



U.S. Specialty Crops Trade Issues

The Value of U.S. Specialty Crop Exports Continues to Trend Upward

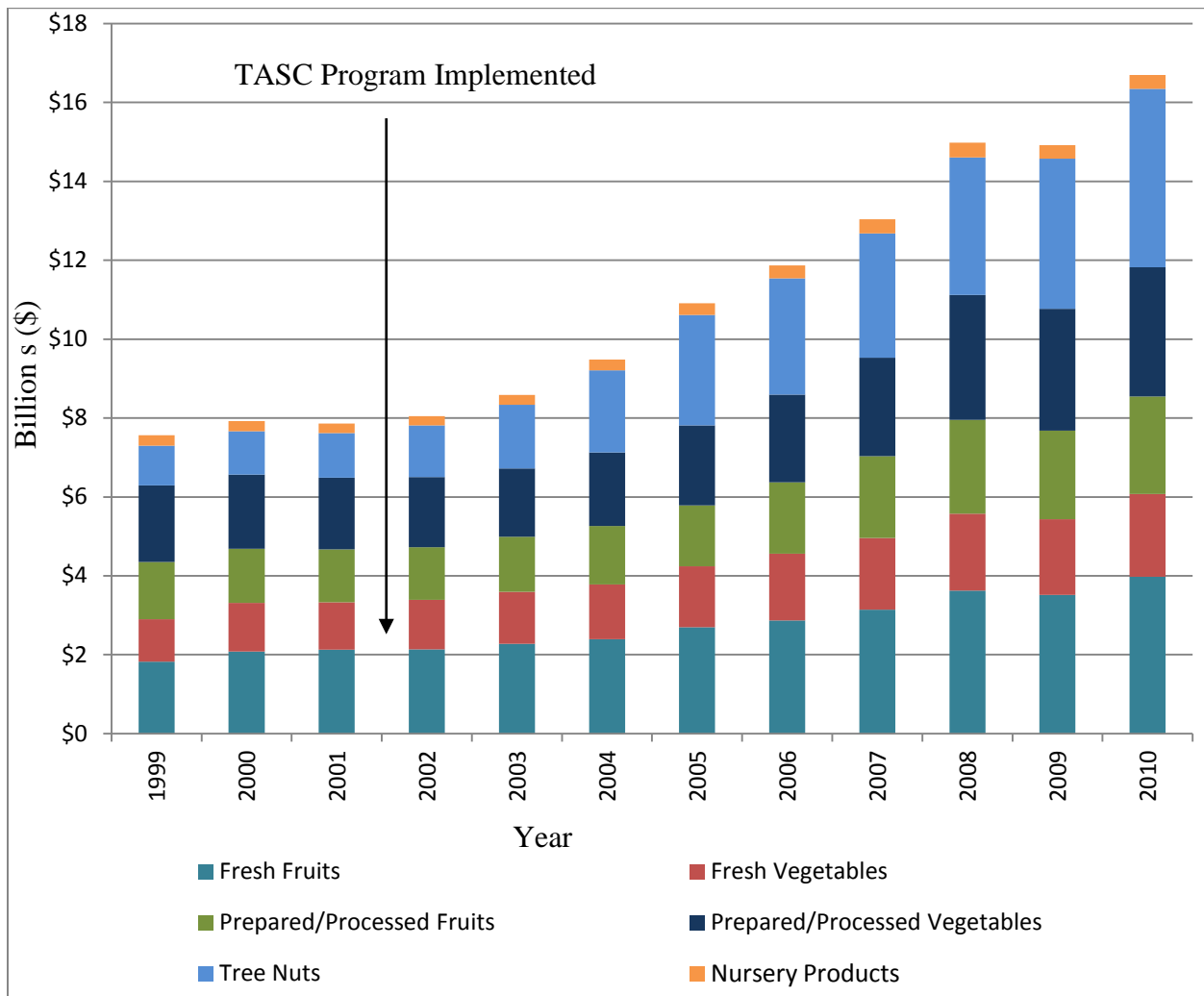


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Introduction

The United States Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) annually submits to the appropriate committees of Congress a description of significant sanitary, phytosanitary, and other trade barriers that affect the export of U.S. specialty crops. This report is required under Section 3203 of the Food, Conservation and Energy Act of 2008. For the purposes of this publication, "specialty crops" are defined in accordance with the Specialty Crops Competitiveness Act of 2004 – (Sec. 3) as fruits, vegetables, tree nuts, dried fruits, and nursery crops (including floriculture).

The World Trade Organization's (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures ("the SPS Agreement") 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 ("the TBT Agreement") 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.

This report presents trade barriers that adversely affect or threaten to disrupt U.S. specialty crop exports, and that may or may not be consistent with international trading rules. The report provides a review of significant barriers to trade impacting a broad spectrum of the U.S. specialty crop industry's interests. The omission of a particular trade issue or country does not imply that it is not of importance to the U.S. Government (USG).

In addressing trade barriers, the USG uses several fora that include bilateral and multilateral negotiations, collaborative research, pre-clearance programs, technical exchanges and consultations under 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 pre-clearance programs that are often funded under the Technical Assistance for Specialty Crops (TASC) Program play an important role in supporting efforts to remove trade barriers. Finally, if the USG has sufficient evidence that a trading partner has failed to address a trade issue within the terms and conditions of international trade rules, it may pursue consultations within the WTO.

The TASC program has successfully funded research for developing pest mitigations, technical visits by foreign officials to observe industry export practices and export preclearance programs that have assisted in addressing SPS barriers to trade. This report includes a list of TASC projects approved over the past year. Many of these projects would not likely have taken place without assistance from the TASC program.

This report provides a summary of SPS trade issues impacting U.S. specialty crop exports. In addition, summarized below are important SPS issues that have emerged in recent years impacting trade, which USDA is addressing on a broader scale.

Citrus Greening: Citrus greening (also called Huanglongbing or yellow dragon disease) is a serious disease impacting citrus production in the United States. The bacterial pathogen that causes the disease is primarily spread by two species of psyllid insects. In 1998, the Asian citrus psyllid (ACP) was first detected in Florida and has subsequently been found in Texas, Arizona, Louisiana, Alabama, Georgia, Mississippi, South Carolina and California. There are three strains of the bacteria (Asian, African and American). Since 2005, the Asian form of citrus greening has been detected in parts of Florida, Louisiana, South Carolina and Georgia. However, the bacteria have not been found to date in other states where the psyllid has been detected, most notably California, Arizona and Texas. The Animal and Plant Health Inspection Service (APHIS), in conjunction with U.S. State Government officials, has implemented regulatory programs and actions designed to control the movement of material considered to be vectors for the psyllid and citrus greening in an effort to protect uninfected areas. Commercially packed citrus fruit is not considered a pathway for the spread of citrus greening or the psyllid. However, U.S. citrus producers are concerned that if citrus greening becomes established in commercial production areas such as in California, it may cause trading partners to establish import restrictions on U.S. citrus. Currently, Australia has imposed overly-restrictive measures on exports of citrus from citrus-producing areas in the United States where the psyllid has been found. TASC Program funds are being used to support citrus greening research.

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. These foreign standards often do not follow Codex Alimentarius Commission guidelines or standards set by major producing countries and therefore require significant comparative work, analysis and strategy development in order to enter into recognition and/or equivalence negotiations with another country to negotiate access for U.S. products. Many countries, including the United States, allow for equivalence determinations, where both countries determine they are meeting the same objectives of organic production in slightly different ways. The United States and Canada completed negotiations for a determination of equivalence in June 2009. This is the first equivalence determination reached with any country. The United States and the European Union (EU) began equivalence negotiations in May 2010. The detailed comparison documents created using TASC funds are vital in assisting negotiators to evaluate the critical differences in standards in order to reach recognition and/or equivalence determinations.

Light Brown Apple Moth (LBAM): LBAM is native to Australia and now is found in New Zealand, the United Kingdom, California and Hawaii. LBAM was confirmed in California in March 2007 and in July 2009, LBAM was detected in San Joaquin County, California, resulting in portions of the county being quarantined. Quarantine regulations prevent the movement of nursery stock, cut flowers, host fruits and vegetables and plant parts within or from quarantined areas in nineteen 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. The moth also feeds on host plants favored by a number of endangered species, spoils the appearance of ornamental plants, and injures citrus, grapes and deciduous fruit tree crops.

A USDA study indicates that if California becomes generally infested, the moth could cause billions of dollars in crop damage annually and may hinder export opportunities and interstate commerce due to quarantine restrictions. TASC funds are being used to address the LBAM problem and facilitate the export of stonefruit from California, Georgia and South Carolina to Mexico.

European Grapevine Moth (EGVM): The European grapevine moth 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 (CDFA), and county agriculture offices are working together to detect and control this pest before it has the opportunity to spread. APHIS has mandated safeguarding measures for the interstate movement of regulated articles from quarantine areas. The TASC Program is helping to determine the extent of the EGVM presence in California and helping exporters comply with restrictions imposed by trading partners on California grapes.

Spotted Wing Drosophila (Drosophila Suzukii): The Spotted Wing Drosophila (SWD) is an emerging pest of cherry, blueberry, raspberry and blackberry in the United States, and also has been found to attack other soft fruits when conditions are conducive. SWD was first confirmed on cherries in California in 2009, and has since been found in Oregon, Florida and Washington. SWD is a quarantine pest for many important markets for U.S. specialty crops. SWD has been reported in ripening, as well as over-ripe fruit, and has been a concern for the "pick-your-own" and organic orchards in the temperate climate areas. Integrated pest management systems including attractant bait sprays, targeted use of pesticides, and orchard sanitation have successfully controlled SWD in all commercial production. TASC Program activities are helping exporters comply with SWD-related restrictions imposed by countries like Australia and New Zealand.

This report was prepared and compiled by the Office of Scientific and Technical Affairs/Plant Division and the Office of Trade Programs of the Foreign Agricultural Service, with assistance from the U.S. specialty crop industry, the APHIS Phytosanitary Issues Management Office and Trade Support Team, the Environmental Protection Agency (EPA), the Agricultural Marketing Service (AMS), and the Office of the U.S. Trade Representative (USTR).

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.

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

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Australia	Stonefruit	16
Canada	Stonefruit	17
China	Apples	7, 8
China	Pears	20
China	Potatoes	15
China	Stonefruit	17
China	Strawberries	9, 10
European Union	Almonds	7
Indonesia	Fruits and Vegetables	11, 12
Israel	Apples and Pears	8, 9
Japan	Fruits and Vegetables	12, 21
Japan	Potatoes	14, 15
Mexico	Avocados	9
Mexico	Fruits and Nursery Products	10, 11
Mexico	Potatoes	14
Mexico	Stonefruit	18
South Korea	Apples	20
South Korea	Citrus	10
South Korea	Fruits and Vegetables	23
South Korea	Pears	20
Taiwan	Apples	8
Taiwan	Fruits and Vegetables	12, 13, 22, 23
Taiwan	Potatoes	16
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U.S. Specialty Crop Trade Issues Summaries of Barriers to Trade by Commodity

Commodity:	Almonds
Country:	European Union
Barrier:	Sanitary Restrictions
Issue:	Destination Testing Requirements for Aflatoxin

On September 1, 2007, the European Commission (EC) implemented special measures (increased testing) on U.S. almond exports to the European Union (EU) in response to increased detections of aflatoxin. To address EC concerns, the U.S. almond industry, which uses private laboratories certified by AMS to pre-test shipments bound for the EU, adopted Hazard Analysis and Critical Control Point (HACCP) principles and implemented the Voluntary Aflatoxin Sampling Plan (VASP). The EU special measures mandated that 5 percent of VASP-certified almond shipments be tested on import. The VASP has proven effective in addressing the EC's concerns with regard to aflatoxin contamination in U.S. almond shipments to the EU. 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.

In February 2010, the EU moved to adjust its maximum levels for aflatoxins in tree nuts to coincide with less restrictive Codex Alimentarius standards. In 2010, U.S. almond shipments to the EU totaled \$820 million.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

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

China restricts access of U.S.-origin apples to two varieties (Red Delicious and Golden Delicious) from Idaho, Oregon and Washington, due to fire blight concerns. Fire blight is a bacterial disease that is especially destructive to apple, pear, quince and crabapple. The current work plan authorizing export of these two apple varieties to China was signed in April 1995. In November 1999, APHIS requested approval for: (1) the export of additional apple varieties (Fuji, Granny Smith, Gala, Rome, Jonagold, and Braeburn) from approved states; and (2) the export of California apples to China.

China's stance appears to be inconsistent with the 2005 WTO ruling against Japan's fire blight-related import restrictions on U.S.-origin apples, which found that mature symptomless apples (of any variety) do not pose a fire blight risk. This internationally recognized, science-based decision strengthens the U.S. position that China's current fire blight-related import prohibition

on additional apple varieties from approved states is not scientifically justified. It should also be noted that China imports apples from countries – including New Zealand, where fire blight is known to be present – without varietal restrictions.

While bilateral technical dialogue continues, USDA is exploring other options to find a mutually acceptable resolution. At the 18th Plant Health Bilateral meeting (November 2010), APHIS once again stressed its concerns with China’s varietal restrictions on U.S. apples. In response, China’s General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) agreed to make an effort to provide APHIS with a risk mitigation document by the middle of 2011. In 2007, USDA submitted a pest list for more than 60 species of pests and diseases. While conducting its review of the pest list, China found more than 90 pests of concern. However, fire blight is the disease of greatest concern to China. In 2010, the United States exported \$8.7 million of apples to China.

Commodity: Apples
Country: Taiwan
Barrier: Phytosanitary Restriction
Issue: “Three-Strikes” Sanction Policy

Under the current export work plan for the shipment of U.S. apples to Taiwan, the Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) imposes a strict “three strikes” penalty structure for codling moth (CM) detections, which can result in a complete market closure for U.S. apples for the remainder of a shipping season if there are three confirmed detections of live CMs. APHIS and BAPHIQ have met on numerous occasions to discuss this issue and the work plan has been modified to include a 2-week grace period following each CM detection. This means that any CM detections that occur within the 2-week grace period do not count as an additional “strike.” 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, creating significant uncertainty among U.S. producers. U.S. apple exports to Taiwan totaled \$50.1 million in calendar year 2010, about six percent of total U.S. apple exports.

In October 2006, APHIS provided Taiwan with research demonstrating that the risk associated with CM transmission and establishment in Taiwan via U.S.-origin apples is extremely low. This research document will be used in future discussions with Taiwan counterparts in 2011 as additional modifications to the current "three strikes" penalty structure are negotiated.

Commodity: Apples and Pears
Country: Israel
Barrier: Phytosanitary Restriction
Issue: Imports Restrictions

In March 2009, Israel’s Plant Protection and Inspection Service informed the United States that U.S. apples and pears would have to meet new cold treatment requirements to mitigate the risks of apple maggot and plum curculio, despite the fact that Israel has not conducted a pest risk

assessment and these pests have not been found in U.S. apple and pear shipments. Israel granted the United States an exemption from these requirements until June 1, 2010, and a subsequent exemption to June 1, 2011. USDA officials are currently working with industry and state officials on proposals for submission to Israel that would reduce the requirements that will be imposed following the expiration of the current exemption period. The United States shipped \$10.4 million of apples and pears to Israel in 2010.

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

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

During October 2008 discussions between APHIS and its Mexican counterparts, Mexico indicated that a risk evaluation 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. California avocado exports to Mexico are valued at approximately \$4 million per year.

Commodity: California Fresh Strawberry
Country: China
Barrier: Phytosanitary Ban
Issue: Market Access Request

China continues to restrict access for U.S. fresh strawberries. In 2008, AQSIQ allowed fresh strawberry fruit from California to be exported to China for the 2008 Olympic and Paralympic Games in Beijing. APHIS officials agreed to all of AQSIQ’s certification requests and California successfully shipped nearly one metric ton of strawberries without any phytosanitary concerns.

In early 2010, China granted a special permit to allow temporary access for a small amount of California strawberries as “samples” at the Shanghai World Expo. However, the permitted quantity was so small that it was not commercially viable. Additionally, AQSIQ only provided authorization for U.S. strawberries to be distributed at the U.S. pavilion. After careful consideration, U.S. industry decided not to ship strawberries to the Expo. Work continues on granting permanent access. At the November 2010 U.S.-China Plant Health Bilateral, AQSIQ

confirmed that the pest list and risk mitigation measures finalized for temporary access in 2008 would also be considered as part of the final pest risk assessment for California-origin strawberries, which is still under way. In 2010, the United States exported \$662,000 of strawberries to China.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

Commodity:	Citrus
Country:	South Korea
Barrier:	Phytosanitary Restrictions
Issue:	Management of <i>Septoria citri</i> in California Citrus

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

To facilitate trade, in 2005 APHIS and Korea’s National Plant Quarantine Service (NPQS) developed a protocol for the export of *Septoria* spot-free California Navel and Valencia oranges to Korea. In July 2010, APHIS successfully negotiated less onerous U.S. citrus export requirements to Korea. The program still provides for development and implementation of procedures for monitoring, testing and managing *Septoria* in oranges produced in California but removes expensive and overzealous recordkeeping, trace-back, and training procedures. In addition, the new protocol removes mandatory fumigation for California Red Scale. U.S. citrus exports to Korea were valued at \$43 million in 2010.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

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

The light brown apple moth (LBAM) is a pest of significant economic concern for the United States. Since March 2007, LBAM has been found in 18 counties of California, a region from which Mexico imports approximately \$1 billion annually in LBAM-host material.

When LBAM was first detected in California, Mexico refused shipments of all host crops from California. However, U.S. plans to eradicate LBAM and progress made towards that goal convinced Mexico to relax trade restrictions and accept potential LBAM-host crops from

non-infested California counties, without restrictions. USDA continues to actively implement LBAM eradication efforts.

Commodity: Fruits and Vegetables
Country: Indonesia
Barrier: Sanitary Restrictions
Issue: Proposed Import Requirements (Decree 27)

In April 2007, Indonesia issued Decree 27 proposing new tolerances and Maximum Residue Limits (MRLs) for heavy metals, mycotoxins and pesticides as well as food certification requirements for imports of fresh foods of plant origin. It was notified under WTO notification G/SPS/N/IDN/32 and would have negatively impacted U.S. exports of specialty crops if implemented in its original form. The proposed rule required that, in the absence of a food safety certificate or recognition of the host country's food safety system, imported agricultural products would be subject to 100 percent testing to ensure compliance with the new MRL standards.

In February 2010, Indonesia granted recognition of the U.S. food safety system, eliminating the food safety certification requirement for U.S. food products under Decree 27. Indonesia took this action after numerous interventions by FAS and USTR, which included multiple sets of comments in response to the proposed regulation, negotiations at high level trade policy fora, and a technical visit by Indonesian officials to observe integrated food safety systems in the United States. However, despite this progress and the unimpeded flow of trade, several outstanding issues remain. For example, although Indonesia will defer to Codex MRLs, additional clarification is needed regarding enforcement when no Codex MRLs exist. In addition, the recognition agreement expires after two years and may be rescinded after three violations (or three strikes) of Indonesia's food safety standards. USDA is seeking additional clarity from Indonesia in regard to defining non-compliance standards that warrant a violation, sanctions imposed resulting from a violation, and the conditions for extending the recognition agreement. FAS continues to monitor Indonesia's implementation of Decree 27. In 2010, the United States shipped \$102.2 million of fresh fruits, vegetables and tree nuts to Indonesia.

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

In May 2005, Indonesia notified the WTO of its intention to establish fresh fruit and vegetable import requirements (Decree 37). The decree was implemented in March 2006 and failed to recognize pest-free areas in the United States, except for grapes from California. Despite several technical exchanges and meetings, including a visit from Indonesian technical officials in 2007, there has been little progress on this issue. However, Indonesia currently recognizes in-transit cold treatment for apples, cherries, pears, stonefruit, and other U.S. fresh fruits that are subject to Decree 37. While the cost is minimal, as U.S. fresh fruit is shipped in

refrigerated containers, the United States would like the requirement removed before other countries adopt such regulations. APHIS continues to press Indonesia for progress on this issue. In 2010, the United States shipped \$95.5 million of fresh fruits to Indonesia.

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

Unlike other countries, Japan's Ministry of Health, Labour, and Welfare (MHLW) classifies post harvest fungicides (PHF) as food additives. MHLW's designation of PHFs as food additives has a negative impact on U.S. specialty crop (especially citrus) exports in two respects. First, it requires U.S. suppliers to label the names of the PHF treatments at the point of sale (POS), which discourages consumers from purchasing U.S. fruit and vegetables. 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 MHLW's point of differentiation for classifying the same chemical as a pesticide – pesticides are not subject to the same labeling requirements as food additives.

Second, MHLW's policy prevents U.S. producers from using more effective and safer PHFs because registrants are deterred by the expense and time MHLW requires to perform two risk assessments (one for pesticides and a second for food additives) in order to register the chemical for use in Japan.

USTR has raised this issue with MHLW in the Regulatory Reform Initiative since December 2008. During these discussions USTR has requested that MHLW 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 little actual regulatory reform has been made in this area. USTR and FAS continue to raise this issue with Japan, including at the Economic Harmonization Initiative, the successor to the Regulatory Reform Initiative. In 2010, the United States shipped almost \$785 million of fresh fruits, vegetables and tree nuts to Japan.

Commodity:	Fruits and Vegetables
Country:	Taiwan
Barrier:	Phytosanitary Restriction
Issue:	Import Restrictions Related to Western Flower Thrips

On May 25, 2009 Taiwan proposed a regulation to address high interception rates of western flower thrips (WFT), a pest of quarantine concern for Taiwan. The proposed changes, notified to the WTO, included a requirement for all consignments of WFT host material to be inspected upon export from the country of origin and accompanied by a phytosanitary certificate declaring the product WFT-free. Additionally, any consignments of U.S. origin broccoli, asparagus, strawberries and lettuce found infested with live WFT upon entry into Taiwan would be rejected and would have to be destroyed or returned to origin. In July 2009, APHIS provided comments

on the proposed measure noting that WFT are difficult to control at the field level and therefore consignments may need to be fumigated with methyl bromide at the port of entry. During 2010, the value of these four commodities exported to Taiwan totaled \$26.8 million.

Taiwan responded to the comments, agreed to remove the WFT restriction on lettuce, and included a provision for annual review of interception rates in order to qualify broccoli, asparagus and strawberries for fumigation upon entry into Taiwan, should live WFT be detected during import inspection. The measure went into force in mid-2009. Since that time, Taiwan inspectors have been somewhat inconsistent in the enforcement of the new WFT requirements. APHIS continues to address this issue with its Taiwan counterparts, most recently during January 2011 technical discussions.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

Commodity:	Organic Products
Country:	Worldwide
Barrier:	Technical Barrier
Issue:	Organic Equivalence

The implementation of new organic regulations around the world that differ from U.S. standards has created technical barriers for U.S. certified organic products. In order to maintain trade and eliminate these barriers, the United States may enter into a recognition agreement and/or an equivalence negotiation which requires a comparative analysis of standards. Neither the Agricultural Marketing Service/National Organic Program (AMS/NOP) nor FAS has the resources to address the increasing number of organic trade issues and negotiations.

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

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

Commodity: Potatoes
Country: Mexico
Barrier: Phytosanitary Restriction
Issue: Market Access Expansion

In 2003, Mexico agreed to a phase-in approach for U.S. potato access to Mexico under the Table Stock Potato Access Agreement (TSPAA). This approach has been delayed following a rise in nematode interceptions on potato shipments. However, U.S. producers have taken successful steps to reduce pest interceptions, and are now seeking Mexico's fulfillment of the 2003 agreement to grant access beyond the 26 kilometer border zone.

Mexico's internal regulation, Norma Oficial Mexicana (NOM -12), has complicated the issue. NOM-12 was implemented weeks before the signing of the TSPAA, effectively prohibiting Mexico from complying with the TSPAA. In order for the subsequent phases of the TSPAA to be implemented and additional access to be achieved, NOM-12 must be revised.

In 2009, Mexico announced that NOM-12 was subject to a review by Mexican stakeholders. Mexico also committed to intensifying technical dialogue with APHIS to resolve this issue. In January 2010, Mexico and APHIS were able to narrow the pests of concern. In addition, Mexico informed APHIS that it would jointly pursue finalization of the risk evaluation and initiate the administrative/legal process for modifying NOM-12. In November 2010, APHIS submitted a plan for limited distribution of potatoes to certain Mexican cities. In addition, there has been a significant amount of dialogue between high level officials from the United States and Mexico, including a December 10, 2010 discussion between both Secretaries of Agriculture, in which it was agreed to explore options for finding a technical resolution to this matter.

In 2010, U.S. table potato exports to Mexico were valued at \$30.9 million.

Commodity: Potatoes (Chipping)
Country: Japan
Barrier: Phytosanitary Restriction
Issue: Market Access Expansion

In February 2006, Japan lifted a 50-year ban on U.S. potatoes by authorizing access for chipping potatoes produced in 13 states. However, all trade was suspended in April 2006 due to the detection of Potato Cyst Nematodes (PCN) in Idaho. After nearly 10 months, the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) published a regulation on February 7, 2007, to reopen the Japanese market to U.S. chipping potatoes. As a result of USDA efforts, Japan reopened the market to 12 states, excluding Idaho.

USDA continues to work with Japan to reauthorize access to chipping potatoes from Idaho. This issue was last discussed bilaterally at the February 2010 phytosanitary bilateral. During this meeting, MAFF reiterated that it was unable to reduce the current quarantine on the entire state of Idaho to the two counties actually under quarantine by APHIS for PCN. The market potential for chipping potatoes in Japan is estimated to be about \$5 million per year.

Japan also limits imports of U.S. chipping potatoes to one port and chipping facility and it limits the shipping period to February through June. Japan claims that these measures are necessary to protect Japanese growing areas. USDA is working with Japanese officials to expand port access and get more chipping plants approved. In November 2010, APHIS requested that MAFF officially initiate the process to revise regulations by extending the current shipping period through the end of July.

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

Despite almost ten years of technical dialogue, China has failed to respond positively to USG efforts to lift their phytosanitary ban on access for U.S. potatoes. This effort began with a July 2001 visit by a Chinese technical delegation to Idaho, Oregon and Washington to observe Pacific Northwest (PNW) table stock production areas, packing facilities and phytosanitary measures for pests of concern.

At a September 2003 technical bilateral meeting, China agreed to make immediate progress in completing the pest risk assessment (PRA) for PNW table stock potatoes. The PRA would provide a basis for negotiating a market access agreement with China. However, to date China has yet to provide the PRA to APHIS.

In a July 2009 bilateral, APHIS clearly indicated that this issue is a very high priority for USDA. China acknowledged that no additional information from the United States is required to complete the PRA. At the November 2010 plant health bilateral, APHIS reiterated a long standing request to review the potato pest risk assessment as soon as possible. AQSIQ emphasized that once the pest risk assessment phase was completed it would be provided to APHIS for review.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

Commodity: Potatoes (Table Stock)
Country: Taiwan
Barrier: Phytosanitary Ban
Issue: Market Access for Colorado Potatoes

Taiwan prohibits access of potatoes produced in Colorado due to plant health concerns. Taiwan is an important market for U.S. potatoes and currently restricts imports to table stock potatoes from Alaska, California, Idaho, Oregon, Montana and Washington that are produced in areas free of various quarantine pests. Taiwan authorizes importation of U.S.-origin seed potatoes from Alaska and Montana. APHIS has requested that Taiwan also provide access for U.S.-origin table stock potatoes from Colorado. Taiwan's Bureau of Animal Plant Health Inspection and Quarantine (BAPHIQ) is addressing each state as a separate market access request. BAPHIQ is currently assessing the market access request for Colorado table stock potatoes. APHIS raised this issue during the January 2011 technical bilateral meetings and confirmed that the PRA is under way. In 2010, the United States shipped \$2.6 million of table stock potatoes to Taiwan.

Commodity: Stonefruit
Country: Australia
Barrier: Phytosanitary Ban
Issue: Market Access Request

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

Since 2006, the United States and Australia have made extensive efforts to advance this issue. BA visited stone fruit production areas in California and Washington in 2006. BA published a draft IRA for public comment in April 2008 including concerns regarding four pests. The United States responded with formal comments in June 2008. In March 2010, BA issued the provisional final IRA report for fresh stonefruit from the United States. In July 2010, following a review of two appeals on the provisional final IRA, Australia finalized market access conditions for stone fruit from California and the PNW.

However, Australia's concerns about the spotted wing drosophila (SWD) continue to restrict access for U.S. stonefruit. APHIS is working with Australian counterparts to develop and agree on mutually acceptable SWD mitigation measures in addition to finalizing an operational work plan to authorize exports of U.S.-origin stonefruit to Australia. In 2010, U.S. stonefruit exports to Australia totaled \$619,000.

Note: See Section titled "Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010" for information on TASC projects addressing trade barriers related to this issue.

Commodity: Stonefruit
Country: Canada
Barrier: Phytosanitary Restriction
Issue: Light Brown Apple Moth (LBAM) Restrictions

The light brown apple moth (LBAM) is a pest of significant economic concern for which both Canada and the United States regulate host materials from off-continent sources to mitigate the possibility of its establishment in North America. Since March 2007, LBAM has been found in 17 counties of California, a region from which Canada imports approximately \$1 billion annually in LBAM host material. Effective June 25, 2007, Canada announced new regulatory controls to prevent the introduction of LBAM into Canada from California and other regions of the world where it is found.

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

Under the current LBAM circumstances in California, the host material is moving under specified conditions to Canada. However, should California become generally infested, export conditions may become more onerous.

Commodity: Stonefruit
Country: China
Barrier: Phytosanitary Ban
Issue: Market Access Request for California Nectarines

APHIS first submitted a market access request to China 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 that contained 67 organisms. Both plums and nectarines have similar pests and pest management practices. China's General Administration for Quality Supervision, Inspection and Quarantine (AQSIQ) granted access for plums in 2006. However, access for nectarines was delayed.

During the July 2009 U.S.-China phytosanitary technical bilaterals, China stated that the initial review of the pest list was complete and that an updated list includes more than 100 organisms. However, AQSIQ did not provide APHIS a copy of the updated pest list.

On September 2009, APHIS requested from AQSIQ the status of U.S. market access request for nectarines and a copy of the updated pest list. At the November 2010 U.S.-China Plant Health Bilateral, APHIS reminded AQSIQ that APHIS has yet to receive a response to the September 2009 request for information. In response, AQSIQ agreed to provide a pest list to APHIS for review during 2011. In 2010, the United States exported \$18.8 million in stonefruit to China.

Commodity: Stonefruit
Country: Mexico
Barrier: Phytosanitary Restriction
Issue: Overly-Restrictive Import Measures

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

During October 2008 discussions between APHIS and its Mexican counterparts, an agreement was reached to review the current bilateral operational workplan applied to the export of California stonefruit to Mexico, including the list of quarantine pests and level of direct oversight by Mexican inspectors in production areas and packing facilities. The objective of the review is to determine whether a reduction in the number of quarantine pests and level of direct oversight can be achieved. No significant concessions were made by Mexico benefiting California stonefruit exports.

In January 2009, Mexico reversed course and added several new pests of concern, notably LBAM, and additional inspectors to oversee the system approach program. Discussions are continuing toward achieving a mutually satisfactory resolution for future exports. Mexico is the fourth largest export market for U.S. stonefruit, with 2010 exports totaling \$36.7 million. The U.S. and Mexico met in December 2010 to discuss the issue and committed to further discussion in early 2011.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

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

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

Commodity: Apples
Country: Australia

Apple growers located in the Pacific Northwest (PNW) states of Idaho, Oregon and Washington have sought Australian market access since before 2000, when Australia was provided a list of pests known to occur in the PNW, which included data on fire blight. Australia published a 475-page draft IRA for the importation of U.S. apples on October 22, 2009. Currently, Australia has "stopped the clock" on this access request pending submission of U.S. information to Australia on pests of concern.

Additionally, Australia restricts access of apples from New Zealand due to fire blight and has stated that the market access request for U.S. apples will not be fully addressed until New Zealand's apple access issue is resolved. Australia has indicated that it will require similar quarantine measures for U.S. apples.

Subsequent to Biosecurity Australia's (BA) March 2008 publication of a final policy determination for the import of New Zealand apples, which includes onerous quarantine requirements for fire blight and other pests, New Zealand filed a WTO case against Australia seeking less restrictive import measures. Both the U.S. government and apple industry are supportive of New Zealand's efforts. In August 2010, the WTO panel ruled that Australia's quarantine measures were inconsistent with international standards and recommended that the WTO dispute settlement formally request that Australia bring its inconsistent measures into conformity with its obligations under the SPS agreement. Australia appealed the WTO panel ruling on August 31, 2010. On November 29, 2010, the WTO Appellate Body also ruled in favor of New Zealand.

In response, BA advised trading partners, including New Zealand and the United States, on December 7, 2010, that Australia would be conducting a review of existing policies, taking into consideration the findings of the WTO Panel and Appellate Body. The BA report will be a non-regulated review and, therefore does not have a specific timeframe for completion.

Commodity: Apples
Country: South Korea

APHIS requested access for apples produced in the Western United States (California and the PNW) in 1994. In response, Korea identified a number of quarantine pests including fire blight. APHIS has provided specific information to Korea on the pests of concern. At the March 2010 phytosanitary bilateral, Korean representatives confirmed that a pest risk assessment (PRA) had not yet been initiated. However, Korea indicated its willingness to initiate a PRA and move forward on this issue in accordance with mutually established priorities. In 2010, the United States exported \$41,000 of apples to Korea.

Commodity: Pears
Country: China

China prohibits the importation of PNW pears due to quarantine concerns with respect to fire blight. PNW pear growers have sought access to China since the early 1990s. In 1995, APHIS provided AQSIQ its original pear pest list, and that list was provided to AQSIQ again in August 2000, along with a request that China complete the pest risk assessment. However, due to China's concerns about fire blight and the absence of pear-related fire blight research in the scientific literature, little progress had been made in achieving market access. In May 2007, APHIS supplied AQSIQ with research confirming that mature asymptomatic pear fruit is not a pathway for fire blight. AQSIQ has initiated the risk assessment and is reviewing additional information provided by APHIS regarding pest management. At the November 2010 U.S.-China phytosanitary bilateral, APHIS and AQSIQ outlined a general framework that would enable: (1) completion of pest risk mitigation measures for shipment U.S.-origin pears from California, Oregon, Washington and Idaho to China during the first half of 2011; and (2) publishing a proposed rule for imported Chinese-origin Asian pears to the United States during the first half of 2011. The proposed timeframe for Chinese-origin Asian pears is contingent upon AQSIQ acceptance of risk mitigation measures. In 2010, the United States exported \$102,000 of pears to China.

Commodity: Pears
Country: South Korea

South Korea prohibits imports of U.S. pears from the Western United States (California and the PNW) due to fire blight and other pests. South Korea is concerned that this bacterial plant disease might be transmitted to domestic crops. APHIS has not received evidence justifying Korea's contention.

At the March 2010 phytosanitary bilateral, Korean representatives confirmed that a pest risk assessment had not yet been initiated, however, they were willing to initiate their evaluation and move forward on this issue in accordance with mutually established priorities.

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

The regulation of MRLs for pesticides on agricultural products by trading partners presents an increasing challenge to the U.S. specialty crop industry. Due to increased awareness among consumers of food safety issues, many important trading partners have taken a greater interest in establishing and monitoring MRLs in food. As a result, MRLs and their regulation can vary from one trading partner to the next, which presents significant challenges to producers for ensuring products comply with each country's food safety standards. Below is a summary of the most significant MRL-related trade barriers impacting the export of U.S. specialty crops and efforts taken by USDA, USTR and EPA to address these issues with U.S. trading partners. The work done to mitigate the MRL issues described below often depends on the USDA/EPA MRL database that was developed using TASC funding. The database can be found at <http://www.mrldatabase.com>. Rutgers University's IR-4 program is also using TASC funding to support the establishment of science-based MRLs at both the national and international (Codex) level.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

Commodity:	Fruits and Vegetables
Country:	Japan
Barrier:	Sanitary Restrictions
Issue:	MRLs

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

On July 28, 2009, USTR and MHLW signed a memorandum of understanding (MOU) governing penalties related to MRL violations that protects U.S. specialty crop producers from unwarranted industry-wide sanctions imposed by Japan. The signing of the MOU culminates over five years of negotiations with MHLW and is expected to protect almost \$800 million in annual exports of U.S. specialty crops and related products. USTR and FAS continue to monitor Japan's MRL enforcement activities to ensure the principles of the MOU are fulfilled.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

Commodity: Fruits and Vegetables
Country: Taiwan
Barrier: Sanitary Restrictions
Issue: MRL Backlog

Taiwan's unwillingness to recognize international MRLs while it takes action to reduce a backlog of over 1,500 MRL applications is creating a significant level of uncertainty within the U.S. agricultural export industry. Due to the enormity of the backlog, an agreement by Taiwan to reference Codex MRLs, (or U.S. MRLs in the absence of Codex MRLs), is necessary to avoid future repeated disruptions to trade in a market that is becoming increasingly risky due to a deficient regulatory system for establishing pesticide MRLs. Taiwan's inability to keep pace with requests to establish MRLs for pesticides has resulted in an extraordinary imbalance of pesticides registered for use in the United States compared to those in Taiwan. This has led to increased rejections of various U.S. agricultural shipments including wheat, barley, strawberries, apples, cherries and corn due to pesticide MRL violations since 2006.

Although there are no laws precluding Taiwan from deferring to Codex and export country MRLs, Taiwan's Department of Health's (DOH) has refused to do so. DOH deferred to Codex and U.S. MRLs in the past as part of its 1999 accession package to the WTO, but it has been unwilling to expand the terms of this agreement to the current MRL backlog. As result of efforts by FAS and USTR, Taiwan has increased the pace of reviews of pesticide applications that are important to U.S. agriculture. FAS and USTR will continue to press Taiwan on this issue until the MRL backlog is removed. The United States shipped \$256.4 million of fresh fruits, vegetables and tree nuts to Taiwan in 2010.

Commodity: Fruits and Vegetables
Country: Taiwan
Barrier: Sanitary Restrictions
Issue: MRL Sanction Policy

On July 1, 2007, after fulfilling the WTO notification process, Taiwan implemented new inspection regulations on imported food that authorize Taiwan to expand potential import restrictions beyond the supplier of a specific "brand" in the event of a violation or nonconformity. The regulation requires the offending party in the export country to provide to Taiwan documentation identifying the cause of the non-compliance and develop an improvement plan in order for Taiwan to consider removing heightened inspections. In addition, the regulation authorizes a temporary market shutdown in the event there is a failure to comply with Taiwan's request. What was not notified to the WTO but became known only after a violation occurred is that the improvement plan requires pesticide control records, packing house quality control records, product test reports, names of testing equipment and government control measures. Other information requirements include a list of packing houses and government-approved exporters, health certificates and a government seal with mock sample of signing officers. Following multiple MRL violations related to a specialty crop exported in the summer of 2010, Taiwan requested an improvement plan that was more modest in scope. FAS

and USTR are monitoring Taiwan's MRL enforcement policies and continue to seek clarification regarding potential penalties resulting from violations.

Commodity:	Fruits and Vegetables
Country:	Korea
Barrier:	Sanitary Restrictions
Issue:	MRL removals

In June 2009, 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. However, the impact of this action cannot be estimated because Korea has not provided a complete list of MRLs slated for deletion. Korea justifies this action by asserting that it has conducted no risk assessments that would support maintaining these import MRLs. Although Korea will defer to Codex MRLs during the transition, there is a significant gap between the number of U.S. pesticide MRLs approved and those established by Codex. The United States is requesting that Korea maintain the current list of import MRLs until the risk assessments are complete, which will allow trade to flow. FAS is addressing this with Korea through the WTO notification process and also on a bilateral basis. The United States shipped \$201 million in fresh fruits, vegetables, and tree nuts to South Korea in 2010.

Note: See Section titled “Summary of New Projects Funded under the Technical Assistance for Specialty Crops During Fiscal Year 2010” for information on TASC projects addressing trade barriers related to this issue.

The Technical Assistance Program for Specialty Crops

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

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

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

Summaries of New Projects Funded under the Technical Assistance for Specialty Crops Program (TASC) During Fiscal Year 2010

ORGANIZATION: Almond Board of California

AMOUNT: \$24,750

PROJECT TITLE: EU Health and Port Authorities Seminar and Tour

ACTIVITY DESCRIPTION: Nine national authority officials will participate in educational seminars and visits to USDA-approved laboratories that perform the aflatoxin analysis for the Voluntary Aflatoxin Sampling Plan (VASP) program as well as visits with almond handlers. The purpose of the visits is so that the participants can see firsthand the effort put into food quality and safety by industry members in general, and in particular how sampling for VASP is done.

ORGANIZATION: Agricultural Research Service

AMOUNT: \$50,000

PROJECT TITLE: Classical Biological Control of the Invasive White Peach Scale on Papaya in Hawaii

ACTIVITY DESCRIPTION: ARS will obtain permits to release the wasp, *Encarsia dispidicola*, on papaya farms in Hawaii. ARS will develop mass rearing methods for *Encarsia dispidicola* and determine the best white peach scale life stage during which to release the wasp. ARS will monitor future release sites for pre-release data on white peach scale densities.

ORGANIZATION: Agricultural Research Service

AMOUNT: \$84,800

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

ACTIVITY DESCRIPTION: This funding will: facilitate the collection of the second year of data for Western Cherry Fruit Fly (WCFF) infestation patterns within orchards; identify the effects of post harvest treatments on infestations; determine the most effective chilling regimes; and determine the efficacy of detection methods for various life stages of the WCFF.

ORGANIZATION: Agricultural Research Service

AMOUNT: \$20,910

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

ACTIVITY DESCRIPTION: ARS will determine responses of lettuce aphid and leaf miner flies and pupae to phosphine fumigation treatment and effects of phosphine fumigation treatment on postharvest quality of lettuce. ARS will demonstrate the efficacy and safety of low temperature phosphine fumigation for control of lettuce aphid and leaf miner in semi-commercial scale fumigation tests and also determine the applicability of phosphine generator for low temperature phosphine fumigation. Finally, ARS will explore the feasibility of alternative methods for commercial scale low temperature phosphine fumigation treatment for control of western flower thrips.

ORGANIZATION: Bryant Christie, Inc. (BCI)

AMOUNT: \$45,000

PROJECT TITLE: Preparing the Hawaii Papaya Industry for Canada's Default Tolerance Revocation

ACTIVITY DESCRIPTION: BCI will use TASC funding to secure new pesticide MRLs in Canada for Hawaiian Papayas. Establishment of these MRLs will allow the industry to avoid trade barriers in its largest export market. This funding will be added to BCI's existing Agreement.

ORGANIZATION: California Citrus Quality Council

AMOUNT: \$124,562

PROJECT TITLE: California Navel Valencia Exports to Korea (NAVEK) Program Korean Inspector Visits

ACTIVITY DESCRIPTION: TASC funding will cover the costs of on-site inspections of the orange export program by the Korean Nation Plant Quarantine Service (NPQS).

ORGANIZATION: California Department of Food and Agriculture

AMOUNT: \$500,000

PROJECT TITLE: Minimizing Trade Barriers through Field Surveys for the European Grapevine Moth (EGVM)

ACTIVITY DESCRIPTION: TASC funding will help determine the extent of the EGVM in the major grape growing regions of the Central Valley of California through field surveys to preempt the establishment of statewide treatment protocols, restrictions and quarantines by foreign trading partners.

ORGANIZATION: California Dried Plum Board

AMOUNT: \$1,458,772 (multi-year funding level)

PROJECT TITLE: Retaining Export and Food Security of U.S. Specialty Crops: Low-emission Methyl Bromide Fumigation for Quarantine

ACTIVITY DESCRIPTION: The goal of the activity is to retain critical export of specialty crops that have quarantine and pre-shipment fumigation requirements by developing a commercially viable, cost efficient and effective process to contain, destroy or recapture/reuse methyl bromide and its alternatives following postharvest fumigations.

ORGANIZATION: California Fig Advisory Board

AMOUNT: \$100,000 (multi-year funding level)

PROJECT TITLE: Encourage Japanese Government to Allow Potassium Sorbate Treatment on High Moisture Figs

ACTIVITY DESCRIPTION: TASC funding will help gain Japanese government acceptance for the use of potassium sorbate treatment through meetings and reports delivered to the appropriate Japanese government officials.

ORGANIZATION: California Grape and Tree Fruit League

AMOUNT: \$45,388 (multi-year funding level)

PROJECT TITLE: To Develop Efficacy Data thru a Pilot Systems Approach for Peach Twig Borer for U.S. Stone Fruit to Australia

ACTIVITY DESCRIPTION: This pilot systems approach consists of a combination of integrated measures conducted in orchards and packing facilities based on integrated pest management guidelines established by field experts. These measures include dormant and bloom spray for Peach Twig Borer, field trapping, orchard shoot strike survey and fruit cutting, on-line cull cutting, regulatory inspections and evaluation of surveillance and crop management practices.

ORGANIZATION: California Pistachio Export Council

AMOUNT: \$1,225,500 (multi-year funding level)

PROJECT TITLE: Improve Navel Orange Worm (NOW) Control in Pistachios to Overcome Sanitary and Phytosanitary Barriers in Major Export Markets

ACTIVITY DESCRIPTION: Funding will help reduce NOW damage in pistachios and increase the quality of harvested nuts by a combination of changes in cultural control measures, chemical control measures and grower education. In addition, funding will be used to research Aflatoxin in nuts.

ORGANIZATION: California Specialty Crops Council

AMOUNT: \$98,000

PROJECT TITLE: Global MRLs: Engaging Specialty Crops in Priority Setting, Planning and Compliance

ACTIVITY DESCRIPTION: California Specialty Crops Council will conduct meetings and seminars targeted at the specialty crop industry in California to assist in the development of a comprehensive approach to identification of registration needs in accordance with predicted trade flows of California specialty crops.

ORGANIZATION: California Strawberry Commission

AMOUNT: \$46,989

PROJECT TITLE: Spotted Wing Drosophila (SWD) Impacts on Strawberry Exports

ACTIVITY DESCRIPTION: TASC funding will support the efficacy trials for post-harvest methyl bromide treatment to eliminate the need for import permits.

ORGANIZATION: California Table Grape Commission

AMOUNT: \$90,000 (multi-year funding level)

PROJECT TITLE: California Table Grape Industry Management and Coordination of Compliance Agreements Associated with Lobesia Botrana

ACTIVITY DESCRIPTION: Due to the spread of *L. botrana*, also known as the European Grapevine Moth (EGVM) in California, some export markets including Canada, Mexico and South Africa have imposed restrictions on table grapes from regulated areas in California. To ship grapes from the quarantine areas, growers must follow specific rules that ensure appropriate control of the pest. This proposal supports the hiring of a program coordinator to help California table grape growers and shippers comply with the regulations (compliance agreements) associated with *L. botrana*. The coordinator will work with growers and shippers inside and outside the regulated areas as warranted for various trade partners, including help with

registration and paperwork, compliance agreement interpretation, shipper workshops and education and related duties.

ORGANIZATION: California Table Grape Export Association

AMOUNT: \$150,000

PROJECT TITLE: Australian Phytosanitary Preclearance Program

ACTIVITY DESCRIPTION: TASC funding will help underwrite the Australian preclearance program until the Spotted Winged Drosophila (SWD) inspection protocol can be eliminated. This project seeks to facilitate shipments to Australia by reducing the significant financial burden of the preclearance program while the industry continues its research to improve the export protocol so that the previous level of export volume can be reached.

ORGANIZATION: California Walnut Commission

AMOUNT: \$66,836

PROJECT TITLE: Development of Technical Brochures

ACTIVITY DESCRIPTION: The California Walnut Commission will develop and produce two technical brochures along with in-shell sizers in order to educate the United Nations Economic Commission for Europe membership and inspectors about the international standard for walnut kernels. It is intended to help ensure a more uniform application of the standard and a more objective classification of walnuts received in Europe.

ORGANIZATION: Citrus Research Board of California

AMOUNT: \$216,303 (multi-year funding level)

PROJECT TITLE: Mortality of Asian Citrus Psyllid (ACP or Diaphorina Citri) in California Citrus during Packing and Export to Australia

ACTIVITY DESCRIPTION: TASC funding will support research to quantitatively assess ACP mortality as a function of harvesting, cleaning, packing, and shipping procedures employed by the California citrus industry, particularly with respect to Australian exports.

ORGANIZATION: Florida Citrus Packers

AMOUNT: \$489,447

PROJECT TITLE: Determination of Canker Survival and Transmission via Canker-blemished Fruit Relative to International Market Access

ACTIVITY DESCRIPTION: A comparison is needed of *Xanthomonas citri* (Xcc) survival and population persistence on developing and mature fruit compared with survival on foliage. Experiments will be done to demonstrate the decline of Xcc in canker lesions with time after harvest of fruit, and this will be compared to foliage and will help demonstrate the vastly reduced risk posed by market-ready fruit compared to the foliage.

ORGANIZATION: Florida Fruit and Vegetable Association

AMOUNT: \$389,464

PROJECT TITLE: Management Maintenance, and Expansion of the U.S.-Canada Grower Priority Database

ACTIVITY DESCRIPTION: EPA and FAS are working cooperatively with Canada's Pest Management Regulatory Agency (PMRA) and the US agricultural industry to identify and establish pesticide MRL priorities for the United States and Canada. The U.S.-Canada Grower

Priority Database is an integral part of this effort and will help reduce any potential trade impact related to PMRA's anticipated move to a positive list for pesticide MRLs, which will result in a violation for any food product containing a residue for a pesticide for which there is no established Canadian MRL. The U.S.-Canada Grower Priority Database is a searchable online resource that provides trade-facilitating information on commodities, active ingredients, product names, registrants, MRLs and priorities. Plans are under way to expand and upgrade the database, including: updating existing information; adding Canadian grower priorities (with Canadian government support); significantly expanding the information within the database; and adding several technical upgrades that will make the database more user-friendly for public and private sector stakeholders.

ORGANIZATION: Georgia Peach Council/South Carolina Peach Council

AMOUNT: \$240,000 (multi-year funding level)

PROJECT TITLE: Export of Fresh, Systems-Protected Georgia and South Carolina Peaches to Mexico

ACTIVITY DESCRIPTION: The goal of this project is to maintain and refine in-orchard and packinghouse sampling of system-protected peaches to improve monitoring for pests of concern in order to regain Mexican market access for un-fumigated, systems-protected peaches. Funds will be used to support domestic regulatory personnel and their Mexican counterparts for in-orchard sampling, maintenance of spray records and examination of packed fruit.

ORGANIZATION: Indian River Citrus League

AMOUNT: \$200,000 (multi-year funding level)

PROJECT TITLE: Best Postharvest Handling Practices to Assure Canker-Free Fresh Citrus Fruit Exports

ACTIVITY DESCRIPTION: The goal of the project is the development of scientifically based Best Postharvest Handling Practices. This will enable effective fruit sanitation and grading practices and will keep canker-infected fruit out of export markets, particularly the European Union. It is anticipated that this project will also result in greater buyer and regulator confidence in Florida quarantine practices.

ORGANIZATION: Northwest Horticultural Council

AMOUNT: \$38,750

PROJECT TITLE: Oriental Fruit Moth (OFM) Monitoring and Verification at Origin Program for the Export of Peaches and Nectarines to Mexico

ACTIVITY DESCRIPTION: TASC funding will support Pacific Northwest peach and nectarine growers' efforts to obtain Mexican market access under a systems approach for OFM quarantine security.

ORGANIZATION: Northwest Horticultural Council

AMOUNT: \$14,000

PROJECT TITLE: Changing India's Phytosanitary Access Requirements for Pacific Northwest Cherries

ACTIVITY DESCRIPTION: Northwest Horticultural Council will visit New Delhi, Mumbai and Chennai for meetings with various regulatory officials, visit ports of entry and laboratories used to test imported fruits, see fumigation facilities and meet with trade contacts. The goal of

the project is to initiate a process to eliminate, modify or suggest alternatives to the methyl bromide fumigation requirement for the export of Northwest cherries to India.

ORGANIZATION: Northwest Horticultural Council

AMOUNT: \$14,000

PROJECT TITLE: Study of Potential Health Effects Associated with the Use of Wax Coatings on Produce

ACTIVITY DESCRIPTION: The Northwest Horticultural Council will contract with an independent third party to research potential health concerns and document U.S. and international regulations for food grade coatings used on produce. The results of the research will be developed into educational materials to be used by the U.S. specialty crops industry.

ORGANIZATION: Rutgers University

AMOUNT: \$627,199 (multi-year funding level)

PROJECT TITLE: Actions to Facilitate Global Maximum Residue Levels (MRLs) for Priority Uses on Specialty Crops

ACTIVITY DESCRIPTION: Rutgers will take the existing specialty crop residue data in the archives of the IR-4 Project and multi-national companies to develop and maintain a database. They will develop comprehensive submission packages to establish the necessary MRLs to support U.S. grower exports. They will participate in meetings to facilitate establishment of MRLs by international partners.

ORGANIZATION: U.S. Apple Export Council

AMOUNT: \$158,122

PROJECT TITLE: Quick Response: Apple Maggot and Other Pests of Concern – Identification of Treatment Methodologies and Data Collection

ACTIVITY DESCRIPTION: TASC funding will support four specific activities resulting in research that the U.S. Apple Export Council will provide to APHIS for its technical dialogue with Israel. These activities will demonstrate the effectiveness of cold storage protocols for eliminating apple maggot and will also provide relevant information on temperature probes and the viable vectors for plum curculio.

ORGANIZATION: USDA Animal and Plant Health Inspection Service

AMOUNT: \$175,000

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

ACTIVITY DESCRIPTION: The goal of this project is to provide irradiation treatments as alternatives to other relatively complex and expensive mitigation options. The radiotolerance research will be analyzed and a new approved irradiation treatment will be developed. This project also seeks to provide industry groups with critical knowledge about the effects of irradiation on the nutritional content, chemical composition, and overall quality of specialty crops. This project has significant potential to support petitions for market access of irradiated products, reduce costs and facilitate trade.

ORGANIZATION: USDA Animal and Plant Health Inspection Service

AMOUNT: \$165,000

PROJECT TITLE: Development of Infrastructure and Capacity for U.S. Export Specialty Crops Irradiation Treatments

ACTIVITY DESCRIPTION: The USDA Animal and Plant Health Inspection Service will develop an Irradiation Reporting and Accountability Database (IRADS) for exported U.S. product. (IRADS currently exists but focuses on standards and regulations for irradiated produce imported to the U.S.) The database will be part of an outreach effort to U.S. exporters, educating them about the advantages of irradiation, as well as providing information on which products are the best candidates for irradiation treatment. It will also serve as a repository for information on best practices with regard to irradiation treatment, storage and shipment.

ORGANIZATION: USDA Animal and Plant Health Inspection Service

AMOUNT: \$133,907

PROJECT TITLE: A Prototype Electronic Identification Resource to Support Agricultural Commodity Trade: California Table Grapes

ACTIVITY DESCRIPTION: APHIS will develop and deliver an interactive, media-rich, identification resource of spiders and weed seeds that could be associated with harvested table grapes from California's Central Valley. This will reduce the demands on the identification capabilities of the system now required for the certification process for New Zealand and Australia. APHIS will also deliver a prototype identification resource that then can be used for other commodities. This will enhance the technological capability of pest identifiers for phytosanitary certificates and pre-clearance quarantine inspections.

ORGANIZATION: Washington State Department of Agriculture

AMOUNT: \$38,000

PROJECT TITLE: Establishment of Japan "Import Tolerance" MRL for Bifenezate in Red Raspberries

ACTIVITY DESCRIPTION: The aim of the project is to successfully establish a Japanese import tolerance or MRL for the chemical bifenezate in red raspberries.