



# International Trade Report

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## U.S. Planting Seeds Trade-at-a-Glance

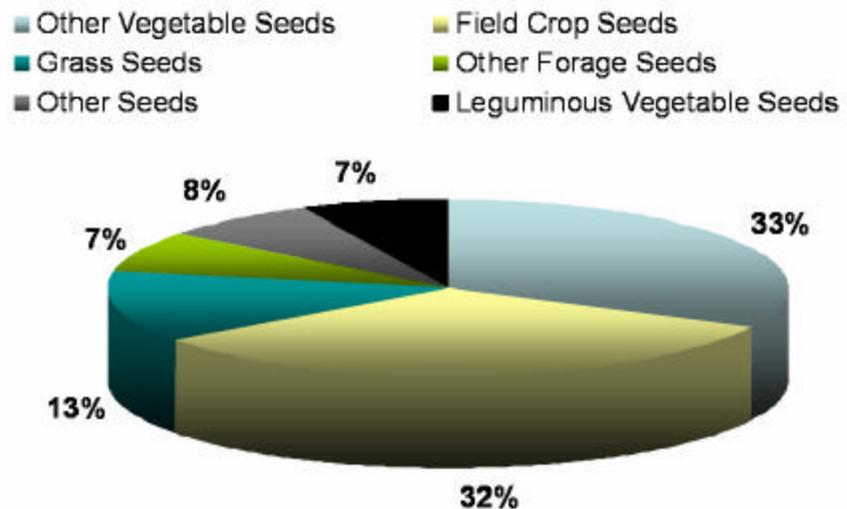
### Planting Seed Exports Up an Average Three Percent in 2005

The United States exported over \$918 million of planting seeds in 2005. Other vegetable seeds represented 33 percent of the total, valued at \$299 million. Field crop seeds, grass seeds, other forage seeds, other seeds and leguminous vegetable seeds represented the remainder with a total value of \$619 million.

Exports for all planting seed categories in 2005 were up an average 3 percent compared to 2004. Exports of leguminous vegetable seeds and other vegetable seeds are the primary drivers behind the year on year increase, both

growing 24 and 13 percent, respectively. Exports in all other categories including grass seeds, other forage seeds, and field crop seeds were down an average 5.5 percent in 2005 compared to 2004. Of the total exports of planting seeds, the United States exported primarily yellow corn seed, wheat seed, and other vegetable seeds. U.S. exports of these three categories totaled over \$235 million or 26 percent of total planting seed exports in 2005.

### 2005 U.S. Planting Seed Export Mix based on Value

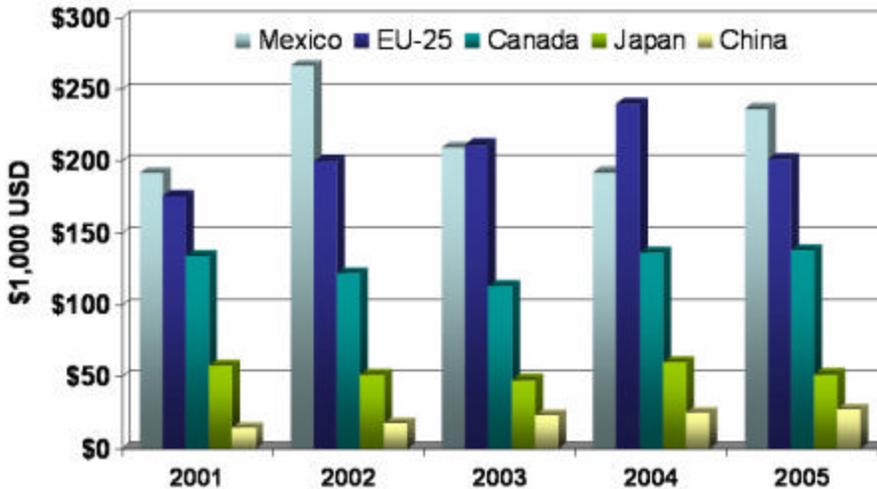


### Top Five Markets Take Three-Quarters of Trade – Led by Mexico

The top three regions for U.S. exports of planting seeds in 2005 were North America, the EU-25, East Asia, and South America. Exports to all three regions represented 82 percent of total seed exports. Of those regions, Mexico, the EU-25, Canada, Japan, and China were the top five destinations for U.S. planting seed exports in 2005. U.S. exports of planting seeds in 2005 to these five countries represented 72 percent of total planting seed exports, valued at over \$657

million. Mexico surpassed the EU-25 as the largest destination for U.S. planting seed exports representing 26 percent of total exports in 2005. The EU-25 and Canada accounted for the

### Top Five Destinations for U.S. Planting Seed Exports based on Value



majority of the remainder, representing a combined 37 percent or \$340 million of the total. The United States primarily exported vegetable seeds and field crop seeds to Mexico. In 2005 exports of both categories were up 27 percent and 42 percent, respectively. Mexico continues to be a top export destination for U.S. planting seeds as exports to the EU-25, the largest export destination in 2004, were down an average 15 percent in 2005.

### Issues at a Glance

#### CHINA

Intellectual property rights (IPR) infringement and counterfeiting continue to plague foreign seed companies in China. China’s Ministry of Agriculture (MOA) claimed that IPR infringement and counterfeiting cases reached 299 and 564, respectively, in 2004. Seed companies are encouraged to register all trademarks and copyrights with the Government of China (GOC), although this does not completely prevent IPR infringement. However, registering allows companies to pursue further recourse and possible compensation. In addition to IPR infringement, seed sold in counterfeit packages continues to be a frequent problem in China. Moreover, counterfeit seed is typically lower quality, thus damaging the brand name of the actual seed company.

#### TURKEY

Biotechnology is currently the biggest issue in Turkey. The Government of Turkey (GOT) only recently prepared a draft Biosafety Law in accordance with their recent adoption of the Cartagena protocol. The draft law stipulates that all products developed using biotechnology must be properly labeled. In addition, the law establishes procedures and guidance for the production of transgenic seeds. Currently the law is waiting for a Ministry of Agriculture signature.

**EU-25**

The WTO released a preliminary decision on February 7, 2006 finding that the EU's moratorium on biotech foods was inconsistent with WTO rules. The original case dating back to 2003 was filed by the United States, Canada, and Argentina. Other countries soon followed supporting the elimination of the de facto moratorium. The EU currently has 60 days to comply with the WTO ruling by holding individual consultations with countries involved in the dispute. The entire WTO dispute settlement process, including appeals, typically takes an average of 18 months to complete.

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