease concerns are expected to continue to enlarge demand for imported seafood in the European Union. Alaskan pollock exports account for 97 percent of the 13-percent increase. May exports of \$213 million were up 10 percent over the same month in 2000. Strength in Alaskan pollock, fish roe and surimi exports keeps the United States on track to achieve or exceed the current forecast of \$2.9 billion in fishery exports for fiscal year 2001.

U.S. Orange Exports to Korea Continue To Be Bright Spot

Despite a quota and high duties, U.S. orange exports to Korea remain a bright spot for the U.S. citrus sector. U.S. exports of oranges to Korea during January-May 2001 totaled 67,745 tons, nearly 41 percent above the same period last year. U.S. orange exports have benefitted from the continued lowering of the out-of-quota duty.

Under the terms of the Uruguay Round Agreement, Korea established a 15,000-ton quota on January 1, 1995. The agreement provided for the quota to be increased by 5,000 tons in both of the following two years, increasing after that by 12.5 percent annually until the year 2004. The import quota for 2001 is 40,046 tons with an in-quota tariff rate of 50 percent. In addition, on July 1, 1997, Korea began permitting out-of-quota imports, which were assessed a duty of 89 percent.

The out-of-quota duty is being phased down until it reaches the in-quota rate of 50 percent in the year 2004, effectively terminating the quota regime. As the in-quota duty and the out-of-quota duty have come closer together, U.S. orange exports to Korea have jumped. During calendar year 2000, Korea's out-of-quota imports exceeded in-quota imports for the first time, even though the duty was 69.6 percent.

U.S. Apples to Russia Under Food for Progress Program

USDA will donate 2,000 tons of fresh apples to the Global Jewish Assistance and Relief Network (GJARN) under USDA's Food for Progress Program. This is the first time that a fresh fruit has been approved under this program. The GJARN plans to implement a 12-month feeding program to distribute food to approximately 1 million of the most vulnerable people in Russia. GJARN has arranged for refrigerated warehouses for storage. A special Russian language booklet with nutritional information, sample recipes and other information will be disseminated. The apples will be distributed between November 2001 and March 2002.