



U.S. Specialty Crops Trade Issues: 2008 Annual Report to Congress

Value of U.S. Specialty Crop Exports Has Expanded Since 2003

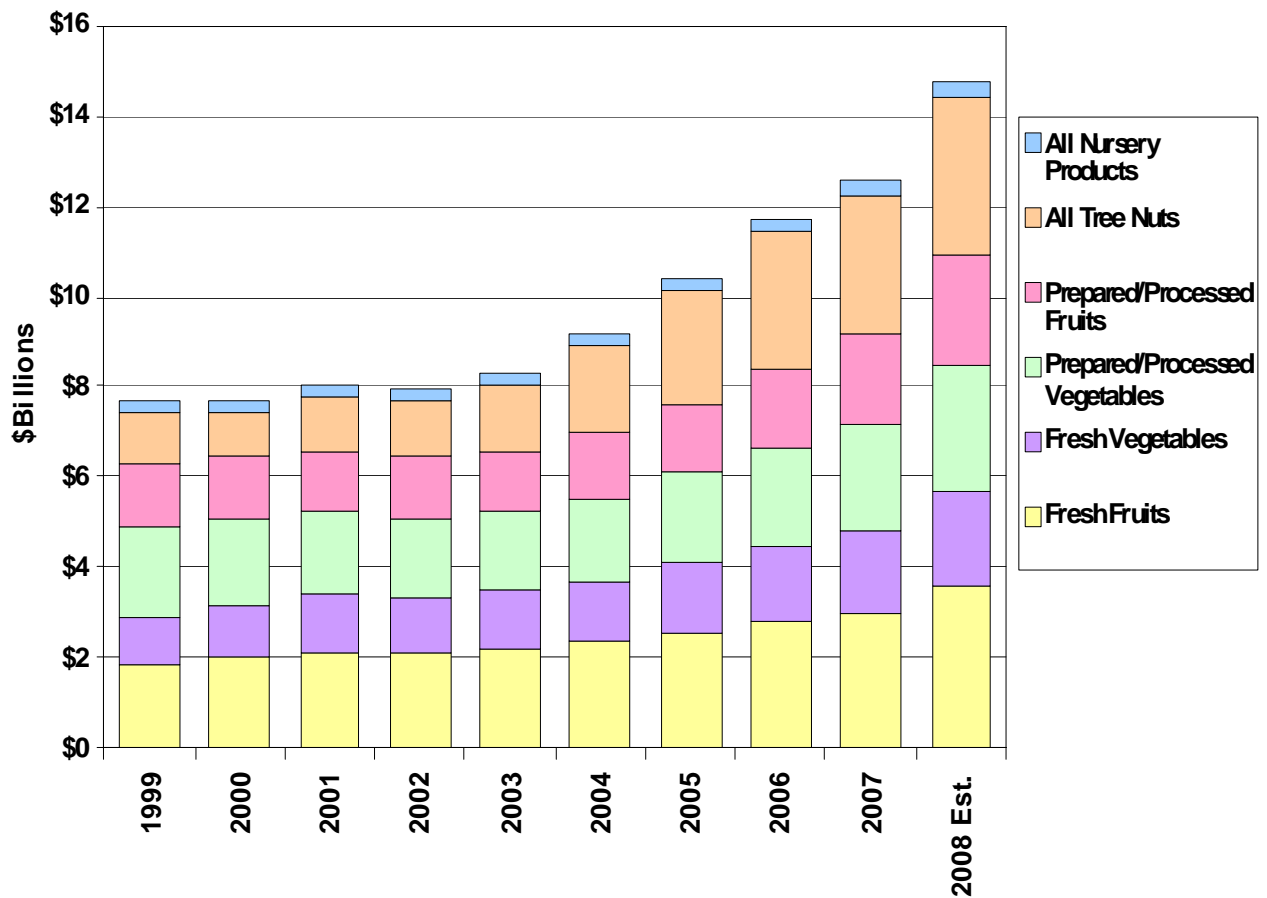


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Introduction

On June 18, 2008, Congress passed the Food, Conservation and Energy Act of 2008, also known as the Farm Bill. Section 3203 requires the Secretary to annually submit to the appropriate committees of Congress a description of significant sanitary, phytosanitary, and other trade barriers that affect the export of specialty crops. 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 World Trade Organization’s (WTO’s) Agreement on the Application of Sanitary and Phytosanitary Measures (“the SPS Agreement”) explicitly recognizes the right of governments to take measures to protect human, animal and plant health, as long as they are based on science, are necessary for the protection of health, and do not unjustifiably discriminate against foreign sources of supply. 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, and 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 (USG).

In addressing trade barriers, the USG 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 USG has sufficient evidence that a trading partner has failed to address a trade issue within the terms and conditions of international trade rules, it may pursue dispute resolution within the WTO.

This report contains specific significant trade barriers that are currently affecting U.S. exports. However, there have been several developments and trends that may affect U.S. exports in the medium- and long-term and bear watching:

Citrus Greening: Citrus greening (also called Huanglongbing or yellow dragon disease) is a serious disease impacting citrus production in the United States. The bacteria that cause the disease are primarily spread by two species of psyllid insects. In 1998, the Asian citrus psyllid (*Diaphorina citri*) was first detected in Florida and subsequently found in Texas, Arizona, Louisiana, Alabama, Georgia, Mississippi, South Carolina, and most recently in California. There are three strains of the bacteria, an Asian strain, an African strain, and an American strain discovered in Brazil. The Asian form of citrus greening was discovered in South Florida in 2005 and in Louisiana in 2008. However, the bacteria have not been found to date in the other states where the psyllid has been found. Because fruit is not considered a pathway for the spread of

citrus greening it has not affected exports of U.S. citrus. However, U.S. citrus producers are very concerned that if citrus greening becomes established in the United States, it may cause major trading partners to establish import restrictions.

Organic Standards: The implementation of new organic regulations around the world has created technical barriers for U.S. certified organic products. These foreign standards often do not follow international standards and therefore require significant comparative work, analysis, and strategy development in order to enter into recognition and/or equivalence negotiations with another country, or to negotiate access for U.S. products. Many countries, including the United States, allow for equivalence determinations, where both countries determine they are meeting the same objectives of organic production in slightly different ways. The United States is currently in negotiations with Canada on equivalence of standards, but has yet to reach an equivalence agreement with any country. Detailed comparison documents are required to assist negotiators in evaluating the critical differences in standards in order to reach recognition and/or equivalence determinations.

Country of Origin Labeling (COOL): U.S. COOL legislation could affect trade with other countries, as some U.S. trading partners have asserted that the measure is protectionist and does not comply with WTO obligations. U.S. industry has alleged that COOL measures increase production costs on exported product because of the need to run separate inventory and labeling lines. In addition, COOL labeling may not be accepted in many of our key markets overseas.

Light Brown Apple Moth (LBAM): The light brown apple moth is native to Australia and found in New Zealand, the United Kingdom, California, and Hawaii. LBAM was confirmed in California in March 2007. The range of host plants is broad, with more than 2,000 plant species and 250 crops known to be susceptible to attack by this pest. LBAM threatens California's environment—including cypress, redwood, and oak trees—by destroying, stunting, or deforming young seedlings and damaging new growth in the forest canopy. The moth also feeds on host plants favored by a number of endangered species, spoils the appearance of ornamental plants, and injures citrus, grapes, and deciduous fruit tree crops.

A USDA study indicates that, if California becomes generally infested, the moth could cause billions of dollars in crop damage annually and may hinder export opportunities and interstate commerce due to quarantine restrictions (see LBAM-Canada and LBAM-Mexico).

Pathogens: In Summer 2008, the U.S. Food and Drug Administration (FDA) and the Centers for Disease Control (CDC) dealt with a highly publicized outbreak of *Salmonella* Saintpaul, a rare strain of salmonella, in tomatoes, jalapeños, and Serrano peppers. While the outbreak was initially identified in New Mexico and Texas, it quickly spread to a number of states, prompting the FDA to issue a nationwide consumer warning against the consumption of tomatoes. Ultimately, CDC studies indicated that Mexican jalapeño and Serrano peppers, as well as raw tomatoes, were associated with the outbreak. While there were only minor foreign market reactions, the salmonella event caused significant disruptions of trade between Mexico and the United States. Similarly, the 2006 *E-coli* incident with bagged California spinach resulted in a temporary closing of the Canadian market. It is evident that future pathogen outbreaks on specialty crops could result in significant trade disruption.

Irradiation: On August 22, 2008, the FDA permitted the use of irradiation on iceberg lettuce and spinach to make it safer and last longer without spoiling. Irradiating fresh iceberg lettuce and spinach helps protect consumers from disease-causing bacteria, such as *Salmonella* and *E. coli* O157:H7. While irradiation has been used for years in many products including spices and papaya, consumer acceptance of the process has been limited. Japan is requesting that all packaged vegetable products be labeled that they have not been irradiated, citing consumer concern. As this technology improves and becomes widespread, trade barriers may be erected based on irrational fears, rather than science.

This publication was prepared and compiled by the Office of Scientific and Technical Affairs/Plant Division (OSTA/PD) and the Office of Negotiations and Agreement (ONA) of the Foreign Agricultural Service (FAS), with assistance from the U.S. specialty crop industry, Phytosanitary Issues Management Office and Trade Support Team of the Animal and Plant Health Inspection Service (APHIS), the Environmental Protection Agency, and the Sanitary and Phytosanitary Affairs Office of the U.S. Trade Representative (USTR).

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 commodities for one or more countries over a user-specified time period. The FAS Production, Supply and Distribution (PS&D) data is also publicly available. The 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. This database can be found at: <http://www.fas.usda.gov/psdonline>.

U.S. Specialty Crop Trade Issues Summaries of Barriers to Trade by Commodity

*FY 2008 TASC funding was awarded for a project related to barriers marked with an asterisk.

Commodity: Almonds
Country: European Union
Barrier: Aflatoxin Testing
Issue: Destination Testing Requirements on U.S. Almond Shipments

On September 1, 2007, the European Community implemented 100 percent destination testing for aflatoxin on U.S. almond exports to the European Union (EU), known as special conditions. In anticipation of this action, the U.S. almond industry implemented the Voluntary Aflatoxin Sampling Program (VASP) to prevent almonds with high levels of aflatoxin from being shipped to the EU. In recognition of the efficacy of VASP, the EU now tests only 5 percent of VASP-certified almond shipments.

In response to a USDA request, the EU has indicated that a Food and Veterinary Office (FVO) mission to inspect the U.S. almond industry's aflatoxin controls will be necessary to lift the special conditions. The FVO mission is expected to take place in January 2009. The mission may also audit the industry for pre-export certification of U.S. almonds shipped to the EU.

In 2007, U.S. almond shipments to the EU totaled \$899 million.

Commodity: Apples (additional varieties)
Country: China
Barrier: Phytosanitary Restrictions
Issue: China's Varietal Restrictions on U.S. Apples

Fire blight is a bacterial disease caused by *Erwinia amylovora*. It is especially destructive to apple, pear, quince, and crabapple, but can also occur on hawthorn, mountain ash, serviceberry, pyracantha, cotoneaster, blackberry, and raspberry.

Two varieties of U.S.-origin apples (Red Delicious and Golden Delicious) can currently be exported to China from the states of Idaho, Oregon, and Washington. The current work plan authorizing export of these two apple varieties to China was signed in April 1995. In November 1999, APHIS requested approval for: (1) the export of additional apple varieties (Fuji, Granny Smith, Gala, Rome, Jonagold, and Braeburn) from approved states, and (2) the export of California apples to China.

Chinese officials immediately expressed concern about fire blight transmission associated with other apple varieties. Since 1999, APHIS has provided its Chinese counterparts with a wealth of

peer-reviewed scientific information that concludes that there is no evidence that mature symptomless commercial apples can transmit the disease. However, China continues to cite fire blight concerns as the reason for not approving additional apple varieties from approved states, and has not completed a pest risk assessment (PRA) for California-origin apples.

China's stance is at odds with the WTO fire blight decision, which found that mature symptomless apples (of any variety) do not pose a risk for fire blight. This internationally recognized, science-based decision strengthens the U.S. position that China's current fire blight-related import prohibition on additional apple varieties from approved states is not scientifically justified. It should also be noted that China imports apples from other countries (notably New Zealand), where fire blight is known to be present, without varietal restrictions.

While bilateral technical dialogue continues, USDA is exploring other options to find a mutually acceptable resolution.

***Commodity:** Apples
Country: China
Barrier: Phytosanitary Restrictions
Issue: China's Interceptions of Apples Due to *Phacidiopycnis washingtonensis*

Phacidiopycnis washingtonensis is a newly identified disease in the Northwest apple industry. The fungus causes fruit rot on apples during storage. It is associated with twig dieback and canker disease of crabapple trees, and dead twigs of pear trees.

China has suspended three Washington state apple packing houses from exporting fresh apples to China due to reported detections of the fungal disease *Phacidiopycnis washingtonensis* on U.S.-origin apples arriving in China.

During calendar year 2007, U.S. apple exports to China reached \$8.3 million. Washington state apple production accounts for about 90 percent of all U.S. apple exports. Loss of the Chinese market could have a negative affect on the pricing structure of the U.S. apple crop in other export markets and possibly domestically. Since *Phacidiopycnis washingtonensis* is a newly identified disease, the research into efficacious treatments has not yet been initiated.

To jump-start the required research, FAS approved a 2008 TASC proposal from Washington State University to develop mitigation measures for the decay-causing pathogen *Phacidiopycnis washingtonensis* in apple fruit. It is expected that the results of this research will provide USDA regulatory agencies with the scientific foundation for overcoming this export barrier for U.S.-origin apples.

Commodity: Apples
Country: Mexico
Barrier: Antidumping Duty
Issue: Mexican Antidumping Duties on Apples from the United States

In September of 1997, Mexico initiated an antidumping investigation on U.S. red and golden delicious apples and imposed a 101 percent antidumping duty on imports. In March 1998, the United States and Mexico agreed to suspend the apple antidumping investigation and the duty was subsequently lifted. In August 2002, Mexico's Secretariat of Economy (SECON) announced its decision to cancel the suspension agreement and resumed the investigation. On November 2, 2006, SECON published its final determination and imposed duties ranging from 6.4 percent to 47.05 percent on the imports of U.S. red and golden delicious apples. The U.S. apple industry requested that a North American Free Trade Agreement (NAFTA) panel be put together to review the case due to possible errors in the final determination. The panel has fallen behind schedule in its investigation and in April, 2008, the panel was suspended due to the resignation of one of the panelists. A replacement panelist was assigned on August 7, 2008, but no further actions have taken place. For the 2008 July-June marketing year, U.S. apple exports to Mexico reached \$200 million.

Commodity: Apples
Country: South Africa
Barrier: Phytosanitary Restriction
Issue: Prohibition on apples from the Pacific Northwest and California due to concerns over fire blight and American brown-rot (*Monilinia fructicola*; Synonym: *Sclerotinia fructicola*)

Fire blight is a bacterial disease, caused by *Erwinia amylovora*. It affects certain species in the rose family, and is especially destructive to apple, pear, quince, and crabapple. The disease can also occur on hawthorn, mountain ash, serviceberry, pyracantha, cotoneaster, blackberry, and raspberry. The disease is believed to be indigenous to North America, from where it spread to most of the rest of the world.

The apple brown rot fungus, *Monilinia fructicola*, can infect the blossoms, fruit, spurs (flower and fruit bearing twigs), and small branches. Favorable weather conditions can lead to fruit infections causing entire crop loss on the tree or in storage.

USDA requested access for U.S. apples into South Africa in the late 1990s. APHIS is working to address the quarantine issues of fire blight and apple brown rot to obtain an import protocol for U.S. apples from the Pacific Northwest. However, South Africa is imposing import requirements that are not scientifically justified and are inconsistent with the level of phytosanitary risk posed by pests of concern.

Commodity: Apples
Country: Taiwan
Barrier: Phytosanitary Barrier
Issue: Taiwan’s “Three-Strikes” Penalty Structure for the Detection of Codling Moth (CM) in Imported U.S.-origin Apples.

Under the current export work plan for shipment of U.S. apples to Taiwan, the Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) imposes a strict “three strikes” penalty structure for codling moth (CM) detections. APHIS and BAPHIQ have met on numerous occasions on this issue, and the work plan was subsequently modified to include a 2-week grace period after each CM detection. This means that any CM detections that occur within the 2-week grace period would not count as an additional “strike.”

Taiwan suspended imports of U.S. apples during the 2002/03 and 2003/04 seasons (September – June), due to the detection of three CM detections in a single season. Both market closures resulted in substantial losses for the U.S. apple industry.

During the 2006/07 shipping season, Taiwan had detected two codling moths in U.S. apple shipments by November 7, 2006, which jeopardized U.S. apple access to Taiwan should a third CM have been detected. During the 2007/08 season Taiwan again detected two CM in U.S. apple shipments. Each year the U.S. apple trade is faced with the possibility that this market may suddenly close, creating significant uncertainty among U.S. producers as Taiwan is the third largest market for the U.S. apple industry. U.S. apple exports to Taiwan totaled \$46.5 million during calendar year 2007 (Source: FATUS) and accounted for about seven percent of total U.S. apple exports.

In October 2006, APHIS provided Taiwan with research demonstrating that the risk associated with CM transmission and establishment in Taiwan via U.S.-origin apples is extremely low. However, there has been no measureable progress made in developing an alternative approach that is science based.

Commodity: Avocados
Country: Mexico
Barrier: Phytosanitary Restriction
Issue: Restrictions on California Avocado Exports to Mexico

U.S. avocados are subject to limited distribution within Mexico, and prohibited from being shipped to Mexican avocado states. Under the terms of the 2005 operational workplan for exporting avocados to Mexico, both countries agreed to revisit the existing import measures to determine whether they could be extended to allow U.S. avocados to be shipped to all areas of Mexico. During October 2008 discussions between APHIS and its Mexican counterparts, Mexico indicated that a risk evaluation is being conducted to determine the phytosanitary import measures that could be adopted to allow Mexico to lift this prohibition. California avocado exports to Mexico are valued at \$1 million per year.

Commodity: Cherries
Country: Japan
Barrier: Phytosanitary Restriction
Issue: Japan Acceptance of U.S. Systems Approach

The United States has exported sweet cherries to Japan for over 25 years. Fresh cherry exports to Japan are valued at approximately \$60 to \$85 million annually. Japan is an important market for Pacific Northwest and California cherry producers. Japan requires fumigation with methyl bromide as a mitigation measure for codling moth, with annual audits in the United States by the Japanese Ministry of Agriculture, Forestry and Fisheries. Methyl bromide fumigation decreases shelf life, reduces product quality, and is an ozone depleting fumigant. APHIS wants Japan to allow new phytosanitary mitigations in lieu of methyl bromide fumigation. Japan is reviewing the U.S. proposal and research results.

***Commodity:** Citrus
Country: South Korea
Barrier: Phytosanitary restrictions (*Septoria citri*)
Issue: Management of *Septoria citri* in California Citrus

In April 2004, the Korean market was temporarily closed to oranges from Fresno and Tulare counties due to the detection of *Septoria citri* on fruit shipped from California. The result of the market closure was a 60 percent reduction in imports into Korea representing approximately \$48 million in lost trade revenue.

To facilitate trade, USDA/APHIS and Korea's National Plant Quarantine Service (NPQS) developed a protocol that ensures the export of *Septoria* spot-free California Navel and Valencia oranges to Korea. This program provides for development and implementation of procedures for monitoring, testing, and managing *Septoria* spot of orange caused by *S. citri* in California through the continued collaboration between United States and Korean scientists. The protocol specifically involves the management of the disease in Fresno and Tulare counties in California and monitoring fruit lots destined for Korea. It also includes continuation of established recordkeeping and trace-back procedures and selection and training of inspection personnel in each packinghouse.

Commodity: All Fruits and Vegetables
Country: Indonesia
Barrier: Maximum Residue Levels (MRLs) and Food Safety Certification
Issue: Import Requirements in Indonesia's Proposed Regulation IDN/32

On April 17, 2007, the Government of Indonesia notified the WTO SPS Committee of its proposed regulation (G/SPS/N/IDN/32) for fresh foods of plant origin. IDN/32 requires prior notification of shipments of fresh foods of plant origin as well as inspection at the point of entry, and food safety certificates that address contaminant levels for heavy metals, mycotoxins, and pesticides. In the absence of food safety certificates, all concerned imported agricultural products will be held and subjected to 100 percent testing to ensure that they do not exceed the Indonesian or Codex levels for contaminants. The USG provided official comments to this notification in June 2007, supplemental comments in October 2007, and another set of comments in April 2008. In September 2008, the United States submitted comments on the latest draft of the regulation.

During the April and October 2008 meetings of the WTO Sanitary and Phytosanitary (SPS) Committee, the United States met bilaterally with Indonesia to share official comments on these burdensome requirements. Indonesia indicated that Australia and New Zealand had submitted similar comments, and that it was redrafting the regulation to address many of these concerns. Indonesia responded to April 2008 comments and generally accepted U.S. suggestions, including Indonesia's acceptance of U.S. MRLs as long as they meet Codex standards. The United States, in collaboration with Australia and New Zealand, is addressing the resulting draft regulation, IDN 32 R.1 and discussed remaining concerns with the Indonesian delegates to the WTO in October. Further, there are several U.S. MRLs for which neither Indonesia nor Codex has corresponding MRLs. The United States will work to convince Indonesia to recognize and accept exporting countries' MRLs in such cases.

Commodity: Fresh Fruit and Vegetables
Country: Indonesia
Barrier: Phytosanitary Restriction
Issue: Indonesia's Failure to Recognize Pest Free Areas in the United States under Decree 37

In May 2005, the Government of Indonesia (GOI) notified to the WTO its intention to establish fresh fruit and vegetable import requirements (Decree 37). The Decree, implemented in March 2006, fails to recognize pest-free areas in the United States for all fruits with the exception of grapes.

Despite several technical exchanges and meetings, including a visit from Indonesian technical officials in 2007, there has been little progress on this issue. The GOI currently recognizes in-transit cold treatment for apples, cherries, pears, stonefruit, and other U.S. fresh fruits that are subject to Decree 37. While the cost is minimal as U.S. fresh fruit is shipped in refrigerated containers, the United States would like the requirement removed before other countries adopt such regulations.

Commodity: All Fruits and Vegetables
Country: Japan
Barrier: Irradiation
Issue: Potential Ban on Irradiated Food

On August 22, 2008, the FDA announced its permission for the use of irradiation technology on iceberg lettuce and spinach that makes them safer and last longer without spoiling. Under current U.S. regulations, iceberg lettuce and spinach that have been irradiated are required to bear labeling informing consumers that the produce has been so processed. International trading partners, specifically Japan, have raised concerns about importation of irradiated foods, and announced an import ban on any irradiated foods. However, the U.S. FDA believes that this ban is problematic since irradiation has been used for many years for many products that are traded globally, including spices and papaya.

Commodity: Fruits and Vegetables
Country: Japan
Barrier: MRLs
Issue: Food Additive Classification for Post-Harvest Fungicides

Like many leading countries in the field of pesticide regulation, Japan establishes specific MRLs using risk assessments to regulate the presence of agricultural chemicals on foods. However, Japan's classification of post-harvest fungicides as food additives contradicts widely accepted procedures and standards among countries with robust pesticide regulatory systems. Internationally, post-harvest fungicides are regulated no differently than pesticides applied prior to harvest. Countries assessing the risk associated with a particular pesticide generally perform one risk assessment for pre- and post-harvest application.

In the case of Japan, a fungicide that can be applied before or after harvest may be subject to two separate risk assessments based on the timing of the application to a crop, i.e., Japan performs a risk assessment for pre-harvest application and an additional pest risk assessment for the same fungicide for post-harvest treatment. This is due to Japan's unusual policy of classifying post-harvest fungicides as food additives.

The result of this policy is a significant and unnecessary deterrent to trade. The costly and lengthy review process associated with registering a pesticide in Japan that is subject two risk assessments deters companies from seeking MRLs for its products. This essentially precludes U.S. producers from using safer and more effective pesticides on product destined for Japan. In addition, performing two risk assessments can result in two different MRLs for the same pesticide, leading to confusion among suppliers to Japan. USTR and USDA intend to raise this issue during high trade policy fora to encourage Japan to conform to international standards by eliminating its policy of classifying post harvest fungicides as food additives, and subjecting fungicides to food additive risk assessments.

Commodity: Fruits and Nursery Stock
Country: Mexico
Barrier: Phytosanitary Restriction
Issue: Mexican Requirements to Control for Light Brown Apple Moth (LBAM)

The light brown apple moth (LBAM) is a pest of significant economic concern for which both Canada and the United States regulate host materials from off-continent sources to mitigate the possibility of its establishment in North America. Since March 2007, LBAM has been found in nine counties of California, a region from which Mexico imports approximately \$1 billion annually in LBAM host material.

When LBAM was first detected in California, Mexico refused shipments of all host crops from California. However, U.S. plans to eradicate LBAM and progress made towards that goal has convinced Mexico to relax its trade restrictions and accept LBAM-host crops from non-infested California counties, without any restrictions. USDA aims to further reduce the impact of Mexico's phytosanitary restrictions on LBAM-host articles from California by continuing to pursue eradication. LBAM restrictions did not surface during October 2008 bilateral discussions, and are not presenting a significant constraint on exports to Mexico at this time. If USDA suspends eradication efforts, Mexico is likely to impose more stringent phytosanitary requirements.

***Commodity:** Grapes
Country: Australia
Barrier: Phytosanitary Restriction
Issue: Treatment for Grape Phylloxera Crawlers, Market Access to Western Australia

Australia requires U.S. grape shipments to be packed with sulphur pads to eradicate grape phylloxera crawlers, a treatment that the United States believes is redundant. Market access to Western Australia is also an outstanding issue.

As a condition for eliminating a requirement for methyl bromide fumigation, Australia requires U.S. grape shipments to be packed with sulphur pads to kill grape phylloxera crawlers. The United States is already required to treat the grapes with sulphur dioxide (CO₂/SO₂), an effective fumigation treatment for the crawlers, as well as spiders. In 2007, the United States asked Australia to remove the sulphur pad requirement, and provided supporting research. After Australia rejected this research, the United States forwarded the results of additional research conducted in 2008. Australia continues to review the U.S. research.

During a technical meeting in 2008, Australia noted that its review of access for California table grapes to Western Australia was in progress, but did not outline its next steps or a timeline for completion.

Commodity: Table Grapes
Country: Israel
Barrier: Phytosanitary Restriction
Issue: Israel Prohibits U.S. Table Grape Imports Due to Phytosanitary Concerns

In early 2006, APHIS sent a request regarding Israel's pests of concern for U.S. grapes. In May 2008, USTR met with the Israelis to discuss the Agreement on Trade in Agricultural Products. APHIS and FAS representatives attended the meeting as well. Israel stated that the Pest Risk Analysis (PRA) for grapes is still under examination. In an October 2008 letter to the Israeli Plant Protection and Inspection Service, APHIS provided information to Israel about the pests of concern for their market access request for male flowers of summer squash. In the same letter, APHIS again asked for an update on the request for U.S. access for table grapes to Israel.

Commodity: Lettuce
Country: Japan
Barrier: Official Controls
Issue: Fumigation for Pests Found in Japan

Japan's official control policy (fumigating for pests present in Japan that are neither being eradicated nor contained, as required by international standards) has been an issue of longstanding concern for U.S. exporters, particularly of lettuce and citrus.

Until recently, Japan maintained a practice of fumigating U.S. lettuce and citrus for pests already commonly found in Japan. Fumigation for pests of non-quarantine significance adds unnecessary costs and results in produce deterioration, making products unmarketable. This practice has been the subject of bilateral discussion since 1998.

Japan continues to make progress on technical barriers to trade that place undue burdens on imports of U.S. lettuce. Japan notified the WTO on May 20, 2008, of its intention to amend legislation to reclassify as non-quarantine a pest that is of concern to the United States. Specifically, this addressed the classification of the potato aphid (*macrosiphum euphorbiae*). According to the information stated on the notification, the government of Japan proposed that the amendment enter into force August 2008; it took effect on September 4, 2008.

Two additional pests must be reclassified to finalize the work that will relieve U.S. lettuce exports from the burden of double fumigation and bring Japan's practice into consistency with the International Plant Protection Convention (IPPC). Work on bean and cotton aphids has been slow. Although both bean and cotton aphids are found in Japan, only certain subspecies are in Japan. The United States and Japan will engage in technical discussions on this issue later this year.

Commodity: Oranges
Country: South Korea
Barrier: Technical Barrier to Trade
Issue: Country of Origin Labeling (COOL)

The Korean Customs Service (KCS) was enforcing country of origin labeling (COOL) requirements for certain imported fruits that it did not apply to like domestic products. Oranges were the only affected U.S. fruit.

KCS COOL guidelines for the majority of imported fruit and vegetable products, including, for example, apples and pears, allow for COOL on the smallest retail packaging unit, or on the packing box, bag, or container. However, seven imported fruit products (sweet pumpkins, bananas, pineapple, oranges, melons, watermelons, and durians) were singled out for a different COOL method, i.e., the country of origin must be indicated on the individual product/item (usually achieved through stickering). The U.S. orange industry was especially concerned with this provision, which would have mandated individual COOL for bulk oranges.

The United States raised this issue with Korea bilaterally and at the WTO Technical Barriers to Trade Committee meeting in July 2008. Korea amended the Ministry of Knowledge and Economy (MKE) COOL regulations in late July (which shape KCS's guidelines) to allow for exceptions to the individual marking of COOL on goods when "there is little possibility of misunderstanding of country of origin of imported goods thanks to their appearance, i.e., vegetables or fruits such as durians, oranges and bananas."

The Notice on Operation of COOL on the KCS website has not been updated to reflect the latest changes in the MKE regulations. The outdated Notice still requires individual labeling on each orange, and the other six fruits. The United States and Korea reviewed the implementation status of the revised regulations at October 2008 bilateral talks in Washington, D.C, and bilaterally at the WTO Technical Barriers to Trade Committee Meeting in November of 2008. Korea assured the United States that individual stickering would not be required for oranges, but did not pledge to extend the exemption to all seven fruits.

As of December 2008, Korea is reportedly applying the same COOL requirements to imported and domestic products; however, the KCS website has not been updated to reflect the change.

***Commodity:** Organic Products
Country: Canada
Barrier: Technical Barrier to Trade
Issue: Organic Equivalence

Canada notified its Canadian Organic Regulations (COR) to the WTO in December 2007. These new regulations will become fully implemented in June 2009. At that time, all U.S. organic products must be certified to the COR in order to be sold in Canada, unless an equivalence agreement is reached.

Equivalence negotiations between Canada and the United States began in January 2008. The third round of face-to-face negotiations will take place in early 2009. The United States and Canada intend to complete the negotiations before the full implementation of the COR in June 2009. With an equivalence determination between the United States and Canada, organic products will freely flow between countries, without the burden and expense to producers of requiring a second organic certification.

In the past year, TASC funds have been used to develop comparative side-by-side documents for use by negotiators in equivalence discussions between the United States and Canada. Canada is by far the largest export market for U.S. organic products.

***Commodity:** Organic Products
Country: Taiwan
Barrier: Technical Barrier to Trade
Issue: Organic Equivalence

The Council of Agriculture (COA) in Taiwan notified its draft organic standard to the WTO in November 2007 and plans to fully implement the regulations for the standard by February 2009. At that time, all U.S. organic products must be certified to the COA organic standard in order to be sold in Taiwan, unless an equivalence agreement is reached.

The United States provided the COA with most of the required documents to request an equivalence determination in August 2008. TASC funds are being used to complete a comparative side-by-side document to fulfill the application requirement and for use by negotiators in equivalence discussions. The intention of the United States is to complete the equivalence negotiation prior to Taiwan's implementation date of February 2009.

Taiwan's organic market is estimated to reach \$78 million in 2008. The Foreign Agricultural Service estimates that 70 percent of organic products sold in Taiwan are imported, due to limited domestic production. However, there are no harmonized trade codes to determine the exact value of U.S. organic exports to Taiwan.

***Commodity:** Organic Products
Country: Worldwide
Barrier: Technical Barrier to Trade
Issue: Organic Equivalence

The implementation of new organic regulations around the world has created technical barriers for U.S. certified organic products. Foreign standards often do not follow international standards and, therefore, require the United States to undertake significant comparative analysis and strategy development in order to enter into recognition and/or equivalence negotiations with another country, or to negotiate access for U.S. products. Neither the Agricultural Marketing Service/National Organic Program (AMS/NOP) nor FAS has the resources to complete the analysis required for resolution of an increasing number of organic trade issues and negotiations.

The USDA/NOP was fully implemented in 2002 and is one of the first domestic standards for organic production. The NOP allows foreign organic products access to the U.S. market if they are certified by USDA accredited certifiers. Because of the large size of the U.S. organic market, many countries became interested in exporting to the United States and began certifying products to the NOP. However, as markets develop around the world, more countries are developing their own organic standards, which often require a separate certification. The cost to organic producers is significant when they are required to receive several different certifications in order to export. For example, in some cases, it is necessary to fund foreign certifiers' travel to the United States. Prior to developing their own standards, most foreign markets recognized the USDA/NOP and allowed U.S. certified organic products to be sold as organic.

Many countries, including the United States, allow for an equivalence determination, where both countries determine that they are meeting the same objectives of organic production in slightly different ways. Detailed comparison documents are required to assist countries and negotiators in evaluating the critical differences in standards to reach equivalence determinations.

FAS allocations of TASC funds to the Organic Trade Association and Sustainable Strategies have helped to directly advance negotiations with Japan, Korea, and Canada by creating comparative documents that identify and evaluate critical differences between the NOP and the foreign standards. These comparative documents serve as tools for the USTR and FAS negotiators, and help to fulfill data needs for applications to foreign governments when requesting equivalence. In addition, TASC funds have been provided to develop technical analyses and strategic recommendations for organic trade issues that require technical expertise and industry knowledge unavailable within USDA.

Commodity:	Table Stock Potatoes from the Pacific Northwest (Idaho, Oregon, Washington)
Country:	China
Barrier:	Phytosanitary Ban
Issue:	Ban on Fresh Table Stock Potatoes Produced in the Pacific Northwest (PNW)

In July 2001, a Chinese technical delegation traveled to Idaho, Oregon, and Washington to observe table stock production areas, packing facilities, and phytosanitary measures for pests of concern.

In July 2003, China's General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) informed APHIS that the pest risk assessment (PRA) had been initiated for U.S. table stock potatoes from the Pacific Northwest (PNW). In August 2003, APHIS provided AQSIQ with a draft export protocol for PNW table stock potatoes that identified proposed pest mitigations for shipment of fresh table stock potatoes to China.

At a September 2003 technical bilateral meeting, China agreed to make immediate progress in completing the PRA for PNW table stock potatoes. The PRA 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 a December 2004 plant health bilateral meeting, China could not report on progress on the PRA.

In September 2007, AQSIQ confirmed that APHIS had provided all of the pest data, control methods, and quarantine regulations for PNW table stock potatoes necessary for AQSIQ to complete the required PRA. In 2008, AQSIQ verbally informed APHIS that the PRA was complete; however, AQSIQ has not yet shared the PRA with APHIS for review and comment.

Commodity: Potatoes
Country: Japan
Barrier: Phytosanitary Restriction
Issue: Market Access for U.S. Chipping Potatoes from Idaho

In February 2006, Japan lifted a 50-year ban on U.S. potatoes by authorizing access to chipping potatoes produced in 13 states. However, all trade was suspended in April 2006 due to the detection of Potato Cyst Nematodes (PCN) in Idaho. After nearly 10 months, the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) published a regulation on February 7, 2007, to reopen the Japanese market to U.S. chipping potatoes. As result of USDA efforts, Japan has reopened the market to 12 states, excluding Idaho. USDA continues to work with Japan to reauthorize access to chipping potatoes produced in Idaho. The market potential for chipping potatoes in Japan is expected to be about \$5 million per year. In addition, Japan limits imports of U.S. chipping potatoes to one port and chipping facility. Japan claims that transport beyond that parameter will jeopardize Japanese growing areas. USDA is working with Japanese officials to expand port access and get more chipping plants approved.

Commodity: Potatoes
Country: South Korea
Barrier: Phytosanitary Ban
Issue: Korean Market Access for Potatoes from Additional States

The United States has exported potatoes to Korea since 2000 with few phytosanitary incidents (presence of soil on potatoes (2000), potato mop top virus (2002), *Verticillium tenerum* (2003), and Columbia root knot nematode *Melodogyne chitwoodii* (2005)). Currently Korea allows U.S. potatoes (for consumption or planting) from Alabama, Alaska, Arkansas, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Iowa, Illinois, Indiana, Kentucky, Louisiana, Massachusetts, Maine, Michigan, Missouri, Minnesota, Mississippi, North Carolina, New Hampshire, New Jersey, Ohio, Oregon, Puerto Rico, Rhode Island, South Carolina, Tennessee, Texas, Virginia, Vermont, Washington, and Wisconsin.

In 2007, APHIS requested the addition of Arizona, California, Colorado, North Dakota, New Mexico, Montana, and Wyoming to the approved list. Korea's concerns include: Potato wart disease *Synchytrium endobioticum* (which does not occur in the United States), Golden nematode *Globodera rostochiensis* (occurs only in New York and currently under official control), Potato yellow dwarf virus, and PSTD V Potato spindle tuber viroid (which has been demonstrated to be absent from the United States based on official survey).

In a November 2007 U.S.-Korea technical bilateral meeting, APHIS requested the harmonization of phytosanitary requirements for potatoes from Arizona, California, Colorado, North Dakota, New Mexico, Montana, Wyoming, and the other approved states.

Commodity: Potatoes
Country: South Korea
Barrier: Tariff Rate Quota (TRQ) Administration
Issue: Products Covered under TRQ, and Timing of Allocation

Prior to the Free Trade Agreement (FTA), Korea's tariff rate quota did not include table stock potatoes. In addition, the allocation of the quota was held very late in the season.

This issue was resolved under the FTA such that potatoes for chipping will receive seasonal treatment. All quantities will enter duty free during the out-of-season period (December 1- April 30), currently the period when the majority of U.S. chipping potatoes enter Korea. The in-season (May 1 - November 30) tariff will be phased out over 15 years. Fresh potatoes for table use will enter under a new tariff rate quota (TRQ) starting with a duty-free quantity of 3,000 tons that will grow 3 percent compounded annually in perpetuity. This represents access that U.S. fresh potatoes did not previously enjoy. The over-quota tariff will remain at the current MFN rate of 304 percent.

***Commodity:** Potatoes
Country: Mexico
Barrier: Phytosanitary Restriction
Issue: Market Access for U.S. Potatoes Produced Outside of the Border Zone

In 2003, Mexico agreed to a gradual opening of its market to U.S. potatoes. This opening had been delayed following a rise in nematode interceptions on potato shipments; however, U.S. producers have taken successful steps to reduce pests, and are now seeking Mexico's fulfillment of its 2003 agreement to grant access beyond a 26 kilometer zone within the international border. During October 2008 discussions between APHIS and its Mexican counterparts, an agreement was reached to exchange additional technical information to support a modification in the phytosanitary import measures for cross-border potato trade.

Commodity: Table Stock Potatoes
Country: Russian Federation
Barrier: Phytosanitary Restriction
Issue: Russia's Prohibits Imports of U.S. Potatoes Because of Multiple Quarantine Pests

APHIS requested access for U.S. table stock potatoes into the Russian Federation in March 2005. Russia's Federal Veterinary and Phytosanitary Surveillance Service (VPSS) prohibits imports of U.S. origin table stock potatoes due to concerns regarding the following quarantine pests: Potato Flea Beetle (*Epitrix cucumeris*), Tuber flea beetle (*Epitrix tuberus*), Potato Tuber worm (*Phthorimaea operculella*), Columbia root knot nematode (*Meloidogyne chitwoodii*), Golden

nematode (*Globodera rostochiensis*), Brown rot (*Ralstonia solanacearum*), Potato wart disease *Synchytrium endobioticum*, APMoV (*Potato Andean mottle comovirus*), PVT (*Potato T trichovirus*), and PYV (*Potato yellowing alfamovirus*).

APHIS has been actively working with VPSS to address the quarantine issues of potatoes and develop a protocol to start shipping to Russia. It has provided Russia a revised Protocol for the Exportation of Fresh Potatoes from the United States to the Russian Federation. Tentatively, there will be a site visit by VPSS in early 2009, to finalize the protocol. The Russian delegation will visit the states of Oregon and Washington, which account for over 25 percent of U.S. potato production. By visiting these two representative states, the delegation will gain an appreciation of the overall U.S. potato program.

Commodity: Seed and Table Stock Potatoes (*Solanum tuberosum*)
Country: Taiwan
Barrier: Phytosanitary Restrictions
Issue: Prohibition on Imports of Montana Seed and Table Stock Potatoes

Taiwan currently authorizes imports of U.S.-origin table stock potatoes from Alaska, California, Idaho, Oregon, and Washington, provided the potatoes are produced in areas free of golden nematode, potato rot, potato late blight, and other various pests. Taiwan also authorizes importation of U.S.-origin seed potatoes from Alaska.

On behalf of the potato industry, APHIS has requested that Taiwan also provide access for U.S.-origin seed and table stock potatoes from Montana.

In August 2008, Taiwanese delegates' from BAPHIQ met with APHIS and Montana state officials in Montana. The team visited certified seed production areas including the Potato Laboratory Plant Growth Center in Bozeman. The BAPHIQ team indicated that the site visit would help BAPHIQ complete the PRA and update Taiwan's rule within a year. The issue was also discussed during a subsequent APHIS-BAPHIQ bilateral meeting in September 2008. During the September meeting BAPHIQ indicated that no additional technical information was required from APHIS, and that it was working with consultants to evaluate risks and finalize import requirements. However, Taiwan has not yet authorized market access for Montana-origin seed and table stock potatoes.

Commodity: Stonefruit
Country: Australia
Barrier: Phytosanitary Restriction
Issue: Incomplete Import Risk Analysis (IRA)

Australia bans imports of U.S. stone fruit (peaches, nectarines, plums, and apricots) due to phytosanitary concerns.

During FTA discussions with the United States, and in a plant health bilateral meeting with APHIS in January 2004, Australia agreed to authorize Biosecurity Australia (BA) to initiate an Import Risk Assessment (IRA) in July 2004. However, due to a restructuring of the import risk analysis procedure, BA's review of market access for California and Pacific Northwest stone fruit failed to make significant progress for several years.

Since 2006, the United States and Australia have made extensive efforts to advance this issue. BA visited stone fruit production areas in California and Washington in 2006. BA published a draft IRA for public comment in April 2008 on which the United States and Australian stakeholders commented extensively in late June. Much work must yet be done for Australia to establish its final policy and operational work plan for access of United States stonefruit. Australia must review and address the comments received in response to its draft IRA, including comments from the United States. Both countries must agree on an appropriate set of mitigations for the key pests determined to be present in California and Pacific Northwest stonefruit.

Commodity: Stonefruit
Country: Canada
Barrier: Light Brown Apple Moth (LBAM)
Issue: Canada's Controls to Prevent the Introduction of LBAM

The light brown apple moth (LBAM) is a pest of significant economic concern for which both Canada and the United States regulate host materials from off-continent sources to mitigate the possibility of its establishment in North America.

Since March 2007, LBAM has been found in eleven counties of California, a region from which Canada imports approximately \$1 billion annually in LBAM host material.

Effective June 25, 2007, Canada announced new regulatory controls to prevent the introduction of LBAM to Canada from California and other regions of the world where it is found.

The imports of LBAM-host material from the state of California, including produce, cut flowers, greenhouse plants, and nursery stock, will fall under these new preventative measures. Moreover, import requirements are being introduced for fresh produce from California to British Columbia where it is believed the LBAM could thrive due to the warmer winter climate.

Commodity: Stonefruit (Nectarines from California)
Country: China
Barrier: Phytosanitary Restriction
Issue: Lack of Chinese Import Requirements for Nectarines from California

China prohibits the importation of U.S. nectarines produced in California due to phytosanitary concerns. On February 6, 2002, APHIS requested market access for California nectarines (*Prunus persica* var. Nectarina). APHIS also submitted a nectarine pest list with this access

request. In a February 2008 U.S.-China bilateral meeting, AQSIQ indicated that the original pest list may be outdated and requested a new pest list. On May 7, 2008 APHIS sent AQSIQ an updated pest list for California nectarines. USDA hopes that the market access approval for California nectarines will entail minimal work since nectarines are very similar in cultivation, culture, and have the same or similar grower base and production areas (the California Central Valley) as California plums, a commodity that has already been approved for import into China. In addition, fresh California nectarines and plums have similar pests and pathogen profiles.

Commodity: Stonefruit
Country: Mexico
Barrier: Phytosanitary Restriction
Issue: Costly Requirements for California Stonefruit Exports to Mexico

In 1997, APHIS and its Mexican counterparts developed a systems approach for mitigating phytosanitary risk to Mexico from imported U.S. stonefruit. The systems approach serves as an alternative to fumigation with methyl bromide and was developed primarily to address oriental fruit moth. It has also been effective in addressing other pests of concern to Mexico.

During October 2008 discussions between APHIS and its Mexican counterparts, agreement was reached to review the current bilateral operational workplan applied to the export of California stonefruits to Mexico, including the list of quarantine pests and level of direct oversight by Mexican inspectors in production areas and packing facilities. The objective of the review is to determine whether a reduction in the number of quarantine pests and level of direct oversight can be achieved.

Commodity: Fresh strawberries
Country: China
Barrier: Phytosanitary Restriction
Issue: Permanent Market Access for California Strawberries to China

In March 2006, the California Strawberry Commission (CSC) contacted APHIS regarding its interest in gaining market access for fresh California strawberries to China, and in May 2006, APHIS delivered both the formal market access request and pest list to China. APHIS continued to press China, and in a February 2008 U.S.-China technical bilateral meeting, China's AQSIQ reported that its review of the pest list was almost complete and that the updated pest list would be forwarded to APHIS for review. The 2006 pest list supplied by APHIS included 61 pests. However, AQSIQ stated that the revised pest list included 119 pests. AQSIQ noted that work on the required PRA had not been initiated as a mutually agreeable pest list had not been finalized. APHIS expressed concern and disappointment at the lack of progress.

On June 2, 2008, APHIS received a letter from AQSIQ stating that China would authorize temporary importation of fresh strawberry fruit from California for the Olympic and Paralympic Games in Beijing, subject to specific phytosanitary requirements. APHIS officials agreed to all certification requirements requested by AQSIQ. However, Chinese companies interested in

importing strawberries were subsequently informed by AQSIQ that only one company would be the "appointed vendor" to import produce (including fresh strawberries) for the Olympic and Paralympic Games.

After the conclusion of technical dialogue, APHIS and FAS officials worked with AQSIQ to ensure that California-origin strawberries could be marketed in Olympic/Paralympic venues in China, and that AQSIQ would issue the special import permit to any importer.

To date, California has shipped about 2,168 pounds of strawberries (valued at approximately \$8,130) without any phytosanitary-related problems.

USDA hopes that this effort will result in further cooperation with AQSIQ to obtain permanent access for California-origin strawberries to the Chinese market.

Commodity:	Vegetables and Fruits
Country:	Taiwan
Barrier:	Phytosanitary Barrier
Issue:	Interceptions of Western Flower Thrips (WFT) May Lead to Import Restrictions

Taiwan's interception of WFT on imported U.S.-origin fruits and vegetables (including strawberries, broccoli, asparagus, and other commodities) since 2001 may result in the implementation of additional import measures if necessary actions are not taken in the United States to control this pest. Taiwan has asked the United States to develop and improve mitigations to remove this pest from vegetable shipments prior to arrival on Taiwan. APHIS and the Agricultural Research Service (ARS) are working on developing new technologies such as controlled atmosphere treatment that have proven effective in mitigating WFT. It is hopeful that an effective technology can be developed and implemented by the U.S. horticultural sector soon.

Should Taiwan require pre-shipment fumigation treatment before a workable mitigation is developed, many industries may no longer find it profitable to export to Taiwan due to the limited self-life of fumigated product and the expense of the treatment.

At the September 2008 phytosanitary bilateral meeting with Taiwan, APHIS provided a progress update on possible WFT treatment options: (1) gaseous phosphine, and (2) ultra low oxygen. In response BAPHIQ reiterated its extreme concern with continued interceptions of WFT in imported U.S.-origin produce. Additionally, BAPHIQ reported that it has drafted and is ready to publish new phytosanitary measures to mitigate WFT-related risks associated with imported U.S.-origin lettuce, broccoli, asparagus and strawberries. APHIS agreed to send a letter to U.S. industry noting the seriousness of the WFT issue. To date, BAPHIQ has not published the proposed phytosanitary measure mentioned during the September 2008 meeting.

Summary of Trade Restrictions Impacting the Export of U.S. Apples and Pears Due to Fire Blight

Fire blight is a bacterial disease detrimental to the health of apple trees and pear trees. However, many countries impose overly restrictive measures on the importation of apple and pear fruit due to concerns relating to fire blight. In one such case, the United States contested in the WTO the imposition of import measures designed to preclude the shipment of U.S. apples to Japan. In July 2005, the WTO ruled that Japan's import restrictions for fire blight were not based on sufficient scientific evidence, and were, therefore, inconsistent with Japan's obligations under the SPS Agreement. The WTO affirmed that the fire blight disease could be addressed by restricting exports of apples to mature, symptomless fruit. Despite this ruling the U.S. apple and pear industries are unable to export product to several countries as a result of unwarranted trade restrictions. Below is summary of some of these trade restrictions.

Country: Australia
Commodity: Apples

Apple growers located in the Pacific Northwest (PNW) states of Idaho, Oregon, and Washington have pursued access to Australia since before 2000 when Australia received a list of pests known to occur in the PNW, including information on the quarantine pest fire blight. Australia has yet to complete an import risk assessment (IRA) for the importation of U.S. apples. Australia also restricts access of apples from New Zealand due to fire blight and has stated that the market access request for U.S. apples will not be fully addressed until New Zealand's apple access issue is resolved.

Subsequent to Biosecurity Australia's (BA) March 2008 publication of a final policy determination for the import of New Zealand apples, which includes onerous quarantine requirements for fire blight and other pests, New Zealand filed a WTO case against Australia seeking less restrictive import measures. The U.S. apple industry is supportive of New Zealand's efforts. Australia has indicated that it will require similar quarantine measures for U.S. apples. The United States has supported New Zealand as a third party to the case. The WTO panel decision is expected in July 2009.

Meanwhile, Australia published an issues paper on access of U.S. apples to Australia in July 2008, and will be reviewing the extensive comments submitted September 5, 2008, by the United States and other commenters on the paper.

Country: South Africa
Commodity: Apples

South Africa prohibits imports of apples produced in the Pacific Northwest due to concerns regarding fire blight and other pests. APHIS requested access for U.S. apples into South Africa in the late 1990s. APHIS is working to address these issues and obtain a new import protocol for U.S. apples from the Pacific Northwest. However, South Africa is imposing import

requirements that are not scientifically justified and are inconsistent with the level of phytosanitary risk posed by pests of concern.

Country: South Korea
Commodity: Apples

APHIS requested access for apples produced in the Western United States (California and the Pacific Northwest) in 1994. In response Korea identified a number of quarantine pests including fire blight. APHIS has provided specific information to Korea on the pests of concern. In 2007, Korea stated that it had initiated a PRA for apples.

Country: China
Commodity: Pears

China's AQSIQ prohibits the importation of U.S. pears due to quarantine concerns with respect to fire blight. Since the early 1990s, U.S. pear growers have sought access to the Chinese market. In 1995, APHIS provided AQSIQ its original pear pest list, and that list was provided to AQSIQ again in August 2000, along with a request that China complete the PRA process. However, due to Chinese concerns about fire blight and the absence of pear-related fire blight research in the scientific literature, little progress had been made in achieving market access. In May 2007, APHIS supplied AQSIQ with research that indicates that mature asymptomatic pear fruit are not a pathway for fire blight. To date, APHIS has not received a response from AQSIQ regarding the status of the risk assessment and the review of the research.

Country: South Korea
Commodity: Pears

South Korea prohibits imports of U.S. pears from the Western United States (California and the Pacific Northwest) due to fire blight and other pests. South Korea is concerned that this bacterial plant disease might be transmitted to domestic crops. APHIS has not received evidence supporting Korea's contention. In 2006, Korea stated that it had initiated a PRA for pears.

Summary of Trade Barriers Related to Maximum Residue Levels (MRLs) or Tolerances for Pesticides

The regulation of MRLs for pesticides on agricultural products by trading partners presents an increasing challenge to the U.S. specialty crop industry. As consumers have become more attentive to food safety, many important trading partners have taken greater interest in the establishment and monitoring of MRLs in food. As a result, MRLs and the policies established to regulate MRLs can vary from one trading partner to the next which presents significant challenges for producers to ensure that their products comply with each country's import standards. Below is a summary of the most significant MRL-related trade barriers impacting the export of U.S. specialty crops, and the efforts taken by USTR, the Environmental Protection Agency, and USDA to remove them.

Commodity:	All Fruits and Vegetables
Country:	Japan
Barrier:	MRL Enforcement Policy
Issue:	MRLs or Tolerances for Pesticides

With Japan's adoption of an MRL positive list system in May 2006, it became apparent that Japan's Ministry of Health, Labor and Welfare's (MHLW) MRL enforcement policy posed a significant potential barrier to U.S. agricultural trade. After a single MRL violation, MHLW increases testing to 30 percent of all similar products originating from the country in question. In the event that a second violation occurs within a year of the first violation for the same commodity and country, MHLW imposes a 100 percent test-and-hold policy against the entire exporting country. This effectively punishes exporters that have complied with Japan's import standards.

As a result of ongoing negotiations and MHLW's positive assessment of the effectiveness of the U.S. system, MHLW implemented a new MRL enforcement program in August 2007 that exclusively penalizes the exporter in violation of Japan's tolerance, but only in cases where the U.S. MRL for the particular commodity and pesticide is equal to or more restrictive than Japan's. However, when the exporting country's MRL is less restrictive than Japan's, as is true for many U.S. tolerances, this policy provides no assurances that U.S. agricultural exports will not be subject to country-wide sanctions.

USTR and FAS continue to press Japan to adopt MRL enforcement measures that conform to international standards.

Commodity: All Fruits and Vegetables
Country: Taiwan
Barrier: Import MRL Backlog
Issue: MRLs or Tolerances for Pesticides

Taiwan's unwillingness to recognize international MRLs while it takes action to reduce a backlog of over 1,500 MRL applications is creating a significant level of uncertainty within the U.S. agriculture export industry. Due to the enormity of the backlog, an agreement by Taiwan to reference Codex and U.S. MRLs, in the absence of Codex tolerances, is necessary to avoid potential trade disruptions.

Taiwan's inability to keep pace with requests to establish MRLs for pesticides has resulted in an extraordinary imbalance of pesticides registered for use in the United States compared to those in Taiwan. This imbalance has resulted in a rise in the rejection of U.S. agricultural shipments including strawberries, wheat, barley, and corn due to residue violations in 2006 and 2007.

The United States supports Taiwan's Department of Health's (DOH) efforts to establish and quickly review 248 MRL applications that are recognized as priorities for many U.S. agricultural industries. Despite the EPA providing DOH with technical information for many of these MRLs, there is concern that DOH may not have the necessary resources to increase the pace of the review process. In response to this concern, EPA and FAS have coordinated opportunities for DOH officials to participate in technical orientations relating to U.S. MRL risk assessment procedures.

In September 2008, FAS and EPA met with DOH officials on two occasions to discuss the resolution of this trade concern. In those discussions Taiwan was reluctant to commit to recognition of international MRLs before DOH completes risk assessments on the outstanding pesticide backlog.

Commodity: All Fruits and Vegetables
Country: Canada
Barrier: Removal of MRL Default Tolerance
Issue: MRLs or Tolerances for Pesticides

Canada's Pest Management Regulatory Agency (PMRA) is in the process of revoking the general default tolerance of 0.1 ppm for pesticides not currently registered in Canada. Once PMRA implements this policy, any food product that contains a residue for a pesticide that does not have an established MRL will be in violation of Canada's Food and Drug Regulation. Canada's intent for removing the default tolerance is to implement a positive list system that regulates pesticide residues for which PMRA has performed a risk assessment and established an MRL.

EPA and FAS are working with the U.S. agricultural industry in consultation with PMRA to identify and establish MRL priorities of both countries in order to minimize potential disruption to trade. FAS funded the development of a database (www.mrlharmonization.com) that serves as a tool for agricultural industries from the United States and Canada to identify pesticides that are of high priority for each commodity sector. It is anticipated that the database will provide a direction in establishing MRLs in a systematic method as Canada transitions to a positive list system.

Commodity: All Fruits and Vegetables
Country: European Union (EU)
Barrier: MRL Harmonization
Issue: MRLs or Tolerances for Pesticides

On September 1, 2008, the EU implemented regulation 396/2005/EC harmonizing MRLs covering all agricultural products intended for food and feed for all Member States. Previous to the implementation of this regulation, Member States were also able to establish individual country MRLs, leading to a multitude of varying pesticide standards that created food safety concerns among consumers and confusion among exporters to this market.

The regulation allows product treated before September 1, 2008, with a pesticide approved under the previous system, to enter the market. However, there are cases where U.S. products will be subject to a more restrictive MRL that is likely to impact trade. Prior to the implementation of this regulation the USG informed the EU that consideration should also given to harmonizing MRLs to Codex Alimentarius and to the trading partners that are consistent with maintaining high food safety standards for consumers.

The USG requested that the EU clarify its "import tolerance" policy in cases where pesticide residues in the food produced in other countries in accordance with Good Agricultural Practices exceed the proposed European MRLs. In addition, the EU received comments expressing concerns about specific MRLs and the apparent lack of consistency and clarity in the review processes for establishing MRLs and import tolerances. The EU has also imposed a general default of 0.01 ppm for pesticides not covered by the new regulation. This limit is set at the level of detection and, therefore, overly restrictive. FAS continues to monitor and assess the implementation of this regulation to ensure fair treatment of U.S. agricultural exports to the EU.

**U.S. Specialty Crop Trade Issues:
Cross Reference of Trade Barriers by Country**

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2008 Applied Tariff Rates*
Key Countries and Selected Commodities

Commodity HS #	Almonds/no shell 080212	Almonds/in shell 080211	Apples 080810	Avocados 080440	Brassicas 0704	Cherries 080920
Country						
NAFTA						
United States	24 ¢/kg.	7.7 ¢/kg.	0	11.2 ¢/kg.	2.5-20%	0
Canada	0	0	0	0	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
Colombia	15%	15%	15%	15%	15%	15%
EUROPE						
European Union	0- 3.5%	0 - 5.6%	9% up to 11.2% + 23.8 EUR/100 kg.	5.1%	9.6 MIN 1.1 up to 13.6 MIN 1.6 EUR/100 kg./net	12%
Russia	0	0	100-200 EUR/MT	-	-	-
MIDDLE EAST						
Israel	\$1.80/kg. within 2,650 MT quota. Otherwise, NS 15.6/kg. BNM** 93.42%	\$1.35/kilo within 530 MT quota. Otherwise, NS 8.75/kg., BNM 93.42%	0 within 3,039 MT quota. Otherwise NS 1.7/kg., BNM 506.6%	NS 1.63, BNM 73.5%	0 up to 1,424 MT quota. Otherwise NS .62 - NS .95/kg. BNM 97.65%	NS 1.46 - NS 3.29/kg., BNM 82.5%
Kuwait	5%	5%	0	0	0	0
Saudi Arabia	5%	5%	0	0	0	0
Turkey	43.2%	43.2%	60.3%	45%	19.5%	55%
AFRICA						
Egypt	12%	12%	40%	22%	5%	5%
South Africa	0	0	5%	5%	0	5%
ASIA/PACIFIC						
China	10%	24%	10%	25%	10-13%	10%
Hong Kong	0	0	0	0	0	0
India	Rs. 66.95/ kg.	Rs. 35/kg.	50%	30%	30%	30%
Indonesia	5%	5%	5%	5%	5%	5%
Japan	0-2.4%	0-2.4%	17%	3%	3%	8.5%
Korea, Rep. of	8%	8%	45%	30%	27%	24%
Australia	0	0	0	0	0	0
Malaysia	0	0	5%	5%	0	5%
New Zealand	0	0	0	0	0	0
Philippines	3%	3%	7%	15%	3-40%	7%
Singapore	0	0	0	0	0	0
Taiwan	2.5-10% (NT\$4/kg.)	5-10% (NT\$4/kg.)	20%	15%	20%	7.5%
Thailand	10% or Baht 8.5/kg.	10% or Baht 8.5/kg.	10% or Baht 3/kg.	40% or Baht 33.5/kg.	40% or Baht 4.25/kg.	40% or Baht 33.5/kg.

*Tariffs were compiled from websites of the United States International Trade Commission, the United States Trade Representative, foreign countries' online tariff schedules, and FAS Attaché reports. They do not include a variety of additional taxes levied against imported U.S. products. Rates are subject to change. The accuracy of individual entries is not guaranteed.

** But not more than

2008 Applied Tariff Rates
Key Countries and Selected Commodities (continued)

Commodity HS #	Corn p/p 200580	Grapefruit 080540	Grapes 080610	Kiwi 081050	Lemons 080550	Lettuce 070511
Country						
NAFTA						
United States	5.6%	1.5-2.5¢/kg.	0-\$1.80/m ³	0	2.2¢/kg.	.4-3.7¢/kg.
Canada	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
WESTERN HEMISPHERE						
Argentina	14%	10%	10%	10%	10%	10%
Brazil	14%	10%	10%	10%	10%	10%
Chile	0	0	0	0	0	0
Colombia	20%	15%	15%	15%	15%	15%
EUROPE						
European Union	5.1% + 9.4 EUR/100 kg./net	1.5%	11.5% up to 14.4%- + 9.6 EUR/100 kg.	8.8%	Lemons: 6.4% up to 6.4% + 25.60 EUR/ 100 kg. Limes: 12.8%	12 MIN 2 EUR/100 kg./br
Russia	-	5%, but no less than 20 EUR/MT	5%	-	-	-
MIDDLE EAST						
Israel	10.2% + .NS 82 /kg. BNM 42.5 %	0 within 1,689 MT quota. Otherwise NS .59/kg. BNM 148%	0 within 775 MT quota. Otherwise NS 1.53/kg. BNM 320%	NS 1.45 – NS 3.05/kg. BNM 82%	0 within 506 MT quota. Otherwise NS .73/kg. BNM 225%	NS .62/kg. BNM 77%
Kuwait	5%	0	0	0	0	0
Saudi Arabia	5%	0	0	0	0	0
Turkey	39%	54%	54.9%	93%	54%	19.5%
AFRICA						
Egypt	32%	5%	40%	5%	5%	5%
South Africa	20%	5%	5%	5%	5%	0
ASIA/PACIFIC						
China	10%	12%	13%	20%	11%	10%
Hong Kong	0	0	0	0	0	0
India	30%	25%	40%	30%	40%	30%
Indonesia	5%	5%	5%	5%	5%	5%
Japan	10-14.9%	10%	7.8-17%	6.4%	0	3%
Korea, Rep. of	15%	30%	45%	45%	30%	45%
Australia	0	0	0	0	0	0
Malaysia	8%	5%	5%	15%	5%	0
New Zealand	5%	0	0	0	0	0
Philippines	15%	7%	7%	7%	10%	25%
Singapore	0	0	0	0	0	0
Taiwan	13-20%	15-184%	20%	20%	15-30%	20%
Thailand	30% or Baht 25/kg.	40% or Baht 33.5/kg.	30% or Baht 25/kg.	30% or Baht 25/kg.	40% or Baht 33.5/kg.	40% or Baht 4.25/kg.

2008 Applied Tariff Rates
Key Countries and Selected Commodities (continued)

Commodity HS #	Nursery Stock 06	Oranges 080510	FCOJ 200911	Peaches/ Nectarines 080930	Peaches, Canned 200870	Pears 080820
Country						
NAFTA						
United States	0-7%	1.9¢/kg.	7.85¢/liter	0-.2¢/kg.	16-17%	0-.3¢/kg.
Canada	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
WESTERN HEMISPHERE						
Argentina	0-10%	10%	14%	10%	14%	10%
Brazil	0-10%	10%	14%	10%	14%	10%
Chile	0	0	0	0	5%, effective Jan. 1, 2009	0
Colombia	5-10%	15%	20%	15%	20%	15%
EUROPE						
European Union	0-12%	16%	15.2% up to 33.6% + 20.6 EUR/100 kg./net	17.6%	15.2% up to 25.6% + 4.2 EUR/100 kg./net	5% up to 7.2% MIN 0.36 EUR/100 kg.
Russia	-	-	-	-	-	5%
MIDDLE EAST						
Israel	0	0 within 1,689 MT quota. Otherwise NS .68/kg. BNM 148%	10.8% - 45%	0 within 735 MT quota	0	0 within 775 MT quota. Otherwise NS 1.89/kg. BNM 403%
Kuwait	0-5%	0	5%	0	5%	0
Saudi Arabia	0-5%	0	5%	0	5%	0
Turkey	2.4%-46.8%	54%	58.5%	55%	58.5%	60.3%
AFRICA						
Egypt	2-32%	22%	32%	5%	32%	40%
South Africa	0-20%	5%	25%	5%	5%	5%
ASIA/PACIFIC						
China	0-23%	11%	7.5%	10%	10-20%	10-12%
Hong Kong	0	0	0	0	0	0
India	10-60%	40%	35%	30%	30%	35%
Indonesia	5-25%	5%	5%	5%	5%	5%
Japan	0-3%	16-32%	25.5%	6%	21.3-29.8%	4.8%
Korea, Rep. of	8-25%	50%	54%	45%	50%	45%
Australia	0	0	0	0	0	0
Malaysia	0	0	0-6%	5%	0-8%	5%
New Zealand	0-5%	0	5%	0	5%	0
Philippines	1-15%	10%	7%	7%	7%	7%
Singapore	0	0	0	0	0	0
Taiwan	0-24%	20-30%	20-30%	20%	15%	10% or NT\$49/kg.
Thailand	30-54%	40% or Baht 33.5/kg.	30% or Baht 10/liter	40% or Baht 33.5/kg.	30% or Baht 25/kg.	30% or Baht 15/kg.

2008 Applied Tariff Rates
Key Countries and Selected Commodities (continued)

Commodity HS #	Pistachios 080250	Potatoes x sd 070190	Potato Chips 200520	Potatoes, FZ FF 200410	Prunes 081320	Raisins 080620
Country						
NAFTA						
United States	.9-1.9¢/kg.	.5¢/kg.	6.4%	6.4-8%	2¢/kg., or 14%	1.8-3.5¢/kg.
Canada	0	0	0	0	0	0
Mexico	0	0	0	0	0	0
WESTERN HEMISPHERE						
Argentina	10%	10%	14%	14%	10%	10%
Brazil	10%	10%	14%	14%	10%	10%
Chile	0	0	0	0	0	0
Colombia	15%	15%	20%	20%	15%	15%
EUROPE						
European Union	1.6%	5.8-11.5%	14.1%	14.4-17.6%	9.6%	2.4%
Russia	-	-	-	-	-	-
MIDDLE EAST						
Israel	0	NS 1.20 – NS 1.55/kg. BNM 199%	0	0	0 within 1,363 MT quota. Otherwise NS .9- NS 4/kg. BNM 93%.	0 within 1,277 MT quota. Otherwise NS 1.53/kg. BNM 311%
Kuwait	5%	0	5%	5%	5%	0
Saudi Arabia	5%	0	12%	5%	5%	0
Turkey	43.2%	19.3%	39%	39%	41%	54.9%
AFRICA						
Egypt	12%	5%	32%	32%	22%	40%
South Africa	0	.44¢/kg.	20%	20%	10%	10%
ASIA/PACIFIC						
China	10%	13%	15%	13%	25%	10%
Hong Kong	0	0	0	0	0	0
India	30%	30%	30%	35%	25%	105%
Indonesia	5%	25%	5%	5%	5%	5%
Japan	0	4.3%	12%	8.5%	2.4%	1.2%
Korea, Rep. of	30%	304%	20%	18%	18%	21%
Australia	0	0	0	0	0	0
Malaysia	0	0	0-8%	0	5%	5%
New Zealand	0	0	5%	5%	0	0
Philippines	3%	40%	7%	10%	7%	3%
Singapore	0	0	0	0	0	0
Taiwan	3%	20%	15%	12.5%	6%	NT\$2/kg.
Thailand	10% or Baht 8.5/kg.	60% or Baht 6.25/kg. (TRQ)	30% or Baht 25/kg.	30% or Baht 25/kg.	40% or Baht 33.5/kg.	30% or Baht 25/kg.

2008 Applied Tariff Rates
Key Countries and Selected Commodities (continued)

Commodity HS #	Strawberries 081010	Tomatoes 070200	Walnuts 08023
Country			
NAFTA			
United States	.2-1.1¢/kg.	2.8-3.9¢/kg.	7-26.5¢/kg.
Canada	0	0	0
Mexico	0	0	0
WESTERN HEMISPHERE			
Argentina	10%	10%	10%
Brazil	10%	10%	10%
Chile	0	0	0
Colombia	15%	15%	15%
EUROPE			
European Union	11.2%	8.8% up to 8.8% + 29.8 EUR/100 kg.	4-5.1%
Russia	-	-	-
MIDDLE EAST			
Israel	NS .86 – NS 2.87/kg. BNM 62%	0 up to 200 MT. Otherwise NS .68 - NS .92/kg. BNM 208%	0
Kuwait	0	0	5%
Saudi Arabia	0	0	5%
Turkey	50%	48.6%	43.2%
AFRICA			
Egypt	5%	5%	12%
South Africa	15%	15%	0
ASIA/PACIFIC			
China	19.18%	13%	20-25%
Hong Kong	0	0	0
India	30%	30%	30.9%
Indonesia	5%	5%	5%
Japan	6%	3%	10%
Korea, Rep. of	45%	45%	30-45%
Australia	0	0	0
Malaysia	5%	0	0
New Zealand	0	0	0
Philippines	15%	10%	3%
Singapore	0	0	0
Taiwan	20%	10%	5%
Thailand	40% or Baht 33.5/kg.	40% or Baht 4.25/kg.	10% or Baht 8.5/kg.

The Technical Assistance Program for Specialty Crops

The Farm Security and Rural Investment Act of 2002 created the Technical Assistance for Specialty Crops (TASC) program and authorized the use of \$2 million of Commodity Credit Corporation (CCC) resources in each fiscal year from 2002 through 2007. The TASC program is designed to assist U.S. organizations by providing funding for projects that address sanitary, phytosanitary, and technical barriers that prohibit or threaten the export of U.S. specialty crops. Activities that may be undertaken with TASC grants include seminars and workshops, study tours, field surveys, pest and disease research, and pre-clearance programs.

The Food, Conservation, and Energy Act of 2008 continued the TASC program through 2012 and authorized the use of CCC funds according to the following schedule:

Year	CCC Funds
2008	\$4,000,000
2009	\$7,000,000
2010	\$8,000,000
2011	\$9,000,000
2012	\$9,000,000

Summaries of Projects Funded under the Technical Assistance for Specialty Crops Program (TASC) During Fiscal Year 2008

ORGANIZATION: 100% Puerto Rico Coffee Export Board, Inc.

AMOUNT: \$655,000

PROJECT TITLE: Coffee Berry Borer Biological Control Program

ACTIVITY DESCRIPTION: The goal of this project is to prevent damage to coffee crops by the coffee berry borer, and eliminate phytosanitary barriers to export. With assistance from the University of Maryland, College Park; University of Puerto Rico, Agricultural Extension Service and Experimental Research Station; and the Coffee Board's technical personnel (agronomists, educators, etc.), the project will develop and implement a program that will train farmers and coffee processors on established procedures to control and/or eradicate the coffee berry borer.

ORGANIZATION: California Citrus Quality Council

AMOUNT: \$328,902

PROJECT TITLE: California Navel and Valencia Exports to Korea, Phase 2

ACTIVITY DESCRIPTION: The development and implementation of new procedures for monitoring, testing, and managing Septoria spot of orange caused by *S. citri* in California through the continued collaboration between United States and Korean scientists.

ORGANIZATION: California Grape & Tree Fruit League

AMOUNT: \$41,888

PROJECT TITLE: Develop Efficacy Data through a Pilot Systems Approach for Peach Twig Borer - Australia

ACTIVITY DESCRIPTION: Funds will be used to develop a viable nonfumigation pilot program for stone fruit exports to Australia consisting of a system of integrated measures implemented in orchards and packing facilities for pest risk management

ORGANIZATION: California Specialty Crops Council (CSCC)

AMOUNT: \$98,000

PROJECT TITLE: Global Maximum Residue Limits (MRLs): Engaging Specialty Crops in Priority Setting, Planning and Compliance

ACTIVITY DESCRIPTION: This project will provide support for participation in MRL prioritization activities for several CSCC commodities with key regulatory agencies in the United States and abroad.

ORGANIZATION: California Table Grape Commission

AMOUNT: \$149,490

PROJECT TITLE: Postharvest Control of Light Brown Apple Moth (LBAM) on Fresh Grapes

ACTIVITY DESCRIPTION: Research to identify a postharvest treatment that can control LBAM to the satisfaction of export markets.

ORGANIZATION: Ginseng Board of Wisconsin
AMOUNT: \$153,000 (\$76,500 for 2 years)
PROJECT TITLE: Research on a New Soil Organism that Blemishes Ginseng Roots and Prevents Their Export to China (Year Two) and Research on Rapid Ginseng Testing for Export (Year One)
ACTIVITY DESCRIPTION: Research on ginseng grown on test plots to determine what types of natural (chemical-free) or reduced risk (as determined by EPA) products will prevent scab/rust and foliar blight on ginseng, and research on rapid ginseng testing for export.

ORGANIZATION: Hawaii Papaya Industry Association
AMOUNT: \$85,000
PROJECT TITLE: Rainbow Papaya - First Consumer Ready Biotech Product in Japan
ACTIVITY DESCRIPTION: The industry will use TASC funds to contract for the development of a label for Rainbow, a genetically engineered papaya from Hawaii. The label would be commissioned to help Hawaiian producers meet Japan's labeling laws on biotechnology. The label should help to establish Rainbow as a flavorful, positive, healthy, Hawaiian fruit. Significant and in-depth research will be made available to the contract winner relating to Japanese consumer sentiments on biotech products.

ORGANIZATION: National Potato Council
AMOUNT: \$617,760
PROJECT TITLE: Addressing Nematode Issues in Potato Market Access to Mexico
ACTIVITY DESCRIPTION: The project is to support additional testing of shipments to Mexico by conducting pretesting for Columbia root knot nematode in U.S. labs that replicates official Mexican lab testing practices.

ORGANIZATION: Organic Trade Association & Sustainable Strategies
AMOUNT: \$750,000
PROJECT TITLE: GAP Analysis, Conformity Assessments & Strategic Analyzes Regarding Specialty Crops
ACTIVITY DESCRIPTION: Funding will be used to develop comparative analysis, conformity assessments and strategic analytical services so that the United States can continue to establish organic trade recognition agreements that facilitate the free flow of U.S. organic products.

ORGANIZATION: IR-4 Rutgers University
AMOUNT: \$534,604
PROJECT TITLE: International Harmonization of Maximum Residue Levels on Specialty Crops through Global Zoning of Residue Data and Crop Grouping
ACTIVITY DESCRIPTION: The overarching goal of this work is to increase the number of internationally recognized pesticides available to U.S. growers, and to expand U.S. export opportunities for specialty and minor-use crops

ORGANIZATION: U.S. Apple Export Council

AMOUNT: \$176,500

PROJECT TITLE: Mexican Work Plan Implementation

ACTIVITY DESCRIPTION: TASC funding will cover expenses of the Mexican inspection officials for local and international travel, per diem and administrative expenses consistent with the requirements in the work plans approved by APHIS and the Mexican Government.

ORGANIZATION: U.S. Potato Board

AMOUNT: \$75,000

PROJECT TITLE: Fresh Potato Market Access - Mexico

ACTIVITY DESCRIPTION: The Board will 1) hire a Mexican potato specialist to catalog and document all potato pests known to occur in Mexico, and, 2) provide detailed technical assistance to its Mexican partners in preparation for working group meetings.

ORGANIZATION: University of Alaska Fairbanks

AMOUNT: \$75,000

PROJECT TITLE: Joint Research on Diseases of Horticultural Crops – Aster Yellow
Phytoplasma

ACTIVITY DESCRIPTION: The phylogenetic relationship of this pathogen to other isolates found in the United States and other countries will be identified. The applicant will collect information in China, focusing on occurrence and severity of aster yellow phytoplasma diseases on potatoes. The ultimate goal of this project is the removal of aster yellow phytoplasma from the plant quarantine pathogens and pests list proposed by China for U.S. potato exports to China. The specific objective is to gain a better understanding of aster yellow phytoplasma in China through research on: 1) phylogenetic relationship of aster yellow phytoplasma found in China and in the United States, and 2) analyses of insects which may act as vectors in aster yellow phytoplasma transmission.

ORGANIZATION: Washington State University

AMOUNT: \$207,510

PROJECT TITLE: Developing Mitigation Measures for *Phacidiopycnis washingtonensis* in Apples for Export to China and Taiwan

ACTIVITY DESCRIPTION: This project aims to develop mitigation measures for the decay-causing pathogen *Phacidiopycnis washingtonensis* in apple fruit, so that the export barrier for U.S. apples to China can be removed.