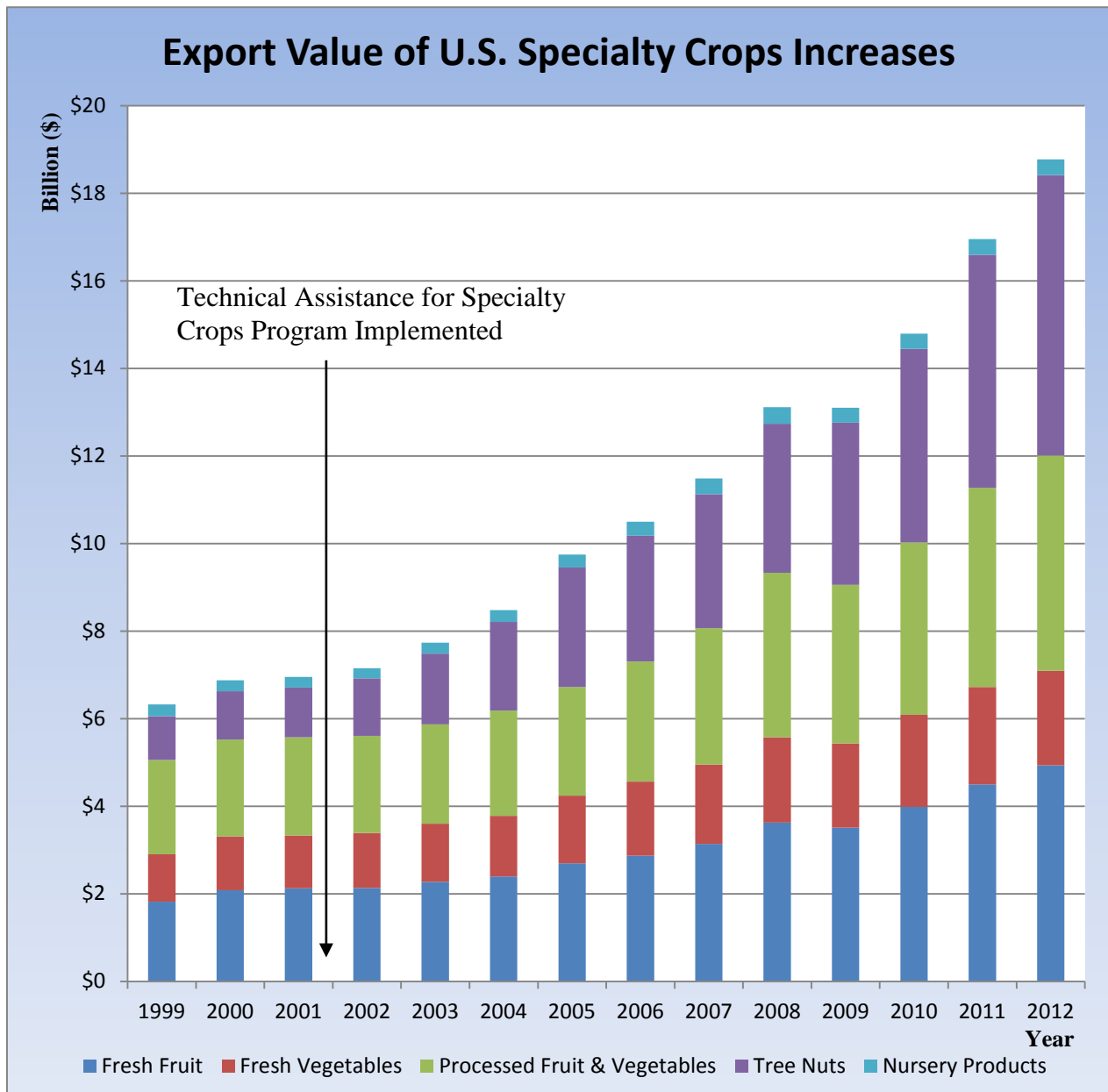




# U.S. Specialty Crops Trade Issues



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## I. Foreword

The U.S. Department of Agriculture (USDA) is pleased to provide the annual *U.S. Specialty Crops Trade Issues Report* for 2012. This report provides an overview of the market access issues confronting U.S. specialty crop producers and the activities approved by the Foreign Agricultural Service (FAS) to receive Technical Assistance for Specialty Crops (TASC) funds.

Along with FAS, USDA's Animal and Plant Health Inspection Service (APHIS) plays a key role in addressing foreign agricultural trade barriers by developing and advancing science-based standards to prevent U.S. agricultural exports from facing unwarranted phytosanitary restrictions. Additionally, USDA's Agricultural Marketing Service's (AMS) certification, auditing, inspection, and laboratory analysis have proven to be effective tools used by the U.S. specialty crop industry for ensuring that exported products comply with the food safety requirements in foreign markets.

In 2001, the TASC program was established to assist U.S. specialty crop growers and exporters to address the sanitary and phytosanitary (SPS) trade barriers in export markets worldwide. Under the TASC program, USDA's FAS grants funds to eligible organizations to implement activities that address SPS or related technical barriers that prohibit or threaten the export of U.S. specialty crops. The TASC program is intended to benefit the representative industry as a whole rather than a specific company or branded product. Examples of eligible TASC program activities are preclearance export programs, export protocol and work plan support, technical seminars and workshops, study tours, field surveys, pest and plant disease mitigation research, and pesticide maximum residue limits (MRL) database development.

TASC program funds have proven effective in successfully addressing numerous SPS barriers to trade. One example of this is the Almond Board of California's use of TASC program funds in 2012 to demonstrate to European Union (EU) regulators the efficacy of the almond mycotoxin inspection program, which persuaded the EU to subsequently reduce import inspection rates on California almonds. The successful outcome of this project was based on the EU's assessment of the industry's inspection program results, which demonstrate that California almonds are a low food safety risk to consumers in Europe.

Before FAS fully implemented the TASC program in 2001, exports of U.S. specialty crops totaled \$6.9 billion. Ten years later, with assistance from the TASC program, exports of U.S. specialty crops have reached a record level of \$18.8 billion (includes tree nuts – \$6.4 billion; fresh fruit – \$4.9 billion; fresh vegetables – \$2.2 billion; processed fruits and vegetables – \$4.9 billion; and nursery products – \$360 million).

In addition to administering the TASC program, FAS' efforts to work with the U.S. specialty crop industry in resolving SPS trade barriers require a well coordinated comprehensive approach often involving other key sectors of the U.S. government.

## II. List of Frequently Used Acronyms and Abbreviations

AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ARS	Agricultural Research Service
CM	Codling Moth
Codex	Codex Alimentarius
EC	European Commission
EFSA	European Food Safety Authority
EGVM	European Grapevine Moth
EPA	Environmental Protection Agency
EU	European Union
FAS	Foreign Agricultural Service
FDA	Food and Drug Administration
FTA	Free Trade Agreement
IRA	Import Risk Assessment
JCCT	Joint Commission on Commerce and Trade
LBAM	Light Brown Apple Moth
MRL	Maximum Residue Limit
NAPPO	North American Plant Protection Organization
PRA	Pest Risk Assessment
SPS	Sanitary and Phytosanitary Measures
SWD	Spotted Wing Drosophila
TASC	Technical Assistance for Specialty Crops
TBT	Technical Barriers to Trade
USDA	U.S. Department of Agriculture
USTR	United States Trade Representative
VASP	Voluntary Aflatoxin Sampling Plan
WTO	World Trade Organization

### **III. Introduction**

#### **A. 2008 Farm Bill, Report Overview**

FAS is pleased to submit this report as required under Section 3203 of the Food, Conservation and Energy Act of 2008 (2008 Farm Bill). For the purposes of this publication, “specialty crops” are defined in accordance with the Specialty Crops Competitiveness Act of 2004 – (Sec. 3), as amended by Section 10109 (a) of the 2008 Farm Bill, as fruits, vegetables, tree nuts, dried fruits, horticultural crops, and nursery crops (including floriculture). This report provides an illustrative overview of a broad spectrum of import measures that adversely affect or threaten to disrupt U.S. specialty crop exports.

The report is divided into three general categories: Summary of SPS Trade Issues by Commodity; Summary of Trade Issues Related to Maximum Residue Limits (MRL) for Pesticides; and Summary of Technical Assistance for Specialty Crops (TASC) Program Projects Approved in 2012. The summary of SPS Trade Issues provides updates of efforts taken to address export barriers impacting various sectors of the U.S. specialty crop industry. The Summary of MRL-related barriers to trade also provides similar updates related specifically to the regulation of pesticides. The summary of TASC program projects provides brief descriptions of each proposal approved for funding by FAS in 2012. Many of these TASC projects are referenced in the trade issues summaries portion of the report.

#### **B. WTO SPS and TBT Measures**

The World Trade Organization’s (WTO) Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures explicitly recognizes the right of governments to implement measures protecting human, animal, and plant health, provided such policies are based on science and do not unjustifiably discriminate against sources of agricultural products. The WTO’s Agreement on Technical Barriers to Trade (TBT) similarly recognizes that WTO Members have the right to take standards-related measures necessary to protect human health, safety, and the environment at the levels they consider appropriate and to achieve other legitimate objectives. At the same time, the TBT Agreement imposes a series of disciplines regarding the development and application of those measures. Restrictions that fail to comply with international rules are actionable under U.S. trade law as well as the WTO.

Negotiating market access agreements addressing SPS-related trade barriers is frequently challenging and time-consuming because it often requires significant resources to develop pest lists, conduct research, and implement risk assessments. In addressing trade barriers, the Administration uses several fora that include bilateral and multilateral discussions, collaborative research, preclearance programs, technical exchanges, and consultations within the WTO. In addition to bilateral negotiations on specific issues, negotiations on trade barriers may take place within the context of the WTO, Codex Alimentarius, free trade agreements (FTA), Consultative Committees on Agriculture (CCA), or the International Plant Protection Convention (IPPC). Additionally, pest research, field surveys, and preclearance programs that are often funded under the TASC play an important role in supporting efforts to remove trade barriers. Finally, if the U.S. Government (USG) has sufficient evidence that a trading partner

has failed to address a trade barrier within the terms and conditions of international trade rules, it may pursue consultations within the WTO.

## **C. U.S. Government Agencies**

This report was prepared and compiled by the Plant Division and the Processed Products and Technical Regulations Division of the Office of Agreements and Scientific Affairs and the Office of Trade Programs of FAS, with assistance from the U.S. specialty crop industry, the Animal and Plant Health Inspection Service (APHIS), the Environmental Protection Agency (EPA), the Agricultural Marketing Service (AMS), Agricultural Research Service (ARS), and the Office of the United States Trade Representative (USTR).

FAS coordinates closely with other sectors of the U.S. government to address SPS trade barriers impacting U.S. agricultural exports. In particular, FAS, APHIS, AMS, ARS, EPA, FDA, and USTR often participate in interagency discussion and coordination on SPS-related matters impacting the trade of U.S. specialty crops. The roles of each agency are summarized below.

### ***Foreign Agricultural Service***

FAS plays a lead role in developing, coordinating, and executing USDA's market access strategy for U.S. products (including removing SPS barriers to U.S. exports), building new markets, improving the competitive position of U.S. agriculture in the global marketplace, and providing food aid and technical assistance to foreign countries. FAS has primary responsibility for USDA's international activities: market development, trade agreements and negotiations, and the collection and analysis of statistics and market information. FAS relies on its global network of overseas offices with staff in over 90 foreign countries that monitor policies and other developments that could affect U.S. agricultural exports. FAS collects and analyzes information that a number of U.S. agencies use to develop strategies to increase market access, monitor trade agreements, and improve programs and policies to make U.S. agricultural products more competitive.

### ***Animal and Plant Health Inspection Service***

APHIS works to prevent the spread of agricultural pests and diseases affecting animals and plants in the United States and to foster safe agricultural trade, thus serving to ensure an abundant, high-quality, and varied food supply worldwide. APHIS also plays a key role in addressing foreign agricultural trade barriers by developing and advancing science-based standards to prevent U.S. agricultural exports from facing unwarranted phytosanitary restrictions. APHIS is also the lead U.S. Government agency in the IPPC for developing and implementing international plant health standards.

### ***Agricultural Marketing Service***

AMS administers programs that facilitate the efficient, fair marketing of U.S. agricultural products, including specialty crops. AMS' certification, auditing, inspection, and laboratory analysis have proven to be effective tools used by the U.S. specialty crop industry for ensuring

that exported products comply with the food safety requirements in foreign markets. AMS also plays a key role in regulation and guidance on certification, production, handling, and labeling of USDA organic products.

### ***Agricultural Research Service***

ARS provides technology to manage pest populations below economic damage thresholds by the integration of environmentally compatible strategies that are based on increased understanding of the biology and ecology of insects and noxious weeds. In particular, the efforts of ARS in conducting research on efficacious pest mitigations (i.e., systems approaches, phosphine treatment, irradiation, etc.) have proven effective in opening and maintaining access to key export markets for the U.S. specialty crop industry.

### ***U.S. Environmental Protection Agency***

EPA regulates pesticide use in the United States to protect human health and the environment, establishes MRLs to ensure safety of both domestically produced and imported foods, promotes the use of safe pest control methods, and establishes standards and requirements regarding sound pesticide and chemical management practices based on science. EPA plays a key role in coordinating activities with respect to pesticide-related measures of other countries.

### ***U.S. Food and Drug Administration***

FDA is the public health regulatory agency responsible for the safety of food produced and imported by the United States. FDA plays an important role in assessing foreign food safety measures implemented by U.S. trade partners. FDA has recently established posts in strategic locations overseas (i.e., Belgium, Chile, China, Costa Rica, India, Jordan, Mexico, South Africa, and the United Kingdom) to enhance coordination with foreign regulators, industry, and other stakeholders in promoting food safety.

### ***United States Trade Representative***

USTR is an agency within the Executive Office of the President and is responsible for developing and coordinating U.S. international trade policy and overseeing negotiations with other countries, including with respect to foreign SPS measures. USTR meets with foreign government officials, business groups, legislators, public interest groups, and other interested parties to gather input on SPS issues. USTR coordinates U.S. trade policy through an interagency structure. USTR plays a variety of roles with regard to trade barriers by serving as the lead U.S. agency in negotiating bilateral, regional, and multilateral trade agreements while serving as the U.S. counsel in all WTO disputes. The United States Trade Representative serves as the President's principal trade advisor, negotiator, and spokesperson on trade issues.



## **D. Source of Trade Information**

The U.S. trade data presented in this report is available from the U.S. Global Agricultural Trade System (GATS), located at this web link: <http://www.fas.usda.gov/gats/default.aspx>. 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 data is also publicly available at: <http://www.fas.usda.gov/psdonline>. The online database contains current and historical official USDA data on production, supply, and demand 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.

## **E. Emerging and Existing Challenges to U.S. Specialty Crop Trade**

Below are summaries of existing and emerging challenges affecting the U.S. specialty crop industry related to emerging pest problems and evolving organic standards. This information provides a broader perspective of issues that may affect trade of U.S. specialty crops universally and require a comprehensive approach by U.S. industry and U.S. Government stakeholders to resolve.

**Citrus Greening:** Citrus greening (also called Huanglongbing or yellow dragon disease) is a serious disease affecting citrus production in the United States. The bacterial pathogen that causes the disease is primarily spread by two species of psyllid insects. One species, the Asian Citrus Psyllid, has been present in Florida since 1998. The bacteria are not harmful to humans, but the disease has damaged trees in Asia, Africa, the Arabian Peninsula, and Brazil. There are three forms of the bacteria: an Asian strain, an African strain, and an American strain first detected in Brazil. The Asian strain was detected in Florida in September 2005. APHIS, in conjunction with U.S. state governments, has implemented regulatory programs to control the interstate and intrastate movement of material considered to be vectors for the psyllid and citrus greening in an effort to protect uninfected areas.

U.S. citrus producers are concerned that, if citrus greening were to become established in commercial production areas in California, trading partners may establish new import restrictions on U.S. citrus. Australia implemented stringent emergency requirements for the importation of California and Arizona citrus in 2009 following detections of the Asian citrus psyllid in California. Australia subsequently relaxed import requirements for California and Arizona citrus in 2010 after USDA gained Australia's acceptance of preliminary pest mitigation data from research conducted by USDA and the state of Florida. This research was conducted under a TASC program grant, which demonstrated that citrus fruit that had been subjected to standard packing house washing, waxing, and brushing is an unlikely pathway for the Asian citrus psyllid.

**Organic Standards:** The implementation of new organic regulations around the world that differ from those under the United States' National Organic Program has created technical barriers for U.S. certified organic products. Foreign standards often do not follow Codex Alimentarius Commission guidelines or standards set by major producing countries and therefore require significant comparative work and analysis to enter into recognition or equivalence negotiations with another country to gain 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 different ways. The United States and Canada completed negotiations for a determination of equivalence in June 2009. This was the first equivalence determination reached by the United States with any country. The United States and the EU began equivalence negotiations in May 2010 and finalized the signing of the agreement in February 2012. The detailed comparison documents created using TASC funds were vital in assisting negotiators to evaluate the critical differences in standards in order to reach recognition or equivalence determinations.

The United States is working on implementation of the EU organic arrangement. Organic equivalence negotiations with Japan began in October 2012, and were concluded on September 26, 2013, with the signing of an organic equivalence arrangement. Priority markets to engage in equivalence discussions in 2014 include South Korea and Switzerland. Several other countries have inquired about future equivalence discussions including Chile, Costa Rica, India, Mexico, Peru, and New Zealand. In 2012, U.S. organic exports were estimated at \$2.0 billion by the Organic Trade Association. The bulk of this trade is to Canada, the EU, and Japan.

**Light Brown Apple Moth (LBAM):** LBAM is native to Australia and is found in New Zealand, the United Kingdom, California, and Hawaii. The presence of LBAM in California was confirmed in March 2007. U.S. quarantine regulations prevent the movement of nursery stock, cut flowers, host fruits, vegetables, and plant parts within or from quarantined areas in 19 California counties. The range of host plants is broad, with more than 1,000 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. LBAM 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. If California infestation spreads, the presence of LBAM could hinder export opportunities. TASC program funds are being used to conduct research on the efficacy of postharvest treatments to control LBAM on potentially infested commodities. **Note: See Section VI, "Development of Irradiation Treatments for Export Fruit Markets" for information on the FY 2012 TASC project related to this issue.**

**European Grapevine Moth (EGVM):** EGVM is a significant pest of berries and berry-like fruits in Europe, the Mediterranean, Russia, Japan, the Middle East, the Near East, and northern and western Africa. In October 2009, EGVM was discovered in California, the first detection in North America. EGVM has since been found in nine counties in California. APHIS, the California Department of Food and Agriculture, and county agriculture offices are working together to detect and control the spread of this pest. APHIS has mandated safeguarding measures for the interstate movement of regulated articles from quarantine areas due to EGVM. TASC program funds are being used to develop irradiation treatment for exported fruit to control EGVM. **Note: See Section VI, "Development of Irradiation Treatments for Export**

**Fruit Markets: Impacts on Quality and Shelf-life” for information on the FY 2012 TASC project related to this issue.**

**Spotted Wing Drosophila (SWD):** SWD is an emerging pest of cherries, blueberries, raspberries, and blackberries in the United States. SWD was first confirmed in cherry orchards in California in 2009, and has since been reported officially in more than 25 U.S. States, including Oregon, Florida, and Washington. SWD is a quarantine pest for many important markets for U.S. specialty crops, and some countries such as Australia have imposed additional import requirements as mitigations for this pest. Integrated pest management systems, including targeted use of pesticides and orchard sanitation, have effectively controlled SWD in the commercial production of affected crops. TASC program funds are being used to assist exporters to develop and implement a preclearance program that is required by some countries, including Australia and New Zealand. **Note: See Section VI, “Australian Phytosanitary Preclearance Program” for information on the FY 2012 TASC project related to this issue.**

## IV. Summary of SPS Trade Issues by Commodity

### Almonds

<b>Country:</b>	European Union
<b>Barrier:</b>	Sanitary Measure
<b>Issue:</b>	Destination Testing Requirements for Aflatoxin

On September 1, 2007, the European Commission (EC) implemented special measures (enhanced testing) on U.S. almond exports to the EU in response to increased detections of aflatoxin. To ensure effective coordination between the EC and California almond industry in developing a viable program addressing concerns of all stakeholders, FAS facilitated the implementation of the Voluntary Aflatoxin Sampling Plan (VASP), which included the adoption of Hazard Analysis and Critical Control Point principles and the use of private laboratories certified by AMS to pre-test almond shipments for aflatoxin. The EU's special measures policy mandated that 5 percent of VASP-certified almond shipments be tested during import inspection. Since its implementation, the VASP has proven effective in addressing the EC's concerns with regard to aflatoxin contamination in U.S. almond shipments to the EU while protecting access to this important market. In recognition of the efficacy of VASP and industry actions, the EU agreed to move to random inspection of VASP-certified almond shipments, effective January 1, 2010. The California almond industry, with the assistance of TASC program funds, continues to work with the EC to orient inspectors to demonstrate the effectiveness of the VASP with the goal of lessening current import inspections of almonds.

In February 2010, the EU moved to adjust its maximum levels for aflatoxin in tree nuts to coincide with less-restrictive Codex Alimentarius standards. In November 2012, the U.S. almond industry requested EU Article 23 recognition for U.S. almond exports, which would allow for a significant decrease in the inspection rate of U.S. almonds entering the EU market. This request is currently under review by the EU. U.S. almond exports to the EU totaled \$1 billion in 2012.

**Note: See Section VI, "European Union Health and Port Authorities Seminar and Tour" for information on the FY 2012 TASC project related to this issue.**

### Apples

<b>Country:</b>	Australia
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Fire Blight and Fungal Pathogens

Apple growers in the Pacific Northwest states of Idaho, Oregon, and Washington have sought market access to Australia since before 2000. However, Australia has restricted access of apples from the United States and New Zealand due to concerns related to fire blight and other quarantine concerns. Fire blight is a bacterial disease that is damaging to apple trees and is

present in the United States. After lengthy but unsuccessful efforts to address this issue with Australia during bilateral negotiations, New Zealand pursued a resolution of this issue through the WTO SPS dispute settlement process. In 2010, a WTO panel ruled in favor of New Zealand. In 2011, Australia authorized importation of New Zealand-origin apples. This development was only partially helpful to the United States because Australia subsequently notified APHIS that it will require stringent mitigation measures for three fungal pathogens unrelated to fire blight. During the import risk assessment (IRA) process for U.S. apples, which was initiated in 2009, Australia specified a 30-month timeframe for completion of the IRA process. When it became clear that the United States needed significant time to develop data required to address the risk associated with these additional pests, Australia issued a notice to “stop the clock” on the regulated IRA process. Australia will continue the IRA process when APHIS provides the results of the research on the three fungal pathogens being conducted by ARS facilities in Washington State. Australia has the potential to become a significant market for U.S. apple exports.

<b>Country:</b>	China
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Varietal Restrictions

Due to fire blight, China restricts access to two varieties of U.S.-origin apples (Red Delicious and Golden Delicious) from 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 the following: (1) the export of additional apple varieties (Fuji, Granny Smith, Gala, Rome, Jonagold, and Braeburn) from approved states; and (2) the export of apples from California to China.

China continues varietal restrictions despite the 2004 WTO ruling against Japan’s fire blight-related import restrictions on U.S.-origin apples, where the findings of the WTO panel clearly demonstrate that fire blight is not transmitted via commercial trade of mature, symptomless apples.

In 2007, USDA submitted a pest list for more than 60 species of pests and diseases for apples. While conducting its review of the pest list, China identified more than 90 pests of concern. While bilateral technical dialogue continues, USDA is exploring options to find a mutually acceptable resolution. During a plant health bilateral meeting in September 2012, APHIS again expressed concerns with China’s varietal restrictions on U.S. apples. FAS has consistently pressed China for a resolution to this issue in various policy-level meetings, including the Joint Commission on Commerce and Trade (JCCT) forum in December 2012. In response, China indicated that it continues to assess the pest list for all varieties of U.S. origin apples. This is an early step in completing a pest risk assessment (PRA), which is the basis for determining market access conditions. In 2012, U.S. apple exports to mainland China were \$4.7 million. Industry estimates exports could increase to \$60 million if additional U.S. apple varieties are authorized access.

<b>Country:</b>	South Korea
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Fire Blight Restriction

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 related to apples, including fire blight. APHIS provided specific information to Korea on the pests of concern in 1999 and provided additional information in 2006. In March 2007, Korea stated that a new PRA needed to be conducted for U.S. apples. During the August 2012 phytosanitary bilateral, Korea confirmed that a PRA had not yet been initiated. Additionally, Korea provided a list of 11 new pests identified for U.S. apples during the bilateral meeting. APHIS will provide Korea with the requested data on these pests and continue to follow up with Korea on the status of the PRA. Potential U.S. apple exports to South Korea are likely to be significant if the current restrictions are removed.

<b>Country:</b>	Taiwan
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	“Three-Strikes” Sanction Policy

Under the current U.S. apple export work plan, Taiwan imposes a strict “three strikes” penalty structure for codling moth (CM) detections, which can result in a complete market closure for U.S. apples for the remainder of a shipping season. FAS and APHIS have raised this issue and met on numerous occasions with Taiwan to discuss this issue and to modify the work plan. The current work plan requires an investigation to be completed within 2 weeks of a CM detection in Taiwan and allows a grace period for the counting of additional strikes during those 2 weeks. This means that any additional CM detections that occur within the 2-week grace period do not count as an additional “strikes.” However, each year the U.S. apple trade is faced with the possibility that the third largest market for U.S. apples may suddenly close due to CM detections, creating significant uncertainty for U.S. producers.

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. This research document was used to support discussions with Taiwan in 2012 as additional modifications to the current “three strikes” penalty structure were negotiated. During the 2012 plant health bilateral, APHIS provided additional research stating that there is low probability of CM establishment in Taiwan. APHIS will continue discussions with Taiwan on the technical aspects of CM risk and modifications to the penalty structure of the work plan in order to eliminate the threat of market closure in 2013 or 2014. In 2012, U.S. apple exports to Taiwan totaled \$85 million.

<b>Country:</b>	Israel
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Cold Treatment Restrictions

In March 2009, Israel informed the United States that U.S. apples and pears would have to meet new cold treatment requirements to mitigate two quarantine pests (apple maggot and plum curculio). Although Israel has not completed a PRA, Israel granted the United States an exemption from these requirements. USDA is working with U.S. industry officials on the development of efficacious cold treatment schedules, which effectively mitigate pests during the most tolerant phase of their life cycle. In December 2012 bilateral meetings, Israel authorized the use of provisional cold treatment schedules until July 15, 2013, while APHIS completes its research. In 2012, U.S. exports of apples and pears to Israel totaled \$8.8 million and \$1.4 million respectively.

## Avocados

<b>Country:</b>	Mexico
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Expanded Market Access

U.S. avocados are subject to limited distribution within Mexico and are prohibited from being shipped to Mexican avocado-producing states. Under the terms of the 2005 operational work plan for exporting avocados to Mexico, both countries agreed to revisit existing import measures to determine whether the terms could be extended to allow U.S. avocados to be shipped to all areas of Mexico.

During October 2008, Mexico indicated that a risk evaluation was being conducted to determine the phytosanitary import measures that could be adopted to allow Mexico to lift this prohibition. In November 2008, the proposed necessary changes to Mexico's regulation to allow U.S. avocado distribution to all Mexican States were submitted for legal review in Mexico. Mexico anticipated that the regulatory modifications would be effective within one year. However, despite APHIS' efforts to address this issue with Mexico, the modifications have yet to be implemented due to an ongoing legal review. APHIS continues to press Mexico to complete the legal review during bilateral meetings. In 2012, California avocado exports to Mexico totaled \$200,000 and are expected to increase significantly if current restrictions are removed.

## Cherries

<b>Country:</b>	Israel
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Pest Concerns

Israel prohibits imports of U.S. cherries from California, Idaho, Oregon, and Washington, citing various plant pests and diseases of concern. Since requesting market access in 2002, APHIS has been working with Israel to address pest risks associated with cherries to resolve this issue. In February 2012, USTR, with the support of FAS, raised this issue as part of the U.S.-Israel Free Trade Agreement Joint Committee discussions emphasizing the importance of completing the risk assessment for cherries and resolving issues related to this market access request. During December 2012 bilateral meetings, Israeli plant health officials informed APHIS that the PRA is nearing completion. The U.S. cherry industry believes Israel can be an important market for U.S. cherries.

<b>Country:</b>	Japan
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Varietal Issue

Currently, twelve varieties of U.S. cherries are approved for export to Japan under the fumigation protocol work plan while an additional eight varieties are approved if fumigated under special conditions. These twenty varieties represent over 95 percent of U.S. cherry production.

There are no unique varietal characteristics to cherries that would justify exclusions for phytosanitary purposes. Therefore, APHIS has requested approval of all U.S. sweet cherry varieties for export to Japan under the fumigation protocol, without the requirement for additional fumigation testing. APHIS has provided all data requested by Japan in order to consider treating all cherries as a single commodity. In 2012, APHIS responded to Japan's requests for additional information on cherry varieties. During the July 2012 bilateral meeting, Japan stated that the data is being evaluated. APHIS will continue to press Japan for the results of its review. The acceptance of the protocol by Japan is key in order to allow the United States to introduce new varieties of cherries to this market without undertaking additional costly and time-consuming research. In 2012, U.S. cherry exports to Japan totaled \$77 million.

<b>Country:</b>	Japan
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Systems Approach Requirements

In June 2009, APHIS and Japan agreed to a systems approach that authorized the export of non-fumigated U.S. cherries to Japan. However, before shipping began for the 2009 season, Japan withdrew the agreement and added further data requirements. APHIS and FAS worked closely with Japan to clarify and meet these requirements in time to ship cherries for the 2009 season.



While cherry shipments have continued each year under the systems approach, Japan continues to maintain onerous data requirements, which include summarized records of trapping surveys and fresh fruit inspections. For example, the export protocol requires that trap servicing information be documented for each trap placed for each grower lot of cherries shipped to Japan. This resource-intensive requirement must be submitted by APHIS each season in order to maintain access of U.S. cherries under the systems approach. In May 2012, APHIS sent a letter requesting that Japan waive these onerous and unnecessary data requirements. In 2012, U.S. cherry exports to Japan totaled \$77 million.

<b>Country:</b>	Korea
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Pest Concerns

Korea requires that cherries imported from the United States undergo fumigation with methyl bromide. Fumigation decreases the quality and shelf life of cherries. In June 2008, APHIS proposed a cherry systems approach to Korea as an alternative mitigation measure. In May and July 2012, Korean officials conducted site visits to California and the Pacific Northwest to observe a similar systems approach program currently in place for the export of cherries to Japan. During the August 2012 bilateral meeting with Korea, the systems approach proposal was discussed even though Korea had not fully reviewed the data packet provided by APHIS subsequent to those site visits. APHIS will continue to follow up with Korea on the status of the review of the systems approach proposal.

**Note: See Section VI, “Systems Approach Protocol for Export of U.S. Cherries to Korea” for information on the FY 2012 TASC project related to this issue.**

## Citrus

<b>Country:</b>	European Union
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Citrus Canker Restrictions

In 2010, APHIS petitioned the EU to remove a requirement that citrus fruit exports to the EU be sourced from groves displaying no symptoms of citrus canker. This requirement has restricted EU market access for Florida citrus, where citrus canker exists. USDA provided the EU with a substantive, peer-reviewed risk analysis that concluded asymptomatic citrus fruit is “highly unlikely” to be a vector of citrus canker.

In December 2011, the European Food Safety Authority (EFSA) published a scientific opinion on the APHIS risk analysis, deeming the findings to be inconclusive and stating that overturning the EU requirement would increase the risk of introducing citrus canker to the region. The EC determined it would support the EFSA opinion and will not rescind or amend the regulation. In March 2012, FAS pressed the EU to remove the current citrus canker restriction, citing the scientific information submitted by the United States.

In an October 19, 2012 letter, the EC informed USDA it will conduct a PRA on citrus canker. The EC also stated it would provide U.S. scientists an opportunity to provide research and comments during the PRA process, which began in July 2013. FAS and APHIS will continue to engage with EFSA and the EC on this issue. In 2012, U.S. exports of fresh citrus fruit (mostly grapefruit and tangerines) to the EU totaled \$42 million.

### **Fruits and Nursery Stock**

<b>Country:</b>	Canada
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	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. First detected in California in 2007, LBAM has been found in 22 counties of California. Canada imports approximately \$1.1 billion annually in LBAM host crops from California. Since June 2007, Canada has placed regulatory requirements on the importation of LBAM host crops to prevent the introduction of LBAM into Canada from California. Canada also imposes special restrictions on importation of fresh produce from California to British Columbia. APHIS will maintain survey, regulatory, and control activities in 2013 and will continue to partner with California to control and suppress this pest. APHIS is currently evaluating commodities for exemption from consideration as a host for LBAM and will coordinate with Canada in order to maintain access to this market.

**Note: See Section VI, “Oxygenated Phosphine Fumigation for Postharvest Control of Light Brown Apple Moth (LBAM) on Fresh Vegetables and Fruits” for information on the FY 2012 TASC project related to this issue.**

<b>Country:</b>	Mexico
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Light Brown Apple Moth

Since March 2007, LBAM has been found in 22 counties of California (19 counties are regulated), from which Mexico imports more than \$200 million annually in LBAM-host crops.

When LBAM was first detected in California, Mexico refused shipments of all host crops from California. However, U.S. efforts to eradicate LBAM convinced Mexico to modify some inspection requirements and accept potential LBAM-host crops from non-infested California counties, without restrictions. USDA continues to implement LBAM eradication efforts to prevent this pest from spreading. In November 2012, APHIS raised the issue with Mexico during bilateral discussions to encourage the removal of certain measures that restrict trade without significant progress. APHIS will continue to work with Mexico to adjust its inspection procedures accordingly in order to protect this valuable export market.

**Note: See Section VI, “Oxygenated Phosphine Fumigation for Postharvest Control of Light Brown Apple Moth (LBAM) on Fresh Vegetables and Fruits” for information on the FY 2012 TASC project related to this issue.**

## Fruits and Vegetables

<b>Country:</b>	Indonesia
<b>Barrier:</b>	Systems Recognition
<b>Issue:</b>	Port Closure and Sanitary Restrictions

In April 2007, Indonesia issued Decree 27 proposing new MRLs for heavy metals, mycotoxins, and pesticides as well as food certification requirements for imports of fresh foods of plant origin. In the absence of a food safety certificate or recognition of the host country’s food safety system, imported agricultural products are subject to 100 percent testing to ensure compliance with the new MRL standards. In November 2009, in response to an FAS request and provision of substantial information, Indonesia issued blanket recognition of the U.S. food safety system for fresh foods of plant origin that was valid for 2 years. This recognition eliminated the food safety certification requirement for U.S. food products under Decree 27. The food safety systems for fresh fruits and vegetables from only three other countries—Australia, Canada and New Zealand—currently have similar recognition.

In January 2012, Indonesia announced the closure of several ports, including Tanjung Priok (the Port of Jakarta), to fruit and vegetable imports, citing phytosanitary concerns. More than 90 percent of U.S. fresh fruit containers enter Indonesia through the Port of Jakarta. FAS worked with USTR and the State Department to engage Indonesian officials and maintain access to the Port of Jakarta. In June 2012, the Ministry of Agriculture issued Regulation 42, which allows unrestricted port access for countries with recognized food safety systems. On January 4, 2013, the United States received confirmation that Indonesia renewed our food safety recognition for another 2 years, thus ensuring continued access to the Port of Jakarta. However, recent legislation and implementing regulations for an import permit system are severely disrupting U.S. fresh and processed horticultural exports. On January 10, 2013, following a year of intense coordinated efforts to urge Indonesia to rescind or suspend implementation of this import permit system, the United States requested WTO consultations concerning trade-restrictive measures applied to horticultural products, animals, and animal products. In 2012, U.S. fresh fruit, fresh vegetable, and tree nut exports to Indonesia were valued at \$119.8 million.

## Pears

<b>Country:</b>	South Korea
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Fire Blight

South Korea prohibits imports of U.S. pears due to fire blight and other pests of concern. Although APHIS requested market access in 1997, progress has been hampered due to disagreement on the pests associated with pears. In 2007, Korea stated that a new PRA needed to be conducted for U.S. pears. During the August 2012 bilateral meeting, Korea provided a list of five pests newly identified for U.S. pears. APHIS is developing data in response to Korea's pest list. APHIS will continue to follow up with Korea on the status of the PRA to ensure that progress on this market access request is taking place. Potential U.S. pear exports to South Korea are likely to be significant if the current restrictions are removed.

## Potatoes (seed)

<b>Country:</b>	Egypt
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Multiple pests of concern

In 2008, the Ministry of Agriculture in Egypt expressed an interest to FAS in granting access to U.S. seed potatoes to diversify and improve Egypt's seed potato stock. In response, the U.S. industry worked with Egyptian producers in conducting seed trials, while USDA proceeded to negotiate market access conditions for U.S. seed potatoes. In August 2011, FAS and APHIS met with Egypt to discuss technical issues and pests of concern related to the market access. Also, a U.S. industry team traveled to Egypt during that time to implement the seed potato variety trials. In 2012, APHIS and FAS collaborated with Egypt on the development of a U.S. potato seed protocol that contains measures reflecting the outcome of the seed trials. The technical dialogue between APHIS and Egypt is ongoing as USDA works to finalize the protocol and secure access for U.S. seed potatoes.

<b>Country:</b>	Uruguay
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Powdery Scab

Uruguay is the largest market for U.S. seed potatoes. However, Uruguay's 2 percent tolerance level for a fungus that causes powdery scab is impeding additional exports of U.S. seed potato. In April 2011, APHIS requested Uruguay to reconsider this tolerance when determining

the presence of powdery scab. In an October 2011 letter, Uruguay stated that it would not accept APHIS' proposal. In May 2012, USDA raised the issue with Uruguay, which led to discussions in developing a preclearance program to remove the risk of rejection due to powdery scab. In December 2012, APHIS and Uruguay implemented a preclearance protocol that authorizes importers to request samples of U.S. seed potatoes be shipped to Uruguay for laboratory testing prior to export. In 2012, U.S. seed potato exports to Uruguay were \$380,000.

### Potatoes (table stock)

<b>Country:</b>	China
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Pest Risk Assessment

In 2001, APHIS requested market access for table stock potatoes from the Pacific Northwest (Washington, Oregon, and Idaho). In September 2003, China agreed to make immediate progress to complete a PRA. In 2008, China verbally informed APHIS that the PRA was complete, but did not share the PRA with APHIS. In July 2009 and 2010, APHIS reiterated the importance of resolving this issue due to the lack of progress by China. In September 2012, China again committed to speed up the procedure for market access for potatoes. In December 2012, FAS reconfirmed with China during the JCCT forum discussions the United States' interest in resolving this issue. The U.S. potato industry estimates it could export between \$10 and \$20 million annually if China authorizes access.

<b>Country:</b>	Philippines
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Pest Risk Assessment

In February 2009, the United States officially requested market access for U.S. table stock potatoes to the Philippines. In November 2011, APHIS provided comments on the Philippines' PRA. APHIS continues to engage with the Philippines on this issue to determine the next steps required to gain access for U.S. potatoes. In July 2012, the U.S. potato industry used TASC program funds to conduct a site visit by a Philippine team to review potato production and shipping practices in the United States. The Philippines is reviewing a pest list, sprout inhibition information, and U.S. pesticide standards to complete a PRA. Once the PRA is completed, the Philippines is expected to issue an administrative order that will provide market access conditions for shipping U.S. table stock potatoes to the Philippines. The U.S. potato industry expects the Philippines to be a significant market.

<b>Country:</b>	Mexico
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Market Access Expansion

In March 2003, Mexico agreed to the Table Stock Potato Access Agreement, which laid out a process to gain full access for U.S. table stock potatoes over 3 years. In the first year, Mexico removed restrictions on the sale of U.S. potatoes inside a 26-kilometer border zone. In the second year, Mexico would authorize access to seven Northern States. In the third year, Mexico would grant full market access.

However, Mexico did not authorize access beyond the 26-kilometer border zone, citing concerns related to pest interceptions during border inspections. In December 2010, USDA and Mexico agreed to a mediated process under the North American Plant Protection Organization (NAPPO) to resolve this longstanding issue. The NAPPO panel findings recommended reducing the number of pests of concern in Mexico, but did not identify mitigation measures for all pests. During a December 2011 meeting, Mexico and USDA agreed to establish a technical group to reach agreement on the mitigation measures, which met in December 2011 and January 2012 without a resolution. A follow-up technical meeting in April 2012 did not result in progress.

In September 2012, Mexico issued a draft regulation regarding potato imports. APHIS provided comments on the draft regulation. In November 2012, Mexico published a revised draft regulation. FAS, APHIS, and USTR submitted comments raising serious concerns related to potential restriction of U.S. potato exports to Mexico and addressed several inaccuracies regarding phytosanitary risks associated with international trade of potatoes. USDA and USTR continue to work with Mexico for a resolution. Mexico is the second largest export market for U.S. table stock potatoes after Canada. In 2012, U.S. table stock potato exports to Mexico were valued at approximately \$36.7 million, a 9-percent decrease from 2011.

<b>Country:</b>	Taiwan
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Pest Concerns

Taiwan addresses potato market access requests on a state-by-state basis due to potential variation of pest profiles between states. Taiwan currently authorizes imports of table stock potatoes from Alaska, California, Idaho, Oregon, Montana, and Washington. However, Taiwan prohibits access for potatoes produced in Colorado despite APHIS' efforts in providing sufficient information to support the market access request for Colorado.

Taiwan indicated a market access agreement would be completed after a site visit to Colorado in 2011. APHIS raised the issue during the December 2012 technical bilateral meetings to determine next steps. Taiwan informed APHIS that the request is preceding through the regulatory process and that progress can be expected in the next few months. In 2012, the United States exported \$8 million in table stock potatoes to Taiwan.

## Stone Fruit

<b>Country:</b>	Australia
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Spotted Wing Drosophila

In July 2010, Australia issued a policy to allow market access for U.S. stone fruit (peaches, nectarines, plums, and apricots) from California, Idaho, Oregon, and Washington using a systems approach for mitigating peach twig borer. With the emergence of SWD in California, Australia did not finalize entry requirements for peaches and nectarines until additional pest mitigations were established for this pest. In July 2013, in response to intense and repeated engagement by FAS, Australia agreed to mitigations for peaches and nectarines. The first shipment of California stone fruit arrived in Australia soon after. USDA continues to work to address Australia's pest mitigation concerns related to plums and apricots. ARS is conducting research for developing an efficacious mitigation for SWD for plums and apricots to address Australia's pest concerns.

**Note: See Section VI, "Australia Phytosanitary Preclearance Program for California Peach and Nectarine" for information on the FY 2012 TASC project related to this issue.**

<b>Country:</b>	China
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Pest Risk Assessment

APHIS first requested market access for fresh California-origin nectarines in February 2002. The market access request for nectarines was made in conjunction with California-origin plum access and was accompanied by a pest list. Plums and nectarines have similar pests and require similar pest management practices. China granted access for plums in 2006. However, progress for gaining access for nectarines is taking longer, as China has determined that it must update the pest list for this commodity. In August 2012, APHIS submitted a new pest list in response to China's request. In December 2012, FAS reconfirmed with China during the JCCT forum discussions the United States' interest in resolving this issue. China is likely to be a valuable market for U.S. nectarines once access is granted.

<b>Country:</b>	Mexico
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Restrictive Oversight Measures

In 1997, APHIS and Mexico developed a systems approach for mitigating phytosanitary risk for shipping U.S. stone fruit to Mexico. The systems approach serves as an alternative to fumigation with methyl bromide and was developed primarily to address concerns relating to oriental fruit moth. Although U.S. stone fruit access to Mexico has been maintained since the implementation of the preclearance program, USDA and Mexico have been in continuous negotiation over the appropriate level of oversight and the number of pests of quarantine concern.

During October 2008 discussions between APHIS and Mexico, an agreement was reached to review the current bilateral operational work plan applied to the export of California stone fruit 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 was to determine whether a reduction in the number of quarantine pests and level of direct oversight could be achieved. However, no significant concessions were made by Mexico.

In January 2009, Mexico added several new pests of concern (including LBAM) and required Mexican inspectors to oversee the systems approach program. In addition, Mexico implemented a PRA for stone fruit. In November 2011, a technical team from Mexico participated in a site visit to the Pacific Northwest to further its work on the PRA. In November 2012, APHIS received an update from Mexico that the work on the PRA is ongoing. In 2012, U.S. stone fruit exports to Mexico were \$54 million.

## Strawberries

<b>Country:</b>	China
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Pest Risk Assessment

China continues to restrict access of California fresh strawberries. In 2008, the California strawberry industry requested access to China for the Olympic and Paralympic Games in Beijing. APHIS officials agreed to all of China's certification requirements that allowed the California strawberry industry to successfully ship nearly a ton of product for these events.

In early 2010, China granted a special permit to again allow temporary access for a small amount of California strawberries as "samples" at the Shanghai World Expo. However, the permitted shipment quantity was small, and access was restricted to the U.S. pavilion, which deterred the U.S. industry from supplying strawberries to the Expo.

During November 2011 plant health bilateral talks, China confirmed that the pest list and risk mitigation measures finalized for temporary access in 2008 would also be considered as part of the final PRA for California-origin strawberries. In September 2012, China informed APHIS that it is reviewing the pest list for California strawberries. In December 2012, FAS reconfirmed with China during the JCCT forum discussions the United States' interest in resolving this issue. China could become a significant importer of California strawberries if the current ban is removed.



## Vegetables

<b>Country:</b>	Philippines
<b>Barrier:</b>	Phytosanitary Measure
<b>Issue:</b>	Pest Risk Assessment

In August 2009, the Philippines issued Memorandum Order 206, restricting the definition of allowable high-end markets to hotels, restaurants, and airline companies, while removing supermarkets, hypermarkets, and grocery stores as institutions eligible to import fresh U.S. vegetables. Moreover, the Philippines ordered that all local importers provide proof of high-end clients or buyers by presenting certification of order with corresponding volumes. These modifications are restricting the export of U.S. vegetables to the Philippines.

The United States has requested full access to supermarkets, hypermarkets, and grocery stores. In July 2012, a team of officials from the Philippines traveled to the United States to become familiar with pest control measures for vegetable production. APHIS is working with the U.S. vegetable industry to address Philippine concerns in order to complete a PRA. In 2012, U.S. fresh vegetable exports to the Philippines totaled \$3 million.

**Note: See Section VI, “Philippine Pest Risk Assessment” for information on the FY 2012 TASC project related to this issue.**

## V. Summary of Trade Issues Related to Maximum Residue Limits (MRLs) 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. Due to increased consumer awareness among about food safety issues, many important trading partners have taken greater interest in establishing and monitoring MRLs in food. As a result, the regulation of MRLs can vary among trading partners, which presents significant challenges to U.S. producers for ensuring that products comply with each country's food safety standards and maintaining market access. Below is a summary of the most significant MRL-related trade barriers affecting the export of U.S. specialty crops and efforts taken by FAS, USTR, and EPA to address these issues with U.S. trading partners to protect access to these markets. The U.S. government's effort to address MRL-related trade barriers depends heavily on accessing data from the FAS and EPA MRL database that was developed using TASC program funding. The database may be accessed at the following web address: <http://www.mrlatabase.com> Rutgers University's IR-4 program is also using TASC program funding to support the establishment of science-based MRLs at the international (Codex) level.

**Note: See Section VI, "2012 Maximum Residue Level (MRL) Database Funding for Specialty Crops" for information on the FY 2012 TASC project related to this issue.**

### Canada

<b>Commodity:</b>	Fruits and Vegetables
<b>Barrier:</b>	Sanitary Measure
<b>Issue:</b>	Removal of MRL Default Tolerance

Although no date has been announced, Canada is preparing to revoke the general default tolerance of 0.1 parts per million for pesticides not currently registered in Canada. Thereafter, any food product containing 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 in removing the default tolerance is to implement a positive list system that regulates pesticide residues for which Canada has performed a risk assessment and established an MRL.

The EPA and FAS are working with the U.S. agricultural industry in consultation with Canada's Pest Management Regulatory Agency (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 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. The database provides direction in establishing MRLs in a systematic way as Canada transitions to a positive list system. Since the inception of this database, Canada has established 181 MRLs for substances identified as priorities by the U.S. specialty crop industry.

Additionally, under the U.S.-Canadian Regulatory Cooperation Council, EPA and PMRA are working to align MRLs whenever possible, by encouraging joint submissions, developing joint guidelines, and aligning data collection processes. In 2012, the United States shipped \$3.9 billion of fresh fruits, vegetables, and tree nuts to Canada. The database is currently being expanded to include other countries. The new database was activated in the fall of 2013.

**Note: See Section VI, “MRL Grower Priority Database” for information on the FY 2012 TASC project related to this issue.**

## China

<b>Commodity:</b>	Fruits and Vegetables
<b>Barrier:</b>	Sanitary Measure
<b>Issue:</b>	Reevaluation of MRLs

China will eliminate some pesticide registrations and revise its MRL list as part of an extensive pesticide reevaluation process. Elimination of certain pesticides or restrictive revisions to MRLs could disrupt U.S. agricultural exports to China. FAS and EPA are engaging with China to participate in the MRL prioritization process, establish new MRLs, and contribute comments and input into the MRL evaluation process. Since 2011, China has established many of the 5,000 MRLs planned to be in place in 2014. In 2012, U.S. exports of fresh fruits, vegetables, and tree nuts to China were valued at \$506 million.

## Hong Kong

<b>Commodity:</b>	Fruits and Vegetables
<b>Barrier:</b>	Sanitary Measure
<b>Issue:</b>	Adoption of New MRL Regulatory Framework

Hong Kong, which currently defers to Codex MRLs, is implementing a pesticide MRL positive list system in early 2014. Hong Kong plans to continue to adopt MRLs developed by Codex that will be supplemented with MRLs from China, the United States and Thailand. Although Codex standards will be closely followed, the MRLs of referenced countries would be considered based on risk assessments and practicality. Hong Kong will also continue to incorporate updates of Codex MRLs after enacting this regulation. FAS and EPA are monitoring Hong Kong’s efforts closely to minimize potential for disruption to U.S. trade. In 2012, U.S. exports of fresh fruits, vegetables, and tree nuts to Hong Kong were valued at \$1.6 billion.

## Japan

<b>Commodity:</b>	Fruits and Vegetables
<b>Barrier:</b>	Sanitary Measure
<b>Issue:</b>	MRL Sanctions Policy and MRL-setting Process

Japan's sanctions policy and MRL-setting process pose significant risks for U.S. exporters of fresh fruits and vegetables. In July 2009, USTR and Japan signed a memorandum of understanding that provided greater protection of U.S. exporters from unwarranted sanctions. However, Japan maintains a practice of increasing to 30 percent the testing of all similar products originating from the United States following a pesticide MRL violation for MRLs more stringent than that of the United States. If a second violation occurs within a year of the first violation for the same commodity, Japan imposes a 100 percent test-and-hold policy against the entire U.S. industry. Additionally, Japan's slow and overly restrictive approval process for new pesticides continues to discourage agro-chemical companies from applying for import tolerances in Japan. This policy delays the establishment of new MRLs and places U.S. growers at greater risk of an MRL violation when shipping to Japan. FAS is working closely with EPA and agro-chemical companies to support data packets to Japan to maintain existing MRLs and establish new MRLs.

USTR and FAS continue to press for modifications to Japan's MRL enforcement policies as well. In 2012, U.S. exports of fresh fruits, vegetables and tree nuts to Japan were \$875 million.

<b>Commodity:</b>	Fruits and Vegetables
<b>Barrier:</b>	Sanitary Measure
<b>Issue:</b>	Food Additive Classification for Postharvest Fungicides

Unlike other countries, Japan classifies postharvest fungicides (PHFs) as food additives. Japan's designation of PHFs as food additives has a negative impact on U.S. specialty crop (especially citrus) exports in two respects.

First, Japan requires U.S. suppliers to provide names of PHF treatments on labels at the point of sale (POS), which discourages some consumers from purchasing U.S. fruit and vegetables, as Japanese-produced fruits and vegetables treated with the same PHF prior to harvest are not required to exhibit this information. U.S. industries must apply PHFs after harvest to protect perishable products from spoiling en route to Japan. Japanese products avoid the POS labeling requirement because the chemical is applied prior to harvest, which is Japan's point of differentiation for classifying the same chemical as a pesticide. Pesticides are not subject to the same labeling requirements as food additives.

Japan also discourages U.S. producers from using safer and more effective PHFs because registrants are deterred by the expense and time required to perform two risk assessments (one for pesticides and a second for food additives) in order to register the PHFs in Japan. As a result, producers are effectively discouraged from taking advantage of the latest crop protection pesticide technology.

During formal discussions on this issue, USTR and FAS have requested that Japan adopt international standards by classifying PHFs as pesticides, regardless of the point of application. Japan has indicated a willingness to streamline the risk assessment process but has stated that a change to the classification of PHFs will require a modification to Japan's law. USTR and FAS continue to raise this issue with Japan. In 2012, U.S. exports of fresh fruits, vegetables, and tree nuts to Japan were \$875 million, a figure which stands to increase if inequities in the PHF labeling requirements and the review process are rectified.

## South Korea

<b>Commodity:</b>	Fruits and Vegetables
<b>Barrier:</b>	Sanitary Measure
<b>Issue:</b>	Reevaluation of MRLs

In January 2011, Korea issued a WTO notification initiating a process for updating its MRL regulatory system. The notification proposes to delete all existing MRLs for pesticides not registered for domestic use in Korea. The impact of this action may be significant, although Korea has yet to provide a complete list of MRLs slated for deletion. Korea justifies this action by asserting that risk assessments that would support maintaining these import MRLs have not been conducted. Although Korea will defer to Codex MRLs during the transition, there is a significant gap between the number of U.S. pesticide MRLs currently approved in Korea and those established by Codex. In response to concerns from exporting countries, Korea has agreed to place the rule on hold indefinitely before taking further action. FAS and EPA continue addressing this issue through informal discussions. Additionally, EPA is engaged in technical dialogues with the Korean Food and Drug Administration to support the retention and establishment of Korean MRLs. In 2012, the United States shipped \$643.6 million worth of fresh fruits, vegetables, and tree nuts to Korea.

## Taiwan

<b>Commodity:</b>	Fruits and Vegetables
<b>Barrier:</b>	Sanitary Measure
<b>Issue:</b>	MRL Backlog

Taiwan's unwillingness to recognize Codex MRLs while reducing a backlog of over 1,500 MRL applications created significant uncertainty within the U.S. agricultural export industry. Taiwan's inability to keep pace with requests to establish MRLs for pesticides has resulted in an extraordinary imbalance between pesticides registered for use in the United States compared with those in Taiwan. Since 2006, this disparity has resulted in increased rejections of various U.S. agricultural shipments (e.g., apples, wheat, barley, strawberry, corn, and cherries) due to reported pesticide MRL violations involving commonly used pesticides not approved in Taiwan. In response to interventions by FAS and USTR, Taiwan has increased the pace of reviews of pesticide applications that are important to U.S. agriculture, which has significantly reduced the

MRL backlog. However, an imbalance remains for pesticides registered for use in the United States compared to those in Taiwan. FAS, EPA, and USTR continue to work with Taiwan in technical bilateral discussions to address MRLs that are a priority to U.S. agriculture in order to minimize the risk associated with shipping to Taiwan. In 2012, the United States shipped \$358 million worth of fresh fruits, vegetables, and tree nuts to Taiwan.

**Commodity:** Fruits and Vegetables  
**Barrier:** Sanitary Measure  
**Issue:** MRL Sanction Policy

Taiwan's sanction policy for penalizing exporters that have been found in violation of an MRL standard is overly restrictive. After a single MRL violation, Taiwan imposes 20 percent country-wide inspections on all similar product shipped to the same importer. Therefore, exporters that are in good standing with Taiwan's MRL standards may be subject to increased inspection. The importer in violation is required to accumulate five clean shipments (which have been sampled and which pass the lab tests) with at least three times the quantity of the original shipment to resume the normal inspection rate of 2.5 percent. Other exporters supplying product to the importer in question are also subject to these enhanced inspections. In addition, if Taiwan detects three MRL violations within 6 months, Taiwan imposes 100 percent country-wide tests and holds on all similar products from the same country. FAS is working with U.S. industry to develop a strategy that will encourage Taiwan to implement a policy that protects exporters from unwarranted sanctions. In 2012, the United States shipped \$358 million worth of fresh fruits, vegetables, and tree nuts to Taiwan.

## VI. Summary of Technical Assistance for Specialty Crops (TASC) Program Projects Approved in 2012

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 preclearance programs.

The Farm Security and Rural Investment Act of 2002 created the TASC program and authorized the use of \$2 million of Commodity Credit Corporation (CCC) resources in each fiscal year from 2002 through 2007. 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:

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

## VII. Summaries of New TASC Projects for Fiscal Year 2012

### **Almond Board of California**

**PROJECT TITLE:** European Union Health and Port Authorities Seminar and Tour

**AMOUNT:** \$35,000

**ACTIVITY DESCRIPTION:** This project supported an EU inspector's visit to Modesto, California, and participation in the Almond Board's annual seminar in June 2012. It included a tour of USDA-approved laboratories that perform aflatoxin analysis for the VASP program as well as visits with almond handlers to observe industry food quality and safety practices.

### **American Biomass Trade Cooperative**

**PROJECT TITLE:** Overcoming Export Barriers Preventing Sales to Europe of Wood Pellets Made of U.S. Specialty Energy Crops and Specialty Crop Residues

**AMOUNT:** \$200,000

**ACTIVITY DESCRIPTION:** The American Biomass Trade Cooperative carried out four activities over a 12-month period to overcome export barriers that prevent sales of biomass pellets made from U.S. specialty energy crops such as miscanthus, switchgrass and elephant grass, and from specialty crop residues such as cuttings from fruit and nut trees, vines and nursery and greenhouse plants. All specialty energy crops and crop residues were reviewed to determine which crops and crop residues can be found or produced in abundance. Tests were conducted on the selected materials using the prototype phytosanitation treatment to determine the effectiveness of the treatment in rendering the selected materials free and capable of being declared free of regulated organisms. Work was undertaken in cooperation with APHIS to establish treatment protocols necessary to provide certification for each specialty energy crop and crop residue that tests have shown can be economically and effectively treated at a commercial scale. The United States currently cannot export product to Europe without certifying that the product has undergone sterilization or another process to eliminate nematodes. If the export barrier can be overcome, there is an opportunity for U.S. specialty crop producers and biomass exporters to capture a significant share of Europe's rapidly growing market for biomass pellets.

### **Bryant Christie, Inc.**

**PROJECT TITLE:** 2012 Maximum Residue Level (MRL) Database Funding for Specialty Crops

**AMOUNT:** \$404,519

**ACTIVITY DESCRIPTION:** TASC funding was used to maintain, update, and audit the MRL database developed by Bryant Christie. Completed work included an overhaul of the market information pages, inclusion of specialty crop Section 18's, and a reprogramming of the database to more accurately display unique country situations. Section 18 authorizes EPA to allow an unregistered use of a pesticide for a limited time if EPA determines that an emergency condition exists. The database is widely recognized by commodity groups, registrants, and governments as having the most accurate MRL information available. Since the MRL database has come online,



the value of horticultural exports has increased 135 percent. A large percentage of these exports are going to markets that are modifying MRL policies, such as Japan, the EU, Canada, Taiwan, Hong Kong, China, Vietnam, Indonesia, Chile, Russia, and many others.

**PROJECT TITLE:** MRL Grower Priority Database

**AMOUNT:** \$890,700

**ACTIVITY DESCRIPTION:** This project developed, built, managed, and maintained the U.S. Grower MRL Priority Database with the support of the Minor Crop Farmer Alliance, USDA, EPA, IR-4, and CropLife America. The IR-4 project was a major resource for supplying pest management tools for specialty crop growers by developing research data to support new EPA tolerances and labeled product uses. The goal of the U.S.-Grower MRL Priority Database project was to significantly expand on the success of the current U.S.-Canada Grower Priority Database so the new database system can easily accommodate U.S. priorities for several markets in addition to Canada. This project resulted in U.S. specialty crop growers' and shippers' sharing their MRL priorities in key export markets with the U.S. government and pesticide registrants. Having these priorities organized and available in one place for policy makers in the government and decisionmakers in the registrant community will assist in MRL transitions in identified target markets.

### **California Cherry Marketing and Research Board**

**PROJECT TITLE:** Development of a Postharvest Treatment of California Sweet Cherries with Methyl Bromide to Eliminate the Oriental Fruit Fly

**AMOUNT:** \$501,826

**ACTIVITY DESCRIPTION:** This proposal involved the optimization of fumigation conditions to effectively control the most tolerant life-stage of SWD and Oriental Fruit Fly with a phosphine-oxygen mixture. This activity helped maintain market access for California cherry growers, packers, and exporters to Japan, South Korea, Australia, and other export markets concerned about fruit flies.

### **California Citrus Mutual**

**PROJECT TITLE:** Asian Citrus Psyllid Trapping

**AMOUNT:** \$500,000

**ACTIVITY DESCRIPTION:** In order to comply with Australia's import requirements for citrus, this project supported industry trapping for the Citrus psyllid in commercial production areas. A committee of scientists from the California Department of Food and Agriculture, University of California, and the University of Florida prepared the protocol that directed where the traps were installed.

## **California Grape & Tree Fruit League**

**PROJECT TITLE:** Australia Phytosanitary Preclearance Program for California Peach and Nectarine

**AMOUNT:** \$97,330

**ACTIVITY DESCRIPTION:** This project implemented a preclearance program, including cold storage segregation plans and maintenance of all data pertaining to treatments done in preparation for phytosanitary inspections by Australian Quarantine and Inspection Service (AQIS). Industry implemented procedures to allow for offshore verification by AQIS of pre-shipment fumigation with methyl bromide within facilities registered and audited by APHIS and Biosecurity Australia (BA). All registered facilities underwent fumigation testing to ensure compliance with the applicable standards agreed upon by BA and APHIS, pending the final development of the export work plan. The export potential of U.S. stone fruit to Australia and New Zealand is estimated to be \$15 million per year in 5 years.

## **California Strawberry Nurserymen Association**

**PROJECT TITLE:** Characterization of the Incidence and Distribution of Angular Leaf Spots in Strawberry Nursery Stock, and Development of Methods for Sampling and Detection to Mitigate Risks of Dispersal and Minimize its Impact on International Trade

**AMOUNT:** \$519,560

**ACTIVITY DESCRIPTION:** The goal of this project was to characterize the incidence and distribution of Angular Leaf Spots (ALS) in strawberry nursery stock and development of methods for sampling and detection of ALS to mitigate risks of dispersal and minimize its impact on international trade. The specific objectives were to determine spatial and temporal dynamics of ALS in commercial nursery production fields and to develop data quantifying the incidence of ALS-infected crowns. Following these activities, courses to demonstrate and teach diagnosticians and interested nursery growers how to use the pathogen detection/plant certification assay were conducted. California's strawberry nurseries produce about 1.3 billion transplants each year at an estimated value of \$150 million. The losses due to ALS are estimated at about \$1 million annually. Exports of transplants average about \$14 million annually.

## **California Table Grape Export Association**

**PROJECT TITLE:** Australian Phytosanitary Preclearance Program

**AMOUNT:** \$153,000

**ACTIVITY DESCRIPTION:** This project facilitated shipments to Australia by reducing the significant financial burden of the preclearance program while the table grape industry continued to develop research to improve the export protocol to regain the previous level of export volume after the detection of SWD. The imposition of a restrictive protocol has delayed access and caused a significant increase in the cost of exporting grapes to Australia. The Australian market has demonstrated a strong demand for fresh table grapes from California. The goal for this TASC funding is to begin restoring the market to its full potential.

## **Chapman University - California**

**PROJECT TITLE:** Development of Irradiation Treatments for Export Fruit Markets: Impacts on Quality and Shelf-life

**AMOUNT:** \$564,850

**ACTIVITY DESCRIPTION:** This project developed irradiation treatments for exported fruit such as apples, cherries, peaches, plums, grapes, and citrus fruit. A major export barrier for U.S. specialty crops is the incidence of quarantine pests (such as LBAM, SWD, and EGVM) that are endemic to parts of the United States and not established in potential export destinations. Pest outbreaks influence trade when trading partners revoke market access. In these situations, the United States must negotiate market retention by developing or modifying work plans and agreements to adapt to emerging situations. Availability of research data is a valuable component in technical negotiations. A proactive and collaborative approach on irradiation research will provide results that will assist the USDA in resolving export barriers.

## **Citrus Research Board**

**PROJECT TITLE:** Development of Vapormate as an Alternative to Methyl Bromide for Postharvest Control of Fuller Rose Beetle and Mites on Citrus

**AMOUNT:** \$221,714

**ACTIVITY DESCRIPTION:** The Citrus Research Board partnered with ARS to conduct research to develop a postharvest treatment using ethyl formate (Vapormate) for the control of fuller rose beetle on citrus exports to South Korea, Australia, and New Zealand. The proposal also addressed potential quarantine issues for preventing the presence of mites on citrus exported to Australia and New Zealand.

## **Cranberry Marketing Committee**

**PROJECT TITLE:** Generating Data Necessary to Obtain an Import Tolerance in the European Union for the U.S. Cranberry Industry's Highest Priority Compound

**AMOUNT:** \$197,722

**ACTIVITY DESCRIPTION:** This research allowed the cranberry industry to develop a pesticide data package for review by the EU that would result in the establishment of an MRL for a pesticide widely used by producers. The industry's objective was to continue to expand cranberry sales into new and existing markets, initiate trade relations, and educate consumers on the health and versatility of cranberries. Establishing this MRL in the EU is critical in assisting the industry in meeting this objective.

**PROJECT TITLE:** Addressing Data Gaps and Seeking European Union and Codex MRLs for Two Critical Plant Protection Compounds for the U.S. Cranberry Industry

**AMOUNT:** \$186,000

**ACTIVITY DESCRIPTION:** The project enabled the Cranberry Marketing Committee to conduct field trials and residue data research necessary for establishing pesticide MRLs for the EU and Codex. The adoption of these MRLs by the EU and Codex are critical for ensuring continued export growth of U.S. cranberries. Exports account for approximately 27 percent of all cranberry production in the United States.

## **Ginseng Board of Wisconsin**

**PROJECT TITLE:** Research on Ginseng Root & Ginseng Seed

**AMOUNT:** \$348,308

**ACTIVITY DESCRIPTION:** The Ginseng Board of Wisconsin is conducting research on ginseng root and seed. This research results in identifying treatments that successfully limit the rusty root/scab disease in ginseng. This project allows the industry additional time to continue working toward solving this problem. Efficacy data for existing products are being compared with newly developed products and other products that were not included in earlier research. Because ginseng requires 4 years to produce, it is important to have time to test ginseng in various stages of growth. Additional years of testing products that appear promising are needed to ensure that the product performs consistently across a range of weather conditions that occur from year to year. This continued research is important to demonstrate reliability of products and crop safety across a range of weather conditions. Treatments to be tested include bio-pesticides, bio-control agents, induced resistance products, and reduced risk or “soft” pesticides for control of the pests important to the ginseng crop. The majority of U.S. ginseng exports (77 percent) are exported to China. In 2011, U.S. ginseng exports to the region grew over the previous year by 29 percent, reaching a total of 279 MT. The value of U.S. ginseng exports in 2011 totaled \$14.9 million.

## **Idaho Potato Commission / Idaho State Department of Agriculture**

**PROJECT TITLE:** Mexican Export Survey Soil Sample Collection

**AMOUNT:** \$540,288

**ACTIVITY DESCRIPTION:** Due to the confirmed presence of Potato Cyst Nematode (PCN), Mexico limits imports to fresh potatoes that are grown in fields that have been sampled and found free of PCN. Soil survey crews were hired, trained, and deployed in potato fields throughout southern Idaho to collect soil samples (one 5 lbs. sample per acre). Samples collected in this survey were processed by APHIS to determine whether PCN was present. The U.S. potato industry is cyclical in nature, and the potential loss of Mexico’s market, which imported over \$1.5 million in Idaho potatoes, could lead to a loss of jobs in packing sheds, farming organizations, and related industries.

## **Minor Crop Farmer Alliance**

**PROJECT TITLE:** Facilitating Minor Crop Farmer Alliance Participation in Global Minor Use Summit-2

**AMOUNT:** \$34,200

**ACTIVITY DESCRIPTION:** A team from the Minor Crop Farmer Alliance participated in the Global Minor Use Summit in Italy to develop internationally harmonized approaches to establishing MRLs for a number of minor crops. The team worked with global representatives of pesticide registrants to identify MRL gaps in critical pest management programs for U.S. specialty crops that were being exported. Violations of MRL regulations can result in significant losses to U.S. specialty crop producers. International MRL harmonization can reduce these

costs, limit industry and official U.S. government responses to violations, and improve U.S. specialty crop product trade flow.

### **North Carolina State University**

**PROJECT TITLE:** Eggplant and Pepper Exports to Japan

**AMOUNT:** \$84,248

**ACTIVITY DESCRIPTION:** The objective of this project is to obtain and test the host status of immature eggplants and peppers, including calyx and stem appendages as requested by Japan's Ministry of Agriculture, Forestry and Fisheries. In addition, North Carolina State University is continuing to search, review, and organize scientific literature relative to the host status of eggplants and peppers. The successful completion of this project should result in the elimination of the current trade barrier and the unrestricted export of U.S.-produced eggplants and peppers to Japan.

### **Northwest Horticultural Council**

**PROJECT TITLE:** Systems Approach Protocol for Export of U.S. Cherries to Korea

**AMOUNT:** \$21,800

**ACTIVITY DESCRIPTION:** The goal of the project was to demonstrate to Korea the efficacy of the proposed cherry systems approach work plan in operation in various cherry production regions of California, Idaho, Oregon, and Washington. The project funded the travel of Korean officials to cherry production regions in Oregon to confirm survey findings that production areas are free from cherry leaf spot, a plant disease, and permit cherry growers in Hood River Country, Oregon to export to Korea.

### **Oregon Department of Agriculture**

**PROJECT TITLE:** Development of Cost-Effective Best Management Practices

**AMOUNT:** \$ 271,218

**ACTIVITY DESCRIPTION:** This project helped to reduce pest occurrence during blueberry production for product exported to South Korea. There were limited best management practices available for pests of concerns identified by Korea, and timely application of these management practices was complicated due to the lack of reliable data. By gathering reliable data, the development of cost-effective best management practices helped to ensure pests of quarantine concern identified by Korea are controlled during the production cycle of blueberries.

### **Synergistic Hawaii Agriculture Council**

**PROJECT TITLE:** Maintaining Competiveness of Hawaii Coffee through Control of the Coffee Berry Borer (CBB)

**AMOUNT:** \$330,000

**ACTIVITY DESCRIPTION:** In order to initiate an areawide sanitation effort, Synergistic Hawaii Agriculture Council (SHAC) is defining the area of the coffee berry borer (CBB) infestation. SHAC is creating a database to track areawide zone sanitation activities. Japan and

Korea recognize CBB as a harmful organism and may not certify the coffee unless the commodity is subjected to approved phytosanitary treatment.

### **U.S. Apple Export Council**

**PROJECT TITLE:** Mexico Preclearance Requirements for Virginia and Michigan

**AMOUNT:** \$180,000

**ACTIVITY DESCRIPTION:** The U.S. Apple Export Council (USAEC) is using TASC funds in support of Mexican preclearance requirements for Michigan and Virginia. Under the current export protocol, USAEC members are required to pay the full costs of the preclearance programs, including the travel expenses and salaries of the Mexican inspectors.

### **USDA/Agricultural Research Service**

**PROJECT TITLE:** Evaluating Efficacy of Systems Approach for Western Cherry Fruit Fly

**AMOUNT:** \$84,800

**ACTIVITY DESCRIPTION:** TASC funds were used to develop efficacy data for a systems approach (as an alternative to methyl bromide fumigation) for mitigating the Western Cherry Fruit Fly. The research addressed all the steps in cherry production, including pest detection and management at the orchard and packing house level. The goal of the project was to improve opportunities for the export of cherries by documenting the effectiveness of a systems approach as an alternative mitigation measure to methyl bromide fumigation. By eliminating the need to fumigate, access to several export markets could be expanded under this method due to the potential cost savings in exporting cherries.

**PROJECT TITLE:** Phosphine Fumigation Treatment for Postharvest Insect Control on Lettuce

**AMOUNT:** \$ 22,335

**ACTIVITY DESCRIPTION:** This project sought to increase exports of U.S. lettuce to Japan by successfully developing and utilizing low temperature phosphine fumigation to control pests on lettuce. This research will assist in developing a viable fumigation alternative to methyl bromide.

**PROJECT TITLE:** Oxygenated Phosphine Fumigation for Postharvest Control of Light Brown Apple Moth (LBAM) on Fresh Vegetables and Fruits

**AMOUNT:** \$ 99,250

**ACTIVITY DESCRIPTION:** ARS conducted oxygenated phosphine fumigation research to control LBAM on fresh vegetables and fruits. Postharvest treatments for LBAM rely on methyl bromide fumigation. In many cases, methyl bromide fumigation has been ineffective in controlling LBAM and negatively affects the quality of sensitive fresh products. This research was needed to develop alternative postharvest treatments to control LBAM on potentially infested fresh commodities.

## **USDA/Animal and Plant Health Inspection Service/Agricultural Research Service Joint Project**

**PROJECT TITLE:** Development of Irradiation Treatments for High Impact Invasive Species and Evaluation of Commodity Tolerance to Irradiation Treatments

**AMOUNT:** \$94,350

**ACTIVITY DESCRIPTION:** APHIS and ARS partnered with grower groups and the irradiation industry to prepare outreach and technology transfer materials to interested parties including grower groups, irradiation industry, and foreign importers. Expanding the commercial use of irradiation phytosanitary treatments has been increasing the variety and export quantity of U.S. specialty crops. The annual value of U.S. exports of specialty crops (comprised of fruits, tree nuts, vegetables, greenhouse and nursery crops, and other crops) from 2004-2010 averaged \$11 billion, representing 18 percent of cash receipts from specialty crop sales. The economic value of a 5 percent increase in the 5-year average value of U.S. specialty crop exports could amount to over one-half billion dollars annually.

### **U.S. Hop Plant Protection Committee**

**PROJECT TITLE:** Addressing the Remaining Four Most Critical Hop MRL Needs in the European Union (EU) and Japan

**AMOUNT:** \$ 212,030

**ACTIVITY DESCRIPTION:** This project involves the development of a pesticide data package to support a request to establish an MRL in the EU. To obtain an MRL in the EU, a member state must conduct risk assessment based on the information contained in the data package. During this process, the U.S. Hop Plant Protection Committee is being required to respond to many questions that arise during this initial review. Once completed, the data package and the member state recommendation are submitted to the EFSA for its “European evaluation” of the member state findings. Exports are critical to the U.S. hop industry. In 2012, over \$244 million worth of hops and hop products were exported. The largest export market is the EU, which imports \$101 million in U.S. hops annually.

### **U.S. Potato Board**

**PROJECT TITLE:** Overcoming Impact of Rejections and Market Closures for SPS Barriers

**AMOUNT:** \$45,000

**ACTIVITY DESCRIPTION:** The U.S. Potato Board (USPB) obtained TASC funds to conduct a study to identify the frequency, magnitude, and financial impact of foreign government actions related to the detainment and/or rejections of all U.S. specialty crop shipments due to sanitary and phytosanitary restrictions. Although USPB was the lead organization that received the TASC grant, this study focused on fresh potatoes, in addition to other specialty crops, including pistachios, apples, pears, and stone fruit. The study found that SPS measures play an increasingly critical role in trade protectionism as tariffs and taxes limiting imported goods have been or are scheduled to be eliminated. It also found that, assuming that it is priced competitively, it would be viable and beneficial for virtually all shippers of specialty crops to purchase cargo insurance packages that include coverage for unwarranted rejections by foreign governments.

## **University of Alaska**

**PROJECT TITLE:** Overcoming Non-Tariff Trade Barriers to the Export of U.S. Certified Seed Potatoes to China

**AMOUNT:** \$181,226

**ACTIVITY DESCRIPTION:** The Alaskan seed potato industry is planning to increase production of lab-tested disease-free seed potatoes. The goal is to increase exports from 100.5 tons in 2011 to 1,000 tons in 2012 and 5,000 tons in 2014. As the quantity of seed potato exports increases, selection of land and its use in China will also become more problematic. To remove the non-tariff trade barrier, the key is to provide China no grounds for pest risk concerns by removing from the 2003 Phytosanitary Requirement Protocol quarantined pathogens, such as aster yellows phytoplasma, witches' broom phytoplasma, and potato virus A, which are prevalent in China. This proposal will fund the research, designed to establish that the pathogens are prevalent in China. This project can effect a successful change in the phytosanitary barrier to trade by providing U.S. negotiators scientific evidence to demonstrate to their counterparts that aster yellows phytoplasma, witches' broom phytoplasma, potato virus A, and *Trichodorus* spp. are not only present but also widely distributed in China.

## **Western Growers**

**PROJECT TITLE:** Philippine Pest Risk Assessment

**AMOUNT:** \$14,406

**ACTIVITY DESCRIPTION:** The activities under this project include hosting a delegation from the Philippines to tour California to become familiar with vegetable pest management practices. A bilateral meeting took place between the Philippine's Department of Agriculture's Bureau of Plant Industry (BPI) and APHIS to discuss implementing an agreement to permit the importation of U.S. fresh vegetables. It is anticipated that a successful conclusion to continued bilateral negotiations and site visits will result in BPI lifting import restrictions for the targeted commodities. Expected changes in BPI regulations permitting full market access for celery, cabbage, carrots, cauliflower, and lettuce will significantly increase export sale opportunities for U.S. producers.