



Idaho State Department of Agriculture
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INTRODUCTION

The Trade Issues Report began as the result of a Trade Issues Workgroup formed in February 1999 to address trade barriers for Idaho agriculture. The report is now published annually by the Idaho State Department of Agriculture to identify sanitary and phytosanitary measures (SPS) not based on science, tariffs, quotas, animal health requirements and other trade barriers that face Idaho agriculture exports.

Identifying issues is the first step in working to resolve trade barriers. The Department's action plan includes the following:

- Distributing the Idaho Agriculture Trade Issues Report to state and national officials, particularly Idaho's Congressional Delegation, USDA Foreign Agriculture Service and Office of U.S. Trade Representative.
- Establishing a direct dialogue with USDA Foreign Agriculture Service and Office of U.S. Trade Representative throughout the year as developments occur.
- Addressing specific issues directly with foreign government officials. Issues are discussed during Governor's Trade Missions and official meetings with Consuls General or Ambassadors visiting Idaho.
- Monitoring trade agreements and WTO negotiations that impact Idaho agriculture.
- Participating in key bilateral and multilateral forums including the Tri-National Agriculture Accord.

The trade issues that follow have been identified by industry as issues of concern. There may be additional issues, however, that are not included. For a complete listing of potato trade issues, contact the National Potato Council for a copy of their current "National Trade Estimate Report on Foreign Trade Barriers." The Northwest Horticultural Council also has a "National Trade Estimate Report on Foreign Trade Barriers (NTE)" for tree fruit.

Issues not specifically listed in this report that may affect products produced in the state are still of concern to the Department. The state of Idaho is interested in expanding market opportunities for all Idaho products regardless of rank or industry size. Reducing trade barriers for Idaho products will benefit Idaho farmers, ranchers and agribusinesses by giving Idaho's producers more alternatives in the marketplace.

Industry groups and individual exporters are encouraged to submit additional issues to the Department at any time. For information, or to submit an additional trade issue, contact:

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The Idaho State Department of Agriculture would like to thank the following organizations for their valuable feedback and contributions to the Idaho Agriculture Trade Issues Report:

Idaho Potato Commission

Northwest Horticulture Council

U.S. Dairy Export Council

U.S. Grains Council

U.S. Meat Export Federation

U.S. Wheat Associates

U.S. Trade Representative

United Nations Food and Agriculture Organization

USDA Foreign Agriculture Service

Table of Contents

Contents

UNITED STATES TRADE AGREEMENTS	5
CHINA PHASE ONE AGREEMENT.....	5
COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP	5
KOREA - UNITED STATES FREE TRADE AGREEMENT	6
TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP	6
UNITED STATES - MEXICO - CANADA AGREEMENT (USMCA).....	6
U.S. - U.K. TRADE AGREEMENT	7
U.S. - JAPAN TRADE AGREEMENT	7
THE WORLD TRADE ORGANIZATION.....	8
AGRICULTURAL ISSUES	8
- WORLDWIDE	8
- ARGENTINA	13
- AUSTRALIA.....	14
- BRAZIL	15
- CANADA.....	16
- COLOMBIA.....	23
- COSTA RICA.....	24
- CUBA	24
- DOMINICAN REPUBLIC	25
- EGYPT	26
- EUROPEAN UNION	26
- INDIA	30
- INDONESIA	33
- ISRAEL.....	35
- JAPAN	36
- MEXICO	37
- PERU	39
- RUSSIA	39
- SINGAPORE.....	41
- SOUTH KOREA	41
- TAIWAN (ROC).....	44
- THAILAND.....	45
- VENEZUELA.....	46
- VIETNAM	47
IMPORT ISSUES.....	48
- WORLDWIDE	48
RESOLVED ISSUES	50
- AUSTRALIA.....	50
- BRAZIL	50
- CANADA.....	51
- CHILE	52
- CHINA (PRC).....	53
- COSTA RICA.....	56
- DOMINICAN REPUBLIC	56
- EUROPEAN UNION	57
- HONG KONG	57
- INDIA	58
- ISRAEL.....	58
- JAPAN	58

- SOUTH KOREA 60
- MEXICO 61
- PANAMA..... 65
- PHILIPPINES 65
- SOUTH AFRICA..... 65
- TAIWAN (ROC)..... 66
- VIETNAM 67
- CALIFORNIA, U.S.A..... 67
GLOSSARY OF TRADE TERMS.....68

UNITED STATES TRADE AGREEMENTS

Over the past few years, U.S. exports accounted for about a quarter of the country's growth. One in three acres of American farms is planted for sales overseas and 32% of gross farm income comes from exports. With 96% of the world's consumers living outside the U.S., foreign trade is increasingly important to expand the U.S. economy. Trade agreements create an opportunity to exchange goods and services more easily. The presidential negotiating authority, Trade Promotion Authority (TPA), is the process by which Congress gives authority to the President and/or U.S. Trade Representative to enter into trade negotiations in order to lower U.S. export barriers. Once legislation has been submitted to Congress for approval, under the TPA, both houses of Congress will vote on the agreement without making any amendments. The TPA lapsed July 1, 2007 but was reauthorized by Congress under the Trade Act of 2015 and signed by the President in July of 2015.

The U.S. is a member of various bilateral free trade agreements (FTAs): Australia, Bahrain, Chile, Israel, Jordan, Morocco, Oman, Peru, and Singapore. In addition, the U.S. trade agreement with Colombia was signed on October 12, 2011 and was implemented on May 15, 2012. The U.S.-Korea (KORUS) and U.S.-Panama Free Trade Agreements were signed on October 21, 2011. The U.S.-Korea FTA took effect March 15, 2012 and the U.S.-Panama FTA took effect October 31, 2012. Multilateral agreements include NAFTA with Canada and Mexico and CAFTA-DR with Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua.

CHINA PHASE ONE AGREEMENT

On January 15th, 2020, the United States and China agreed to a preliminary trade agreement known as the Phase One agreement. This deal came after several years of trade hostility between the two countries. The Phase One agreement accomplished several objectives for the U.S. In the area of agriculture, one of the most significant aspects of the agreement is a commitment by the Chinese government to nearly double Chinese purchases of U.S. agricultural products. Furthermore, China agreed to remove some structural barriers to trade in food and agriculture products. China agreed to eliminate the age restrictions on beef products, streamline procedures for dairy products and finalize or establish protocols for live cattle, timothy hay, alfalfa cubes and pellets, barley and potatoes as well as numerous other concessions. To date, China has implemented several of the requirements including revisions to the import regulations for beef products and dairy permeate along with establishing protocols for timothy hay, alfalfa cubes and pellets, barley and chipping potatoes. China has increased some purchases of US agricultural products as well but has not yet met targeted levels.

COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP

On January 23, 2017, President Trump withdrew the United States from negotiations to enter the Asia-Pacific trade agreement known as the Trans-Pacific Partnership Agreement (TPP) with Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam and Japan. These eleven countries continued to negotiate the original agreements in a new FTA without the United States. The new FTA is named the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The CPTPP incorporated many of the provisions of the TPP and went into effect in December 2018. The CPTPP is less strict on intellectual property protections laws than the original TPP would have been.

KOREA - UNITED STATES FREE TRADE AGREEMENT

The Korea-United States Free Trade Agreement (KORUS) entered into force on March 15, 2012. This comprehensive agreement between the United States and South Korea gradually eliminates tariffs and non-tariff barriers to trade in goods and services. Each year thus far, many U.S. exporters have seen lower tariff rates and increased quotas of American products as South Korea fulfills its agreement. KORUS will be fully implemented in 2027. In the fall of 2018, a revision to the KORUS agreement was released. This updated agreement is much the same as the previous agreement, but with some changes in steel and automobile tariffs. To read the full text of the KORUS FTA, visit this link: <https://ustr.gov/trade-agreements/free-trade-agreements/korus-fta/final-text>.

For more information on FTAs visit <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

In 2013 negotiations for the Transatlantic Trade and Investment Partnership (TTIP), a trade pact between the U.S. and the EU, began. With the EU and the U.S. representing 47% of global GDP and 33% of world trade flows, the potential benefits and risks of this trade agreement are significant. The TTIP seeks to expand U.S.-EU trade flows by reducing U.S.-EU differences in product standards and regulations (i.e. discrepancies in U.S. and EU environmental, food safety, and chemical standards), and increasing investment across the Atlantic. One of the greatest stumbling blocks for agriculture includes differences in the treatment of geographical indicators (GIs). The reason for a large amount of pushback on TTIP from the EU is that TTIP would put European producers in direct competition with Americans, and because of the United States Mexico Canada Agreement, North America as a whole. In 2018 the U.S. and the EU agreed on their intent to negotiate an agreement, and over the past several years both sides have begun indicating what will be negotiated on.

In January 2020, public statements by U.S. and EU officials signaled the possibility that the U.S.-EU trade talks might include negotiation on SPS and regulatory barriers to agricultural trade. It is not clear, however, that both sides agree on which specific types of non-tariff trade barriers might actually be part of the U.S.-EU trade talks. As reported in the press, statements by some USDA officials have suggested that selected SPS barriers as well as GIs would need to be addressed by the trade talks. Meanwhile, other press reports indicate that some EU officials have downplayed the extent that certain non-tariff barriers—such as biotechnology product permits, regulations on pesticides, or food standards—would be part of the talks; instead, regulatory barriers might be lowered for certain “non-controversial” foods. The United States continues to push for additional concessions from the EU.

UNITED STATES - MEXICO - CANADA AGREEMENT (USMCA)

The final provisions of the North American Free Trade Agreement (NAFTA) were fully implemented on January 1, 2008. With full implementation, the last remaining tariff barriers on a handful of agricultural commodities such as U.S. exports to Mexico of corn, dry edible beans, nonfat dry milk and high fructose corn syrup and Mexican exports to the United States of sugar and certain horticultural products were removed. However, some non-tariff barriers to trade remain, including restrictions on fresh potatoes. When President Trump took office in January of 2017, he vowed to renegotiate NAFTA with the overall goal of improving the trade balance and reducing the trade deficit with NAFTA countries. The United States, Mexico, and Canada concluded negotiations for a modernized and rebalanced trade agreement on September 30, 2019. The new United States-Mexico-Canada Agreement (USMCA) will continue for all food and agriculture products that had a zero tariff under NAFTA to remain at zero. To view the full text visit <https://ustr.gov/trade-agreements/free-trade-agreements/united-states-mexico-canada-agreement/agreement-between>

The USMCA has been ratified by all three countries and will go into effect July 1, 2020. The agreement is expected to increase yearly U.S. agricultural exports by \$2 billion and result in a \$65 billion increase in total Gross Domestic Product for the United States alone. The agreement will provide new market access for American dairy and poultry products while preserving the zero-tariff platform for all other agricultural products. U.S. wheat will be treated more fairly, thanks to Canada's agreement to grade U.S. wheat no less favorably than its own.

Mexico and the United States have also agreed that all grading standards for ag products will be non-discriminatory. Additional provisions in the USMCA enhance science-based trading standards among the three nations as the basis for sanitary and phytosanitary measures for ag products, as well as progress in the area of geographic indications. The agreement also includes measures that address cooperation, information sharing and other trade rules among the three nations related to agricultural biotechnology and gene editing. The new agreement also includes a "Sunset Clause", meaning that after 16 years, the terms of the agreement will expire unless they are renewed. The deal is also subject to a review every six years, at which time the United States, Mexico, and Canada can decide to extend the USMCA.

U.S. - U.K. TRADE AGREEMENT

The United States and U.K. formally launched negotiations on a U.S. - U.K. Trade Agreement May 5, 2020. As the first and fifth biggest global economies, the U.S. economic relationship with the UK is one of the largest and most complex in the world, with annual two-way trade totaling more than \$230 billion. Despite this significant trade volume, multiple tariff and non-tariff barriers have challenged U.S. exporters in key sectors while the UK has been a Member State of the EU and therefore a part of the common trade policy of the EU. The UK's decision to leave the EU creates a new opportunity to expand and deepen the U.S.-UK trade relationship and address these challenges.

U.S. - JAPAN TRADE AGREEMENT

On September 26, 2018, U.S. President Donald Trump reached an agreement with Japan's Prime Minister to open trade talks between the two nations. On October 7, 2019, the United States and Japan signed a free trade agreement which came into effect on January 1, 2020. Highlights of the agreement for Idaho agricultural products include a gradual phasing out of tariffs on U.S. beef exports, cheese and other dairy products, and an elimination of tariffs on most potato products.

In return, the United States agreed to reduce or eliminate tariffs on certain industrial goods from Japan such as certain machine tools, fasteners, steam turbines, bicycles, bicycle parts, and musical instruments. In order to receive preferential treatment, a good must originate and meet all the requirements of the U.S. – Japan Agreement. Visit the USTR website at <https://ustr.gov/countries-regions/japan-korea-apec/japan/us-japan-trade-agreement-negotiations/us-japan-trade-agreement-text> to learn more about the specific arrangements of the agreement.

THE WORLD TRADE ORGANIZATION

In 1995, the World Trade Organization (WTO) came into being as the successor to the General Agreement on Tariffs and Trade (GATT). The WTO is the only global international organization dealing with the rules of trade between nations. The Uruguay Round, which took place in 1982 at a ministerial meeting of GATT, led to an Agriculture Agreement to promote order and fair competition and to decrease distortion through specific commitments by member countries. The Agriculture Agreement includes issues dealing with market access, domestic support, and export subsidies. The WTO has had 164 members since July 29, 2016.

The current round of negotiations referred to as the Doha Round began in November 2001. After failing to reach a compromise on agricultural import rules during the 2008 negotiations, trade ministers agreed in December 2011 to focus on a smaller package including “Trade Facilitation,” or reducing red tape at borders. After intense negotiations at the 2013 Ninth Ministerial the trade ministers agreed on a Trade Facilitation Agreement, the Bali Ministerial Declaration. The 10th Ministerial was held in Nairobi in December 2015 and the “Nairobi Package” was adopted. The package contains six Ministerial Decisions including three on agriculture: Special Safeguard Mechanism for Developing Country Members; Public Stockholding for Food Security Purposes and Export Competition.

Significant progress was made within Export Competition including a commitment to abolish export subsidies for farm exports. Developed countries pledged to immediately remove export subsidies, except for a handful of agriculture products, and developing countries pledged to do so by 2018 with a longer time frame in some limited cases. Although these pledges were made by many countries, in some cases they took longer to carry out and some countries have yet to fully eliminate farm export subsidies.

The 11th Ministerial was held in Buenos Aires on December 10-13, 2017. Topics including market access, export competition and restrictions, public stockholding, cotton trade, and the environment were discussed. The 12th Ministerial scheduled for Kazakhstan in March 2020, has been postponed to 2021. For more information, visit <https://www.wto.org/>

AGRICULTURAL ISSUES

WORLDWIDE



ALL PRODUCTS

Under the WTO Agreement on Agriculture, member countries agreed to reduce domestic policies that are considered to be trade-distorting. Every year countries are required to submit documents describing their expenditures on domestic government support to agriculture sectors. In 2016 the U.S. spent \$3.8 billion in Aggregate Measure Support (AMS, domestic support for agriculture that is considered to distort trade and therefore subject to reduction commitments). It is important to note that the U.S. is limited by WTO commitment to not spend any more than \$19.1 billion dollars on AMS programs and the closest it has come to that cap was \$16.8 billion in 2000. The reduction levels in agricultural subsidies and tariffs that were agreed to in the Uruguay Round were:

	Developed Countries 6 years: 95-00	Developing Countries 10 years: 95-04	Domestic Support Ceiling Commitments	
	Tariffs		United States	\$19.1 billion
Average cut for all agricultural products	-36%	-24%	European Union	\$79 billion
Minimum cut per product	-15%	-10%	Japan	\$36 billion
	Domestic support			
Total AMS cut for sector (base period 1986-88)	-20%	-13%		

Source: http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm3_e.htm

Issue: Export Subsidies

Export subsidies are special incentives provided by governments to encourage increased foreign sales. In the WTO, 25 countries can subsidize exports on certain products. The U.S. is authorized to subsidize 13 products including wheat, wheat flour and dairy products; however, the U.S. has chosen not to exercise those subsidies. For a complete list, visit:

http://www.wto.org/english/tratop_e/agric_e/negs_bkgrnd08_export_e.htm

The U.S. proposed to the WTO in 2000 to eliminate export subsidies through progressive implementation of annual reduction commitments over a fixed period. At the Hong Kong WTO Ministerial Meeting in 2005, members agreed to the parallel elimination of all export subsidies to be completed by the end of 2013, with developing countries receiving an additional five years to fully eliminate their subsidies. In October 2013 ministers acknowledged a positive trend regarding decreased use of export subsidies. However, the “parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect” could not meet the 2013 deadline. Ministers reaffirmed the parallel elimination of export subsidies as a final objective on export competition of the Doha Round.

Historic progress was finally made at the Tenth WTO Ministerial held in Nairobi in December 2015. The so-called Nairobi Package included an agreement on export competition. Developed countries would immediately remove export subsidies, except for a handful of agriculture products, and developing countries would do so by 2018 with a longer time frame for extenuating circumstances to continue until 2030. The package also limits export credits, export credit guarantees or insurance. More information about the specific timelines and exceptions in the package can be found at:

https://www.wto.org/english/news_e/news15_e/mc10_19dec15_e.htm

WTO members undertook at the Agriculture Committee meeting in June of 2016, their first review of agricultural export policies since the Nairobi ministerial decision to scrap farm export subsidies in all developed countries. Several of the 16 WTO members with schedules of commitments permitting them to subsidize their farm exports confirmed their intention to formally modify their schedules.

The European Union by far has been one of the biggest offenders in providing large agricultural subsidies to its farmers and producers. For example, the EU has been distorting world dairy markets for decades with export subsidies for dairy products. Prior to the Nairobi Package, the EU was permitted to spend over 1 billion euros (\$1.08 billion dollars) a year on dairy export subsidies: 724 million euros on other dairy products, 346 million on cheese, and 298 million on skim milk powder.

Issue: Food Safety

Food safety is an increasingly important issue. The FDA is responsible for the safety of 80% of all food consumed in the U.S., including the entire domestic and imported food supply; however, meat, poultry, and liquid eggs are under the authority of USDA. To view the most current alerts, visit the FDA’s webpage at <http://www.fda.gov/opacom/7alerts.html>.

In 2004, the U.S. began requiring registration for food manufacturers and producers who produce or export to the U.S. Many countries have initiated similar requirements, including the EU, Canada, and Mexico. On January 4, 2011, President Obama signed the Food Safety and Modernization Act (FSMA), requiring companies to develop and implement written food safety plans in an effort to prevent food-borne illness. The provisions of the FSMA also provide FDA with the authority to better respond and require recalls when food safety problems occur, as well as ensure that imported foods are as safe for consumers as those produced in the United States. More information and updates to FSMA rules can be found here: <http://www.fda.gov/Food/GuidanceRegulation/FSMA/default.htm>

The Codex Alimentarius Commission (Codex) was created in 1963 by the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO) to develop worldwide food standards, guidelines and related texts such as codes of practice under the Joint FAO/WHO Food Standards Program. These standards include biotechnology, irradiation, and meat standards. The United States aligns its food safety standards to those established by Codex. For more information visit: www.codexalimentarius.org.

Issue: Geographical Indicators

Several countries, including those in the European Union and some of its allies, have been pursuing an aggressive bilateral strategy to restrict the use of common product names by producers outside of the specific country through FTA negotiations, bilateral Intellectual Property discussions, and other forums such as the Anti-Counterfeiting Trade Agreement (ACTA). The goal of these countries is to advance their own commercial interests for food products through advocating for wider use of Geographical Indicators (GI), beyond the realm of appropriate protection of product niches in order to try to appropriate for their sole usage. With this, many product names that are commonly used around the world, including in international trade are considered to be generic in the U.S. and many other countries. In the case of the EU for cheese, these names include generally used names such as Feta, Parmesan, Muenster, Provolone and Romano, along with many others. Feta isn't even a place and the EU didn't begin pushing for GIs until 1992, long after U.S. producers had well established cheese brands and such cheese names had become common and generic.

The continued efforts of these countries to limit the use of these common product names could significantly impair current U.S. exports that use those terms considered to be generic descriptions and will also greatly limit the future global potential for the U.S. industry. The affected U.S. industries, including dairy and beverages, stress how critically important it is for the government and industry to work together in a concerted manner to ensure that the customary use of common product names can continue in foreign markets.

The E.U. has concluded a series of FTA's that contain important levels of protection for geographical indicators with South Korea, Singapore, Colombia and Peru, Central America, Canada, Japan, Vietnam and Ukraine. U.S. producers must adhere to these GIs when exporting to a country that recognizes them.

Issue: Pesticide Harmonization

Pesticide harmonization efforts have been ongoing in Australia, New Zealand, Canada, the EU, and Japan, the result of which has been the establishment of positive minimum residue levels (MRL) systems. U.S. officials are working to keep the Codex or U.S. standards as the default measurements and the new tolerances based on risk assessments. Attaché reports on these situations can be found at: www.fas.usda.gov/data/search

Issue: Tariffs

One of the achievements of the Uruguay Round of multilateral trade talks was to increase the amount of trade under binding commitments (see table). In agriculture, 99.9% of products now have bound tariffs. The result is a substantially higher degree of market security for traders and investors. Idaho food and agriculture product exports are still significantly hindered by high tariffs. These are specifically noted in this document.

2019 Simple Average Tariffs – Agricultural Products		
<u>Country</u>	<u>Bound</u>	<u>Most Favored Nation</u>
Canada	15.0	15.9
Mexico	45.0	13.9
China	15.7	15.6
Korean Republic	58.0	57.0
Japan	19.3	15.7
Indonesia	47.1	8.6
Philippines	35.0	9.8
Malaysia	54.0	7.9
Thailand	38.9	24.0
Chile	26.1	6.0
United States	4.9	5.3

Source: https://www.wto.org/english/res_e/booksp_e/tariff_profiles19_e.pdf; Published July, 2019

Issue: U.S. Section 232 Tariffs on Steel and Aluminum

In 2018, under Section 232 of the Trade Expansion Act of 1962 which gives the President the power to raise tariffs on products to protect American national security, President Trump instituted tariffs on steel and aluminum products from all countries around the world. President Trump's administration argued that domestic capacity to make iron and steel is essential for the protection of national security interests, and that certain companies in countries around the world were producing those metals at an unfair price because they were being subsidized by their governments to undermine the U.S. market. Many countries increased tariffs on U.S. products in retaliation. Any retaliatory tariffs are listed under the respective country below.

President Trump later carved out exemptions for Argentina, Australia, Canada, Mexico, Brazil and South Korea. On February 8th, 2020, the tariff list was extended to include more specific products, including nails, staples, and cables. President Trump argued that the original list of tariffs allowed countries to circumnavigate the intended effect of the tariffs, and that the new comprehensive list of products represented a fairer playing field.

Issue: Value of U.S. Dollar

The U.S. dollar exchange rate plays an important role in U.S. agricultural trade. A comparatively weak dollar means U.S. products are relatively less expensive than the products from foreign countries. The value of the U.S. dollar has increased over the past few years making exports less competitive on the global market. Furthermore, some countries intervene in the foreign exchange market which ultimately stimulates exports and slows imports. Over the past few years this issue has primarily been associated with China, but China has taken large steps to separate themselves from this issue. Additional reforms regarding currency and foreign exchange issues were included in the bi-lateral Phase One agreement in January 2020. As a result, the U.S. Treasury Department has removed China's designation as a currency manipulator at this time.

The semi-annual report published by the U.S. Treasury Department in January 2020 found that no trading partner has met the criteria to be considered a currency manipulator. Ten countries, however, met the criteria to be placed on Treasury's Monitoring List. Currency market interventions, high global current account surpluses, and high bilateral trade surpluses are all criteria used in the determination. The ten countries on the monitoring list are: China, Germany, Ireland, Italy, Japan, Malaysia, Singapore, South Korea, Vietnam, and Switzerland.

Issue: Visa Issuance

On January 27, 2017, President Trump signed an executive order to make it more difficult for foreign individuals to enter the United States. Section 8 of President Trump's Executive Order, Protecting the Nation from Foreign Terrorist Entry into the United States, refers to the immediate suspension of the Visa Interview Waiver Program (VIWP) and imposes a requirement that all nonimmigrant visa applicants, with exceptions for children and the elderly, to undergo in-person interviews. On June 26th, 2018, The Supreme Court of the United States upheld President Trump's ban on several predominantly Muslim countries. On February 21st, 2020, this ban was extended to an additional six countries, bringing the total number of countries banned up to 13.

Issue: COVID-19 Pandemic

The outbreak of the COVID-19 virus caused a worldwide pandemic that disrupted supply chains around the world. Although considered essential, trade in agricultural products has faced significant challenges. As countries around the world including the United States lockdown borders and force workers indoors not deemed essential, ports have experienced bottleneck issues. This causes agricultural products to have trouble entering and leaving ports.

Furthermore, countries are considering issuing emergency bans and quota restrictions on agricultural exports to try and protect their nation's food supply. Kazakhstan and Russia have issued restrictions on wheat exports while Vietnam, Cambodia, and India have all implemented limits on rice exports. The United States has taken no such measures.

SUGAR

Issue: Subsidies

Around 100 countries produce sugar and each one has some form of government intervention that affects the costs of production. The U.S. is one of the largest producers and consumers worldwide. The U.S. sugar industry is very efficient with production costs below the world average after adjustments made for government intervention.

The U.S. is a net importer of sugar, and imports have historically averaged around 15% of the total amount of sugar that the U.S. consumes. Sugar imports are subject to tariff-rate quotas (TRQs). For Fiscal Year 2020, the in-quota quantity for the tariff-rate quota on raw cane sugar is 1,117,195 metric tons raw value (MTRV), which is the minimum amount to which the U.S. is committed under the WTO.

ARGENTINA



ALL PRODUCTS

Issue: Consumer Goods Price Control Program

In January 2014, the Argentine government launched a consumer goods price control program called Precios Cuidados. Under the voluntary program, participating consumer goods manufacturers and supermarkets agreed to adhere to price caps on nearly 200 basic consumer goods. On January 8, 2019, the government extended the program through May 6, 2019, for 566 products, 60 percent of which were food and beverages. The government relaunched the program in January 2020, on 311 products, many of which are food and beverages.

CATTLE

Issue: Live Cattle Ban

Live cattle from the United States were banned entry into Argentina in January 2014, due to a risk of BSE (mad cow disease) and continue to be prohibited.

FRUIT

Issue: Apples and Pears – Phytosanitary Ban

Since 2009, Argentina has no longer issued import permits for U.S. apples and pears. Suspension of imports occurred due to concerns about the transmission of the bacteria causing fire blight via apple and pear fruit. The USDA-APHIS has submitted technical information to the Argentine government documenting that the risk of transmitting the bacteria on mature symptomless apple and pear fruit is very low. There has not been any response to this letter. Rather, the Argentine government has begun a new pest risk assessment on apples, to replace the one conducted in 2005, indicating that this assessment will be used to determine the Import Permit requirements for apples. The U.S. will continue to work with Argentine officials to address the issue and reinstate the issuance of permits for importation.

Issue: Cherries - Phytosanitary Ban

Argentina prohibits the importation of Pacific Northwest (PNW) cherries into the country due to concerns over cherry fruit fly and other insect pests. This trade barrier has been in place since the mid-1990s. The U.S. government and Argentinian government have yet to reach an agreement on an export protocol.

Issue: Tariffs and Export Rebates

Argentina has a tariff, tax and rebate system that makes it difficult to import fruit because of increased costs, which are transferred to the buyers. Trade pacts among different South American countries also leave U.S. fruit exporters at a competitive disadvantage. The table on the next page lists the current import tariffs, statistical taxes, export taxes and rebates.

2020 Argentina Tariffs, Taxes and Rebates for Apples and Pears	
Countries outside of Mercosur	Countries within Mercosur (Argentina, Brazil, Paraguay, Uruguay)
Import tariff: 10%	Import tariff: 0%
Statistical tax: 2.5%	Statistical tax: 2.5%

Export tax: 12%	Export tax: 12%
Export rebate (apples, > 20Kg): 3.75%	Export rebate (apples, > 20Kg): 3.75%
Export rebate (pears, > 20Kg): 3.5%	Export rebate (pears, > 20Kg): 3.5%
Export rebate (2.5Kg-20Kg): 4.75%	Export rebate (2.5Kg-20Kg): 4.75%
Additional Organic Fruit Export Rebate: 0.5%	Additional Organic Fruit Export Rebate: 0.5%
Export rebate (< 2.5Kg): 5.25%	Export rebate (< 2.5Kg): 5.25%



FRUIT

Issue: Phytosanitary Ban on Apples and Pears

Australia prohibits the importation of apples from the United States based on concerns regarding several pests. In October 2009, Australia published a pest risk analysis for apples from the United States and identified three additional fungal pathogens of concern to Australian regulatory authorities. In December 2014, the United States provided information to Australia to support the U.S. systems approach to address pest risk issues. In November 2018, Australia announced it was commencing a new risk analysis for fresh apples from the Pacific Northwest states. Although Australia indicated that a draft report would be released the second half of 2019, no draft has yet been released. Australia also prohibits the importation of pears from the United States for phytosanitary issues, including fire blight.

PORK

Issue: Prohibition of Fresh/Chilled/Frozen Pork and Bone-in Products

Due to concerns about porcine reproductive and respiratory syndrome (PRRS) and post-weaning multisystemic wasting syndrome (PMWS), imports of fresh/chilled pork and bone-in products are not permitted. The United States has requested that Australia remove all PRRS and PMWS-related restrictions and has provided scientific evidence to document the safety of U.S. pork products. Although the OIE approved an international standard for PRRS in May 2017, Australia has requested additional scientific information from the United States. In December 2017, the USDA Animal and Plant Health Inspection Service (APHIS) sent a scientific review paper on PRRS to the Australian government with a request that Australia re-open the import risk assessment for U.S. origin fresh/chilled/frozen pork.

SEED

Issue: Alfalfa Seed (*Medicago sativa*) – Phytosanitary Restrictions

Australia currently prohibits all U.S. alfalfa seed due to Verticillium Wilt (VW) except from seven counties in California. Seeds from other areas may only be imported in small quantities to be grown out in quarantine. A lab test can be done although neither the test nor a field inspection currently is being accepted. The requirements for the export program for the seven counties are generally threefold: (1) area of freedom, (2) phytosanitary seed inspection program, and (3) Sheppard and Needham's wash test. Idaho cannot meet the area of freedom requirements.

Issue: Sweet Corn – Overly Stringent Requirements

Idaho is the only U.S. state with an established protocol to ship sweet corn seed to Australia which was established in April of 2002. The requirements include export field registration, field sanitation

and pest control measures, export crop inspection and testing, packing house registration and procedures, pre-export seed inspection, packing and labeling requirements, and on-arrival inspections. For a detailed outline of the requirements, see the link below.

<https://www.agriculture.gov.au/import/goods/plant-products/seeds-for-sowing>

Issue: Biotech Seed

For biotech products, the approval from Office of the Gene Technology Register (OGTR) and Food Standards Australia New Zealand applies only to food products derived from biotech alfalfa and corn. Seed intended for sowing is a different issue. Biotech seeds of either sweet corn or alfalfa seed have not been approved for import or commercial production. The only commercially produced genetically modified (GM) crops in Australia are cotton, canola and safflower. There are a number of GM crops which have been granted licenses for field trials, but none are at the commercial production stage. Even if they are importing a permitted GM crop, importers must declare if any imports have GM content and must receive permission from OGTR to import the product. This information must be included on the application for an import permit.



DAIRY PRODUCTS

Issue: Tariffs and Non-Tariff Barriers

Plant registration and product label registration are required for export to Brazil. The U.S. dairy product exporter must have the plant included on the U.S. Department of Agriculture - Agricultural Marketing Service’s (USDA-AMS) list of U.S. Dairy Plants Surveyed and Approved by the USDA Grading Service or in the list of plants approved by the FDA (state approval alone is not permitted). Dairy plants need to be approved and registered on Brazil’s official list prior to starting the label registration process.

Plant approval and registration requests must go directly to the Foreign Agricultural Service/Office of Agricultural Affairs in Brasilia (FAS/Brasilia). FAS/Brasilia requires a formal letter from the U.S. company interested in applying to start the process of registering the U.S. processing plant. A template is available if needed, please refer to the GAIN report Updated Plant and Label Registration Procedures for Dairy Products, published in 2017. Once a U.S. plant is registered, a plant representative must submit an email request to FAS/Brasilia (priscila.ming@fas.usda.gov and agbrasil@usda.gov). If identical products are shipped under different brand names (requiring different labels on the packaging), each label must be registered separately in Portuguese, even though the actual products may be identical. After a company registers a label, it is valid for 10 years of export to Brazil.

Brazil’s tariffs on dairy products favor Mercosur members over the U.S.

2020 Tariffs on Dairy Products			
Tariff Number (HTS)	Product Description	Common External Rate (%)	Mercosur Rate (%)
0401.10.10	Milk and Cream, UHT	14	0
0401.10.90	Milk and Cream, UHT	12	0
0406.10.10	Cheese, Mozzarella (1)	28	27
0406.10.90	Cheese, Other	16	0

0406.20.00	Cheese: Grated or Powdered	16	0
0406.90.10	Cheese, with a fat content less than 36%, by weight (1)	28	27
0406.90.20	Cheese with a fat content superior or equal to 36% and less than 46%, by weight (1)	28	27
0405.10.00	Butter	16	0
0405.90.10	Butter Oil	16	0
0402.21.10	Whole Milk Powder	28	27
0402.21.20	Nonfat Milk, Powder	28	27
0404.10.00	Whey Powder	28	27

FRUIT

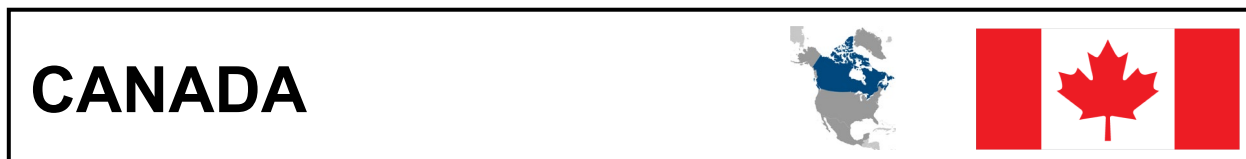
Issue: Tariffs and Miscellaneous Charges

Brazil charges a 10% import duty (CIF) on fresh apples, cherries, and pears. This tariff serves as a significant barrier to Idaho fruit exports to Brazil as fruit imports from Mercosur countries enter duty-free and ALADI countries (Argentina, Bolivia, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela) enter with preferential treatment. Brazil also levies a significant number of miscellaneous charges, port charges, internal taxes and assessments that amount to a significant cost increase to consumers above the landed value of the product.

WHEAT

Issue: Tariff and Tariff Rate Quota

Brazil is one of the largest importers of wheat in the world. Brazil had agreed to a TRQ of 750,000 metric tons of zero duty wheat under the Uruguay Round of the WTO in 1995. But with the exception of 2013, they had never implemented that commitment. Brazil imports approximately 90% of its wheat from Mercosur countries at zero tariffs; however, the majority of their imports come from neighboring Argentina. Prior to 2019, non-Mercosur countries, including the U.S., were subject to a 10% common external tariff (CET) and a Merchant Marine Renewal Tax (MMRT) of 25% of the freight cost. In 2019, Brazil agreed to implement the annual duty-free tariff rate quota (TRQ) of 750,000 MT of wheat imports. These imports can come from any country, not just the United States, but will benefit American wheat farmers tremendously. The TRQ remains a trade barrier but is considered to be progress in creating greater market access for U.S. wheat.



DAIRY

Issue: Milk Pricing Scheme

Canada has competed unfairly against U.S. dairy exports in foreign markets around the globe through a milk pricing scheme that has undercut U.S. dairy prices. The class 7 milk pricing scheme particularly distorted prices for skim milk components. The Class 7 pricing also facilitated exports of surplus Canadian skim milk products that would not otherwise be price competitive in international markets, displacing similar U.S. exports in third-country markets. Canadian exports of skim milk powder have tripled and were essentially dumped onto world markets between 2017 and 2020.

Under the USMCA trade agreement announced September 30, 2018, Canada committed to eliminating milk classes 6 and 7 and their associated milk class prices six months after entry into force of the USMCA. Canada will ensure that the price for skim milk solids used to produce nonfat dry milk, milk protein concentrates, and infant formula will be set no lower than a level based on the

United States price for nonfat dry milk. Canada has also committed to adopt measures designed to limit the impact of any surplus skim milk production on external markets. USMCA has been ratified by all three governments and will go into effect July 1, 2020. The NAFTA agreement remains in place until July 1.

Issue: Tariff Rate Quota

Canada protects its domestic cheese industry through a tariff rate quota system. The 1998 U.S. - Canadian Free Trade Agreement (CFTA) eliminated many tariffs, but the preferential duty rate only applies to imports within the quota. The quotas are small, resulting in the higher duty rate utilization. Some imports above the quotas can be made through the Import for Re-Export Program (IREP). Dairy products that are imported by Canadian processors for use in manufacturing goods, such as confectionary items, which are re-exported can be shipped to Canada under the IREP and avoid the over-access tariffs. Under the USMCA, Canada will increase the quotas for dairy imports from the U.S. It will still put tariffs on dairy products that exceed the quotas, ranging from 200%-300%. The new quotas are expected to give American dairy farmers access to around 3.6% of Canada's market. The USMCA agreement will go into effect July 1, 2020.

Fluid Milk: 50,000 metric tons (MT) by year six of the agreement, growing one percent for an additional 13 years. Eighty-five percent of the quota will be reserved for further processing.
Cheese: 12,500 MT by year six of the agreement, growing one percent for an additional 13 years. Fifty percent of that amount will be available for any kind of cheese, while the remainder will be for industrial cheeses
Cream: 10,500 MT by year six of the agreement, growing one percent for an additional 13 years. Eighty-five percent of the volume in year one will be reserved for further processing.
Skim Milk Powder: 7,500 MT by year six of the agreement, growing one percent for an additional 13 years.
Butter and Cream Powder: 4,500 MT by year six of the agreement, growing one percent for an additional 13 years. Eighty-five percent of the volume in year one will be reserved for further processing, which will be reduced to 50 percent by year five.
Concentrated and Condensed Milk: 1,380 MT by year six of the agreement, growing one percent for an additional 13 years.
Yogurt and Buttermilk: 4,135 MT by year six of the agreement, growing one percent for an additional 13 years.
Powdered Buttermilk: 520 MT by year six of the agreement, growing one percent for an additional 13 years.
Products of Natural Milk Constituents: 2,760 MT by year six of the agreement, growing one percent for an additional 13 years.
Ice Cream and Ice Cream Mixes: 690 MT by year six of the agreement, growing one percent for an additional 13 years.
Other Dairy (Processed Products containing dairy): 690 MT by year six of the agreement, growing one percent for an additional 13 years and capping at 785 MT. The quota is an aggregate for specific tariff codes under 1517, 1901, 2106 and 2309.

Whey: 4,134 MT by year six of the agreement, growing one percent for an additional 4 years. Whey will have its over quota tariff eliminated in 10 years.

Source: USTR Fact Sheet

POTATOES

Issue: Fresh Imports - Anti-dumping Duties

Since 1984, Canada has imposed an anti-dumping duty on fresh potato imports from Washington, Oregon, California, and Idaho into British Columbia for allegedly selling potatoes below cost of production. Fresh potato floor price is determined by the Canadian government and varies by state of origin. Any imports below those prices are impacted with the importer paying the difference between the floor price and the actual sale price to Revenue Canada. The PNW potato industry contested the allegations of dumping and the methodology used by the Canada Border Services Agency (CBSA) in calculating the dumping margins during reviews of the dumping order held in 1984, 1986, 1990, 1995, 2000, 2005, 2010 and 2015. Each time, the Canadian authorities refused to revise the dumping order.

Dumping duties are not imposed on U.S. potatoes because they are unfairly traded. Rather, the dumping duties are maintained because the Canadian antidumping law sets floor prices at cost of production rather than at normal agriculture commodity prices in a free market.

The Canada Border Services Agency (CBSA) conducts a review every five years to determine whether U.S. potatoes exported to British Columbia should be subject to anti-dumping duties. In December 2014, CBSA initiated the latest review and re-investigation in accordance with the Special Import Measures Act (SIMA), of the normal values and export prices of certain whole potatoes originating in or exported from the United States of America for use or consumption in the province of British Columbia. The order was issued September 9, 2015 upholding the antidumping duties.

Issue: Restrictions on Bulk Shipments

Canada continues to maintain restrictions on the importation of potatoes shipped in bulk containers (i.e. containers larger than 50 kg or 100 lbs.). Potato processors in Canada source bulk raw potatoes to supply plants in Canada. In order to move bulk potatoes, Canada requires that a Ministerial Exemption (ME) be issued. An agreement was made between the U.S. and Canada in 2007 to streamline the process for shipments of bulk potatoes. However, in spite of these changes, the ME system represents a significant barrier to trade in potatoes and other U.S. agricultural products.

WHEAT

Issue: Restrictions on Variety and Grading of U.S. Grain

Historically, non-Canadian grain was not allowed to receive an official grade beyond the lowest statutory level. This resulted in U.S. wheat having to be traded on a specification basis only or bear the lowest grade level in the Canadian system. Therefore, U.S. wheat, regardless of quality, was forced to be sold in Canada as “feed” wheat at sharp price discounts compared to Canadian varieties. As part of the USMCA agreement, Canada has agreed to grade imports of U.S. wheat in a manner no less favorable than it accords Canadian wheat, and to not require a country of origin statement on its quality grade or inspection certificate. The wheat must still be a Canadian wheat variety, however, to be eligible to receive the grade.

The Canadian varietal registration requirements for wheat and barley are significant market impediments. The requirement effectively prohibits U.S. wheat varieties due to lengthy, costly and unnecessary field trials for U.S. varieties to be registered for use in Canada. For more information on the Canadian grain regulations visit: <http://laws-lois.justice.gc.ca/eng/acts/G-10/>

CHINA (PRC)



BEEF

Issue: Restrictive Import Requirements

Under the framework of the US-China Comprehensive Economic Dialogue announced on May 11, 2017 by US President Donald Trump and the People's Republic of China President Xi Jinping, the U.S. Department of Agriculture reached an agreement with Chinese officials on final details of a protocol to allow the U.S. to begin beef exports to China. Previously, China had banned U.S. beef imports because of BSE (mad cow disease). In June of 2017, China accepted its first shipment of US Beef in more than 13 years.

In accordance with the U.S.-China Economic and Trade Agreement (ETA) which came into place in January 2020, China has implemented a number of changes to the scope and process of exporting U.S. beef and beef products to China. Key changes include an expanded scope of products, removal of the 30-month age limit for cattle, new Maximum Residue Limit (MRL) standards, and the use of the Public Health Information System (PHIS) for transmitting export documents.

The requirements are as follows:

- In accordance with the ETA, China removed all references to age restrictions in beef cattle following its February 24, 2020 announcement that conditionally lifted restrictions on beef and beef products from cattle aged 30 months and older;
- China still requires an import permit for each shipment which could possibly be problematic if the Chinese government decides to be difficult. The tariffs are still in place as well but there is the possibility for tariff exclusions;
- In accordance with the ETA, effective March 16, 2020, China's Ministry of Agriculture and Rural Affairs (MARA) has established several MRLs for synthetic hormones used in beef production, including zeranol, trenbolone acetate, and melengestrol acetate. Exporters should be aware that China still maintains a zero tolerance for ractopamine in beef and beef products;
- Beef and beef products must be derived from cattle that were born, raised, and slaughtered in the U.S., cattle that were imported from Canada or Mexico and subsequently raised and slaughtered in the U.S., or cattle that were imported from Canada or Mexico for direct slaughter;
- Cattle must be traceable to the U.S. birth farm using a unique identifier, or if imported to the first place of residence or port of entry;
- Chilled or frozen bone-in and deboned beef products are eligible for shipment. For a complete listing, refer to the FSIS Export Library; and
- Carcasses, beef, and beef products must be uniquely identified and controlled up until the time of shipment.

Issue: Labeling

The Chinese government requires every sub-primal beef piece to be individually labeled in Chinese. Although likely to prevent counterfeiting, it forces beef producers to do a special China run and hope that they can sell most of the carcass together. Chinese customers are therefore not able to pick and choose just the cuts they want, unlike other buyers around the world. The labeling requirement is easier for major packers than for smaller ones because major packers can dedicate a plant or shift to export opportunities and set up equipment appropriately, while smaller packers must work within the constraint of a single shift.

Issue: Retaliatory Tariffs

In 2018, President Trump implemented tariffs on washing machines and solar panels and on steel and aluminum from China among other countries. President Trump justified these new tariffs under Section 201 of the Trade Act of 1974, which permits the President to grant temporary import relief on goods that injure or threaten to injure domestic industries, which further falls under WTO Article XIX. The Chinese government, unhappy about this decision, threatened to impose retaliatory tariffs on U.S. products. Attempted negotiations between the U.S. and China ultimately broke down, and the U.S. announced it would impose tariffs on a variety of additional goods on July 6th.

On July 6th of 2018 China implemented the first round of retaliatory tariffs on a variety of U.S. products. In August of 2018, the Chinese government announced additional tariffs at the rates of 5% and 10% on a variety of products. In September of 2018, the Chinese government again announced another round of additional tariffs at the rates of 5% and 10% on a variety of products. It was announced that the 5 – 10% September round of tariffs would increase to 25% by the end of 2018, but at the G20 Summit on December 1, 2018, the US and China agreed to delay planned increases for 90 days as they tried to reach an agreement.

After the G20 summit decision to postpone tariff increases, negotiations broke down several times and tariffs were increased by both sides. On June 1, 2019, and September 1, 2019, China again raised tariffs on a wide selection of American goods, including agricultural products. Finally, in January of 2020, China and the United States came to a preliminary agreement, a Phase One. It entered into force on February 14, 2020. The Phase One agreement included commitments to lower tariffs on select items by half of the September 1, 2019 increase. For example, if on September 1st a tariff had been raised by 10%, it was to be lowered by 5% under the Phase One agreement. China cut their first round of tariffs on February 17, 2020 and have made additional cuts since then as well. For a summary of the Phase One agreement, see the Trade Agreements section of this report.

Tariffs remain a significant challenge for Idaho's pulse industry. Current tariffs on dry peas are 35% (including 5% in retaliatory tariff) and on both chickpeas and lentils are 37% (including 30% in retaliatory tariff). Other Idaho industries that are experiencing challenges due to current retaliatory tariffs include, but are not limited to: fresh apples and cherries 55% (including 45-30% retaliatory tariffs); potato flakes, granules and pellets 40% (including 25% retaliatory tariff); frozen potatoes 28% (including 15% retaliatory tariff); preparations of bovine animal meat and offals 30% (including 25% retaliatory tariff); frozen peas and frozen leguminous vegetables 43% (including 30% retaliatory tariff); hop cones 30% (including 20% retaliatory tariff); and wine 45-54% (including 25-40% retaliatory tariffs).

CATTLE

Issue: Prohibited

The export of live cattle to China was prohibited in December 2003 when a case of BSE was found in the United States. As part of the Phase One trade agreement, the Chinese government has agreed to establish a protocol to allow for the import of live cattle from the U.S., but an acceptable protocol has not yet been announced.

DAIRY

Issue: Whey - Ban on Benzoyl Peroxide and Benzoic Acid

On June 1, 2009, with the enforcement of China's new Food Safety Law, the Chinese government implemented more stringent testing of imported foods for compliance with Chinese standards. As a consequence, China started testing whey products for the presence of benzoic acid, a byproduct of bleaching with benzoyl peroxide. Benzoyl peroxide is not an approved additive in GB 2760-2014 for dairy products. China adopts a positive list approach for food additives which means a food additive can only be used in a certain product category only if it is approved in GB 2760 for that particular product category.

Benzoic acid can be used in many food products in China, but not whey. The AQSIQ may choose to request an affidavit stating that a product was not manufactured with the usage of benzoyl peroxide as a bleaching agent. Although U.S. products bleached with this substance have been shipped to China for many years, the Chinese government did not routinely test for the presence of benzoic acid in whey products. Now that products are routinely tested, those products that fail to pass the test may be rejected or destroyed.

China continues its ban on the use of benzoyl peroxide (BPO) in food applications, including flour. BPO is a brightening agent that is typically used for bleached flour applications. It is a processing rule, not one that pertains to raw wheat, and therefore is not overly hindering trade. However, this rule does work against the interests of U.S. wheat classes. U.S. wheat bran color tends to be slightly darker than other varieties such as Australian wheat. This means when a miller is pushing for more extraction percentage (the amount of the wheat kernel that can be converted into flour) the result is often a subtle darkening of flour color since the aleurone layer of the endosperm is ground into flour rather than going away with the bran. The brighter bran layer of Aussie wheat can sometimes give a miller high extraction with whiter color. This is a rather narrow advantage but does cause issues in those markets that ban BPO while favoring bright white flour color.

HAY & HAY PRODUCTS

Issue: GMO testing of Alfalfa Hay

China does not have any GMO alfalfa varieties approved so all alfalfa hay must be non-GMO. China issued a directive in July 2014 that increased the testing of non-GMO alfalfa. The concern is that any alfalfa hay that exceeds the lowest detection limit of 0.01% will be rejected. The “zero” standard is overly restrictive. Minute levels of cross contamination from equipment or dust can cause a shipment of non-GMO alfalfa to be rejected. In comparison, Japan sets food products as non-GMO to have no more than 5.0% GMO ingredients, far greater than 0.01%. Japan does not have a standard for animal feed so industry defaults to the food standard. Recognizing the unintentional or technically unavoidable traces of GM material, many countries including those in the EU only require GMO labeling of foods with a threshold of .9%-1.0%.

SEED

Issue: Corn and Wheat Seed – Plant Variety Registration

In November 2015, China revised its Seed Law of the People’s Republic of China (Seed Law) to support domestic seed industry development by protecting the legitimate rights and interests of seed production and operation entities and users and ensuring seed quality and agricultural production security.

The following modifications were made to the variety registration system:

1. The number of crops subject to variety registration requirements upon import into China was reduced from 28 to five. The five seed varieties that will still need to be registered are rice, wheat, corn, cotton and soybean. Variety registration will no longer be required for other crops, such as rapeseed and potato.
2. A “Green channel” is established to allow seed companies that meet certain requirements to conduct experiments required for the registration process themselves.
3. Seed companies no longer need approval to introduce a registered variety to a similar ecological region in another province in China.

The full text of the seed law revision can be found in this GAIN report:

https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=China%20Amends%20Seed%20Law%20to%20Develop%20Seed%20Industry_Beijing_China%20-%20Peoples%20Republic%20of_12-1-2015.pdf

Issue: Protection of Proprietary Varieties

China is one of the world's largest producers and users of seeds, and although China has implemented laws and regulations, intellectual property right (IPR) violations and counterfeit cases occur frequently. In April 1999, China joined the International Union for the Protection of New Varieties of Plants (UPOV) adopting the first two acts (China has not yet adopted the Act of 1991 that requires new members to grant protection for all new plant genera and species within a decade). UPOV is an international organization whose mission is to promote and protect an effective system of plant variety population, with the aim of encouraging the development of new varieties of plants. It sets guidelines and uniform principles for protecting plant material. Without plant breeders' rights, there is nothing to prevent others from propagating and selling proprietary plant material. Companies are strongly advised to register their trademarks and copyrights in China. Although registration does not guarantee complete immunity to IPR violations, without it companies have little legal recourse.

Seed sold in counterfeit packages identical to legitimate brand name packages is the most frequent problem for seed companies. Other crimes include theft of seed/germplasm from production fields or facilities, which is then bred and marketed by other companies. Seed companies also report demands for restitution for "inferior quality" seed sold by counterfeiters. Local courts also can award damages to growers even when poor crop management or weather borne problems, not seed quality, reduce yield. However, China has yet to improve testing technology to support its examination of applicants' compliance with the conditions for new plant varieties.

In October 2016, China initiated work to revise the Plant Variety Protection (PVP) regulations. The PVP grants breeders some degree of exclusive rights over the vegetative and reproductive materials of plant varieties they have invented or discovered. On February 22nd of 2019, China announced an updated PVP regulations draft, although it has yet to be codified into law.

The PVP approval process can take 3-5 years and is needed for American companies exporting to China to import corn seed into China. Qualified seed importers who submit the PVP applications for either bulk shipments of commodity seed for field use or trial shipment for test also need a seed import/export license and general trading license.

WHEAT

Issue: Phytosanitary Restrictions

U.S. wheat that Chinese officials claim contains *Tilletia controversa* Kuhn (TCK) and Karnal bunt (KB) must discharge at one designated southern port and a cleaning fee is assessed. Although market values for U.S. winter wheat classes often are competitive with other origins, including Chinese domestic wheat, importers have limited purchases because of potential discharge issues and the additional costs and burden to re-ship wheat from the cleaning facility.

Issue: Tariffs and Tariff Rate Quota System

China's wheat import TRQ system set an annual quota of 9.64 million MT with a 1% duty when it joined the WTO in 2001. 90% of the TRQ is reserved for imports by State Trading Enterprises and the remaining 10% is allocated to private sector importers. This violates China's WTO agreements. In addition, China has failed to administer the TRQ in a transparent and consistent manner in compliance with WTO rules. The over-quota tariff is 65%.

The U.S. filed a complaint (DS 517) December 15, 2016, with the WTO against China for improper administration of TRQ's. In April 2019, the WTO ruled in favor of the United States. China has agreed not to appeal the decision and will implement policy changes to adhere to the ruling. In January 2020, along with the China Phase One agreement, there was a separate agreement regarding the TRQ administration for wheat. It remains to be seen whether China will properly

implement new TRQ rules. On 27 March 2020, the United States and China informed the WTO that they had again agreed to extend the reasonable period of time for compliance to May 29, 2020.

Issue: Domestic Subsidies

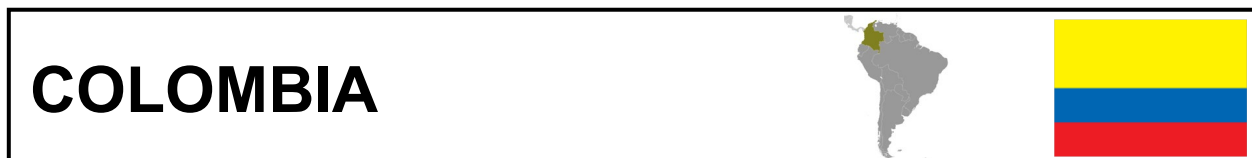
The U.S. filed a complaint (DS 511) with the WTO in September 2016, against China for excessive domestic support for corn, rice and wheat. US Wheat, USTR, USDA and other industry partners invested five years of research to demonstrate how China's domestic support policies hurt U.S. farmers. The level of support provided through China's trade-distorting market price support programs exceeded their WTO commitment by \$100 billion. Eliminating the price support programs and letting the market work to meet China's wheat needs would actually reduce the cost of food for Chinese consumers.

In February 2019, the WTO ruled in favor of the United States. China agreed to implement the recommendations and comply with the ruling. The agreed upon reasonable period of time for China to implement the WTO's recommendations has been extended to June 30, 2020.

PORK

Issue: Sanitary Restrictions

China maintains an approach to U.S. pork that is inconsistent with international standards, limiting the potential of an important export market given China's growing meat consumption and China's recent shortages of domestic pork due to African swine fever. Specifically, China bans the use of certain veterinary drugs and growth promotants instead of accepting the maximum residue levels (MRLs) set by Codex. China also enforces a zero-tolerance standard for the detection of salmonella in imported pork, which is unnecessarily prohibitive and generally unachievable. China does not apply the same standard to domestic pork.



ALL PRODUCTS

Issue: Non-Tariff Barriers

Although the implementation of the Unified Portal for Foreign Trade (VUCE) has significantly streamlined the paperwork process for imports and exports, Colombia's bureaucracy still constitutes a barrier to trade for both local and foreign companies. Colombian customs can detain shipments indefinitely because of improper tariff schedule classification, incorrect address, or even simple typing errors. When mistakes are made by the exporter or importer, the goods may be refused entry into Colombia and be returned at considerable expense to the exporter or importer. Colombian customs statutes provide for significant fines and penalties for light infringement of procedures and errors in freight forwarding documents by customs agencies (Agencias Aduaneras). U.S. freight forwarders and intermediaries are subject to the same sanctions and penalties as Colombia's agents and brokers.

COSTA RICA



ALL PRODUCTS

Issue: Sanitary and Phytosanitary Barriers

During the first half of 2016, importers complained that the Ministry of Agriculture used phytosanitary import permits as a tool for stopping or delaying imports of onions from the United States without clear phytosanitary concerns, and that the Ministry of Agriculture's failure to issue permits in a timely manner resulted in the loss of market access for onions for nearly one year. Although Costa Rica eventually issued all pending permits, the untimely release of the permits during the local harvest caused a temporary (and unnecessary) glut of onions in the market. This was not an issue in 2018 but the threat remains.

POTATOES

Issue: Fresh Table Stock – Prohibited

In April 2012, Costa Rica closed the market for U.S. fresh potatoes due to the Zebra Chip disease in the United States. In 2016, Costa Rica opened the market for U.S. chipping potatoes. There have been ongoing discussions between industry officials and Costa Rican quarantine experts about opening table stock access, but little progress has been made to open this market.

Issue: Chipping Potatoes - Import Permits

U.S. chipping potatoes are allowed entry into Costa Rica with an import permit. However, the Costa Rican government has not been issuing any import permits, thereby prohibiting market access.

Issue: Fresh -Tariffs and Quota Allocation

With the implementation of CAFTA-DR in Costa Rica in 2009, most tariffs on U.S. agricultural exports were immediately eliminated. Remaining tariffs on most other U.S. agricultural products are set to be eliminated by 2021. However, under CAFTA-DR, a TRQ has been applied to fresh potatoes. Fresh potato shipments within the TRQ enter Costa Rica duty-free; once the TRQ is exceeded, Costa Rica's current MFN tariff of 45% is applied. In 2020, the TRQ is set at 372 MT. Costa Rica will liberalize trade in fresh potatoes through continual expansion of the TRQ (by adding 6 MT per year until it is phased out in 2021).

CUBA



FRUIT

Issue: Apples and Pears - Phytosanitary Requirements

The Northwest Horticultural Council (NHC) has asked USDA-APHIS to obtain access to Cuba for Idaho and Oregon fruit, but due to political realities the request has not been actively pursued. In 2002, at the request of Cuban officials, the NHC hosted a site visit for Cuban officials in Washington State. U.S. and Cuban officials have subsequently signed an agreement allowing for the export of Washington apples and pears, but not for Idaho and Oregon. The future of the Cuban fruit market

for Idaho growers does not appear to be promising, as there continues to be no signs of change from the Cuban government.

POTATOES

Issue: Lack of Shipping Protocol

Presently there is no protocol in place for shipping table stock and seed potatoes from the U.S. However, Cuba currently imports large quantities of seed potatoes from Canada. In June 2008 a delegation from Cuba visited three seed potato producing states to learn about seed potato production and the certified seed program. The purpose of this trip was to develop a shipping protocol. Cuban officials subsequently visited the Midwest and Northeast of the U.S.

A protocol was drafted and sent to both governments for review in September 2008. This protocol has not been ratified because: (1) it mentioned viruses, pests, and diseases that do not occur in the U.S. and (2) it contained wording for state-by-state exclusions. USDA-APHIS, NPC, and various state potato commissions objected to the draft. The draft was revised, alleviating U.S. concerns and resubmitted to the Cuban government for signature on August 19, 2009.

Potatoes USA organized an informational exchange mission to Cuba in March of 2017 to meet with Cuban Agriculture officials and to explore the potential role for U.S. potatoes in Cuba. Cuba is trying to boost potato production by importing high quality seed potatoes, so there are strong hopes of planting trials for U.S. seed potatoes. Future progress would include the completion of the import protocol by USDA and the Cuban Ministry of Agriculture for U.S. seed potatoes to enter Cuba, but there is currently still no protocol in place for sending potatoes from the U.S. to Cuba. The lack of official contact put into place by the Trump Administration has greatly slowed the process.



ALL PRODUCTS

Issue: Sanitary Registration

Since March 2018, delays in the process for obtaining sanitary registrations for foods, medicines, and health products from the Dominican government have resulted in higher operating costs and delays moving products to market, according to industry representatives. Furthermore, since April 2018, the General Directorate of Medicines, Food, and Health Products, which oversees the registration process, has been requesting declarations of product additives; a practice not established in Dominican health law. Industry representatives note that the Directorate of Medicines, Food, and Health Products' proposed solution (i.e., requiring companies to present an affidavit to replace additives) would constitute an additional registration requirement.

POTATOES - SEED

Issue: Import Permits

A significant challenge when exporting to the Dominican Republic (DR) is the politicization of import permits. IPs can be difficult to obtain, and, when issued, typically are delayed and are not for the requested amount. Dominican importers of U.S. seed potatoes have also reported not having their full import volume request granted when seeking import permits. Instead, they are told there is a quota on seed potato imports, and only certain amounts can be imported from the United States. Other countries, such as the Netherlands, are granted other parts of the quota.

Under U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) there is no quota on U.S. seed potatoes (HS 0701.10), and therefore, there should be no quantitative restriction on imports of seed potatoes. However, there have been some incidents of restrictions. This issue has been brought to the attention of U.S. government officials overseeing the implementation of CAFTA-DR on several occasions. More recent reports suggest that the DR has ended this unjustified restriction, however, this will only be apparent over time as industry monitors the import volumes permitted entry.



POTATOES

Issue: Seed Potatoes - Phytosanitary Import Ban

Egypt is one of the largest importers of seed potatoes in the world and is Africa's number one potato producer. For years, Egyptian and U.S. quarantine officials have worked on a bilateral market access package: concurrent market access for Egyptian oranges and tangerines to the United States and U.S. seed potatoes to Egypt. The U.S. finalized its risk assessment for Egyptian citrus and since February 2015 Egypt has approved certified seed potato imports from the state of California, leaving 15 other U.S. states yet to be approved. Although California seed potatoes have been approved, as of April 2020, the Egyptian Ministry of Agriculture has declined to issue import permits for U.S seed potatoes from any states, including from California. Even though California's seed potatoes have been approved, Egypt has not issued them an import permit.

On September 9, 2018, Egypt notified the World Trade Organization of its new "Import Phytosanitary Requirements of Seed Potatoes." The importation of seed potatoes are allowed upon import approval issued by the Agricultural Crops Seeds Committee through an application submitted by each importing entity to the Agricultural Seeds Committee by the end of October every year. Applications are to include the quantity, variety, grade and the country of origin. However, the U.S. has not yet agreed to this arrangement and an acceptable protocol has not yet been reached.



ALL PRODUCTS

Issue: High Retaliatory Tariffs

In June of 2018 the European announced that it would implement the first round of retaliatory tariffs against the United States. The tariffs were instated in response to President Trump's tariffs on European Steel and Aluminum products. Tariffs on agricultural products of concern are shown below:

HS Codes	Original Tariff Percentage	Added Tariff Percentage
100590 Corn (maize), Other Than Seed Corn	0%	25%
0713339 Kidney Beans	0%	25%
07104000 Sweetcorn, uncooked or cooked, frozen	5.10% + + 9.40 EUR / 100 kg	25%

07119030 Sweetcorn provisionally preserved	5.10%	25%
20019030 Sweetcorn prepared or preserved by vinegar or acetic acid.	5.10%	25%
20049010 Sweetcorn not preserved or prepared in vinegar or acetic acid, frozen	5.10%	25%

BEEF

Issue: Ban and Quota

The EU bans all U.S. beef that is produced with growth hormones (imposed in 1989) maintaining hormones pose a risk to human health. Numerous medical studies, including several European-based studies, have shown that there is no health risk. In 1998, and again in 2008, the WTO ruled in favor of the U.S. and Canada by stating that the EU had not provided enough scientific evidence to justify the ban. The EU chose not to conform to the WTO ruling and in 1999 the U.S. imposed ad valorem duties on a list of EU products. In May 2009, following a series of negotiations, the United States and the EU agreed to a partial settlement that could resolve this longstanding trade dispute. This agreement is done in three phases. Phase 1, which lasted until August 2012, expanded market access for U.S. beef to the EU under an annual TRQ of 20,000 MT duty-free for beef produced without growth-promoting hormones. The United States removed all of the retaliatory duties that it was applying to a list of EU products. August 1, 2012, the agreement moved into Phase 2, during which the duty-free quota was expanded to 45,975 MT. EU quota years run from July 1- June 30. Phase 3 effective July 1, 2013, set the TRQ for U.S. high-quality beef at 45,000 MT (plus the 3,200 MT for Canada) and the United States renounced its claim at the WTO to have the EU accept beef produced using growth promoters. The TRQ remains only open for hormone free beef.

While this agreement is only U.S. and the EU, it was deemed that for the new quota to comply with WTO rules it would have to be open to any supplying country. The definition of “high quality” beef written into the agreement calls for the qualifying beef to come from animals that have been finished on a high energy diet for at least 100 days before harvesting and for a carcass grading system to be in operation directly under governmental control. Despite these stringent and restrictive requirements, the EU Commission has recognized four other supplying countries as being able to comply with these conditions and has given access to this quota to the U.S., Canada, Australia, New Zealand and Uruguay. Increased imports from these additional countries have limited access to the market for U.S. suppliers.

On November 28th, 2019, European Union lawmakers approved an increase in U.S. beef imports to the EU. The EU’s base import quota for high-quality beef of 45,000 MT will remain in place, but the United States will have the sole rights to an initial 18,500 MT of the total, rising to 35,000 MT after seven years. The duty is 20% within the quota and subject to much costlier duties over the quota.

Issue: Ban on Live Cattle

Live cattle from the United States are not authorized to be exported to the EU or transited through the EU on route to third countries, due to EU certification requirements for several bovine diseases including BSE. The EU model certificate has been amended to align the BSE requirements with the OIE Code. Although the United States can now meet the BSE certification requirements, U.S. exporters remain blocked because the United States and EU have not agreed on the conditions for the export certificate.

PORK

Issue: Certification Requirement for Marinated Pork

The EU meat preparations certificate for marinated pork includes the condition that the product must be frozen. The United States is concerned that this condition has resulted in a de facto ban on shipments of chilled marinated pork, which by definition is not frozen.

PULSES

Issue: Retaliatory Tariffs

The U.S. first filed a case with the World Trade Organization in 2006 claiming that Airbus had received over \$22 billion in illegal subsidies. The EU filed a counter suit claiming that Boeing received unfair subsidies. Over the past 15 years, there have been numerous rulings. More recently, in 2018, the WTO ruled that the EU had failed to halt subsidies to Airbus that were hurting Boeing. In 2019, the WTO ruled that the US failed to halt subsidized tax breaks from the State of Washington. In 2018, the EU began slapping tariffs on various US products. The Trump Administration similarly began placing tariffs on various EU products in 2019 and has subsequently raised tariffs in 2020. In March 2020, the Washington legislature repealed the tax break. Although the current tariff on U.S. peas, lentils and chickpeas is currently zero, the EU has threatened to place tariffs of 25% on US pulses in retaliation.

FRUIT

Issue: Tariffs and Entry Pricing System

The European Union imposes a complicated tariff and quota system used to protect domestic production at different times of the year, but the system discriminates against low-priced imports. Products valued below the entry price are charged a tariff equivalent in addition to the fixed tariff. The tariff equivalent is graduated for products valued between 92 and 100 percent of the entry price. The fixed tariff and the full tariff equivalent are levied on imports valued at less than 92 percent of the entry price, making imports of lower-priced produce unfeasible. The entry tariffs also change throughout the year. The tariffs will be different percentages depending on the date of importation.

U.S. imports of apples, pears, and cherries are consistently valued above the entry prices and, therefore, charged only the fixed tariff.

GENETICALLY MODIFIED FOODS AND ORGANISMS

Issue: Excessive Regulation of GMOs

The EU has barriers on Genetically Modified Foods and Organisms (GMOs). Since 2004, the ban on marketing GMO products was lifted. However, the EU maintains significant regulatory barriers on the importation of GMOs. The criteria for the approval of all GM crops states that GMs must not be dangerous to human health or the environment, misleading to consumers, or nutritionally disadvantageous in comparison to non-GM options. Since 2004, few genetically modified food and feed products have been approved to market in the European Union. Those that are approved include varieties of cotton, corn, oilseed, potatoes, soybeans, and sugar beets. The full list of approved food and feed varieties can be found at http://ec.europa.eu/food/dyna/gm_register/index_en.cfm.

According to an international agreement called the Cartagena Protocol on Biosafety (established in September 2003) a nation can reject the GMO imports without scientific proof if they think that the product will cause harm to domestic crops or human health. The members of the Cartagena Protocol designed protocols to have transparency and control over the GMO world trade. The U.S. has not signed the Cartagena Protocol because of concerns with the language within the protocol allowing for a nation to reject a product without scientific evidence.

On September 29, 2006, the WTO found that the EU measures under the Cartagena Protocol were in breach of the EU's obligations under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. On November 21, 2006, the WTO Dispute Settlement Body (DSB) adopted recommendations and rulings calling for the EU to bring its measures into compliance with WTO obligations. The U.S. and the EU initially agreed to a one-year reasonable period of time (RPT) for EU compliance, which ended on November 21, 2006. The parties subsequently agreed to extend the RPT until January 11, 2008, which subsequently expired without resolution.

Currently the EU has a set of rules for the importation of GM food stating that imported GM food has to be labeled and separated along the supply chain to safeguard against "contamination" of organic farms. Any product containing more than 0.9% GM content must be labeled as such, a policy that can lead to shipments being sent back to the U.S. The U.S. and the EU continue technical discussions on market access issues for biotech products; however, Canada and Argentina have settled their disputes with the EU. On July 15, 2009, Canada and the EU signed a final settlement of the WTO dispute that Canada had brought against the EU. Similarly, Argentina and the EU announced their final settlement of the biotech dispute on March 18, 2010. There has been development with respect to market access to GM corn products. On February 11, 2014, DuPont Pioneer was granted access to the EU market with their product called TC1507.

On March 27, 2017, a majority of EU countries voted against allowing two new genetically modified crops grown in Europe. The votes were not decisive and did not represent a qualified majority – or countries that make up at least 65% of the EU population. 17 countries also used an opt-out clause, with two more using the clause for part of their territories.

GRAINS

Issue: Duties

The EU has a very strict policy for setting duties on grains. Import duties are based on a maximum duty-paid import price that is based on a representative CIF price and derived duty that is set every two weeks for each category of grain. The European Commission monitors grain prices daily and changes the duties often. The E.U. has bound duties for all cereals set under the GATT agreement. However, for some cereals, the applied rates are different from the bound one.

WINE

Issue: Traditional Terms

The EU continues to aggressively seek exclusive use for EU producers of "traditional terms," such as "tawny," "ruby," and "chateau," on wine labels. Such exclusive use of traditional terms impedes U.S. wine exports to the EU, including U.S. wines that include these traditional terms within their trademarks. U.S. wines sold under a trademark that includes one of the traditional terms can only be marketed in the EU if the trademark was registered before May 2002. In June 2010, U.S. stakeholders submitted applications to be able to use the terms in connection with products sold within the EU. In 2012, the EU approved the applications for use of two terms, "cream" and "classic," but the EU's delayed application approval process for other terms continues to be a significant concern. There are no other approved terms for U.S. wines in the E-Bacchus database in spite of additional applications.

INDIA



ALL PRODUCTS

Issue: Package Size and Labeling Requirements

In 2018, the Food Safety and Standards Authority of India (FSSAI) proposed a set of regulations called the Food Safety and Standards (Labelling and Display) Regulations, which is an amendment to the Food Safety and Standards Act of 2006. The new set of regulations was put into place in 2019. They prescribe the labeling requirements for prepackaged foods to display essential information on where the food is manufactured, processed, served, and stored. They also allow FSSAI to establish an internal mechanism to address problems arising out of the implementation and/or interpretation of the regulations.

The Government of India (GOI) mandated standard retail package sizes for 19 categories of foods and beverages effective November 1, 2012, via an amendment to the Legal Metrology (Packaged Commodities) Rules, 2011. This rule was not notified to the WTO, nor was there a specific public comment period for domestic stakeholders prior to implementation. As the United States does not impose specific standards for packaging size, and U.S. package sizes tend to be in English rather than metric units, the list of package sizes prevents many U.S.-origin products from entering India. Attempts to import such U.S.-origin products have resulted in rejection at the port of entry. These standards have a negative effect on trade, with numerous U.S. brands effectively excluded from the Indian market. The United States continues to raise concerns about these standards in various bilateral and multilateral fora in an effort to ensure that U.S. products have access to the Indian market.

Issue: Tariff Administration

The Indian tariff system has long been confusing for foreign exporters due to a variety of tariffs and fees. Another factor that adds to the confusion is the way that India sets tariffs. Under the World Trade Organization, countries set maximum tariff limits that they cannot go above, known as bound tariffs. India has set its bound tariffs quite high, while simultaneously choosing real average tariff levels that are much lower. This creates a great amount of uncertainty for American exporters because India could increase its tariffs at any time.

The GOI simplified the importation process on February 2nd, 2018 by consolidating several import taxes into one new surcharge welfare charge on imported goods tax of 10% of the value of the good being imported. To clarify: this is on top of the import tariff that is already being charged. The following are items exempted from the surcharge relevant to Idaho agriculture:

HTS Code	Product Description
040210	Milk powder containing added sugar/sweetener with fat content < 1.5 percent
04022100	Milk powder with no added sugar with fat content > 1.5 percent
04051000	Butter
04052000	Dairy spreads
040590	Other milk/dairy spreads (e.g., Ghee or Butter Oil)
07131000	Peas, dried
08081000	Apples
08094000	Plums and sloes
08132000	Prunes

1502	Fats of bovine animals, sheep or goats, (e.g., Tallow)
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https://apps.fas.usda.gov/newgainapi/api/report/downloadreportbyfilename?filename=India%20to%20Levy%20New%20Surcharge%20on%20Imported%20Goods_New%20Delhi_India_2-27-2018.pdf

DAIRY

Issue: Requirement for U.S. Dairy Certificate

The vast majority of U.S. dairy exports are blocked from the Indian market. This is due to barriers India has maintained on U.S. dairy exports since late 2003, when their sanitary certificate requirements for all imported dairy products were revised to require language that the U.S. could not certify, thereby closing the market. The objection of American dairy products for India stems from religion, as cows are a sacred animal for Hindus. The non-vegetarian diet that many cows in America consume is not considered acceptable to Indians. Dairy products are integral to Hindu worship, which requires them to be derived from animals that have not consumed feed containing internal organs, blood meal or tissues of ruminant origin. Although internal organs and tissues are prohibited as feed ingredients for cattle in the U.S., some protein supplements of ruminant animal origin such as blood meal and whey are allowed in the U.S.

Since 2004, the U.S. Dairy Export Council (USDEC) and the National Milk Producers Federation (NMPF) have worked closely with the U.S. and Indian government to try to reach an agreement on an export certificate that would demonstrate compliance with India's import requirements. The U.S. government has raised these concerns in bilateral and multilateral meetings for over a decade. For years, there was very little response or genuine engagement in pursuit of a good-faith resolution from the Indian side. However, in 2019, India indicated that it would consider allowing the imports of U.S. dairy if the cows are certified by veterinary officials that they have consumed a vegetarian diet.

Issue: Dairy - Tariffs

Aside from the sanitary and phytosanitary (SPS) barriers, the tariffs are high for most dairy products. For example, whey suffers a 30% with 4% countervailing duties and up to 3% educational tax, bringing the total duty for whey to 36.136%. Tariff-rate quotas are also applied to many dairy products, such as non-fat dry milk. Tariffs on dairy products can be found at the following link: https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Dairy%20and%20Products%20Annual_New%20Delhi_India_10-15-2019.

FRUIT

Issue: Apples – Tariffs

Fresh apple imports have no quota restrictions, but they face a 50% customs duty.

Issue: Pears – Tariffs and Social Welfare Surcharge

There is a 30% tariff on pears with no quantitative restrictions. There is an additional social welfare surcharge of 10% of the basic customs duty levied on imported pears.

Issue: Retaliatory Tariffs

In an attempt to protect American jobs and steel producers, President Donald Trump implemented tariffs on steel and aluminum from India, among other countries, in March 2018. This angered India, although they held off on retaliating. On June 5th, 2019, President Trump scrapped special trade privileges under the Generalized System of Preferences (GSP) for India. At that time, India was the largest beneficiary of the scheme that allowed duty-free exports for poor countries of up to \$5.6 billion to help boost their economies.

After losing its GSP privilege, the Indian government imposed retaliatory tariffs on U.S. products. A retaliatory tariff of 20% on fresh apples, which already suffers a 50% tariff, went into place on June 16th, 2019, raising the total tariff on fresh U.S. apples to 70%.

LIVESTOCK

Issue: Onerous Livestock Genetic Registration

The Department of Animal Husbandry, Dairying, and Fisheries (DAHDF) of the MAFW imposes restrictions on imports of livestock genetics and establishes quality standards. The entire procedure for obtaining import permission generally takes upwards of four months or longer. Importation of animal genetics requires a “no objection certificate” (NOC) from the state government, import permission from the Directorate General of Foreign Trade (DGFT), and an import permit from the DAHDF. However, domestic producers of animal genetics are not required to obtain an NOC.

PEAS, LENTILS, & CHICKPEAS

Issue: Phytosanitary Restriction

In 2004, India imposed a non-tariff barrier requiring all imported pulses to be fumigated with methyl bromide and certified free of stem and bulb nematodes, pea cyst nematodes, and bruchids. The U.S. and Canada have been granted a series of waivers allowing pulse shipments to be fumigated in India, rather than in the exporting country. The fumigation waiver was requested because methyl bromide must be applied at or above the ambient temperatures required on the label (5°C or 42°F). Processing plants and warehouses across the northern tier of the U.S. are below 42°F for 6 months of the year or longer. The specified pests are insignificant in the processed pulses being exported to India. Fumigation is not warranted. The USDA-APHIS phytosanitary certificate provides the Indian government with adequate assurances that the shipments are free of the specified pests. The fumigation waiver remains in place, with extensions being granted in six-month increments. A permanent solution is needed to avoid the risk that the government of India fails to continue granting extensions.

Issue: Restrictive Quotas

On August 5, 2017, the GOI imposed annual fiscal year quota restrictions of 200,000 MT on imports of pigeon peas for FY 2017/18 and continued for FY 2018/19. On August 21, 2017, the GOI imposed annual fiscal year quota restrictions of 300,000 MT on imports of mung beans and black gram lentils (150,000 MT each) and continued in FY 2018/19. On April 25, 2018, the GOI imposed quota restrictions (100,000 MT) on peas for the period April 1, 2018 to June 30, 2018, which was subsequently extended. The current extension covers the fiscal year period of April 1st 2020 to March 31st 2021. Imports of pigeon peas, mung beans and black gram lentils in FY 2018/19 were restricted to the quota limits, except for about 150,000 MT of various pulses imported from Mozambique under GOI import commitments.

Issue: Retaliatory Tariffs

In an attempt to protect American jobs and steel producers, President Donald Trump implemented tariffs on steel and aluminum from India, among other countries, in March 2018. This angered India, although they held off on retaliating. On June 5th, 2019, President Trump scrapped special trade privileges under the Generalized System of Preferences (GSP) for India. At that time, India was the largest beneficiary of the scheme that allowed duty-free exports for poor countries of up to \$5.6 billion to help boost their economies.

On June 21st, 2019, The Indian government announced it would impose retaliatory tariffs on a variety of agricultural products from the United States in response to the US withdrawal of GSP trade privileges. Idaho products included chickpeas and lentils. Retaliatory tariffs brought the total applied tariff for dry peas up to 50%, the tariff on U.S. chickpeas up to 77% (including a 10% U.S. surcharge) and the tariff for lentils to 50%.

On June 2, 2020, because of high demand and rising prices hurting domestic consumers, India's Ministry of Finance decreased the basic import duty on lentils (0713 40 00) for all origins, except the United States, from 30 to 10 percent until August 31, 2020. The basic import duty on lentils from the United States has been lowered to 30 percent through August 31.

POTATOES

Issue: Tariffs

The Indian Government has set up an import duty of 30.0% as a basic customs duty and a 3.0% as an additional tax.



ALL PRODUCTS

Issue: Restrictive Import Licensing Regimes

Indonesia has maintained a complex web of import licensing requirements that restricts or prohibits imports of horticultural products and animal products. New Zealand initiated a complaint within the World Trade Organization in 2014 (DS477). The United States and several other countries joined as parties to the complaint. In 2016, the WTO confirmed that Indonesia's import licensing regimes for horticultural products and animals and animal products are inconsistent with WTO rules. Indonesia appealed the ruling. In 2017, the WTO upheld the original panel findings.

However, Indonesia has been slow implementing the ruling. Indonesia made some regulatory changes in 2018 and 2019. In March 2020, Indonesia submitted an update to the WTO indicating additional progress. Additional actions are currently in discussion with the Parliament of Indonesia. This issue will continue to be monitored until all matters are fully resolved.

Issue: Onerous Documentation Process and Transparency Issues

Indonesia has enacted numerous regulations on imports that are a considerable burden for U.S. exporters. Besides tariffs, import licensing procedures, and permit requirements, exporters may also be subject to pre-shipment inspection requirements, local content and domestic manufacturing requirements, and quantitative import restrictions.

According to exporters, one of the most difficult issues they face is the requirements that all imported packaged food products for retail must be registered through the BPOM (National Agency of Drug and Food Control). Additionally, some products require additional approvals from other Indonesian regulatory agencies such as the Ministry of Trade (MOT) and the Ministry of Agriculture (MOA). Importers must obtain an import approval letter from BPOM before they can apply for an import recommendation to the MOA. One import recommendation is valid for one HS code, one country of origin, one port of loading, and one port of destination. Imports of horticulture products can only be conducted by registered importers of horticulture products.

In addition to agency approvals and issues, BPOM regulation states that all imported food material/ingredients, including processed foods, must obtain an entry permit (SKI) from the head of BPOM for every shipment. The SKI is needed to release the products from customs.

In Indonesia, product registration numbers (ML) are required for all packaged foods imported for retail purposes. Importers report that obtaining the number is time consuming and requirements can be confusing and excessive. However, the ML registration process has improved slightly by the

implementation of the E-registration for low risk processed food products (707 kinds of food products) since early 2013. The regulatory distinction between food retail packaging and foodservice packaging continues to be unclear, resulting in complications for HRI imports with BPOM.

In conjunction with its import registration and licensing regimes, Indonesia prohibits the importation of certain products at certain times and restricts the sale of imported products within Indonesia. Approvals are only issued at the beginning of 6-month intervals, in which all sales, transport, and customs clearance must occur within that limited window. Those approval documents are also extremely limited in scope and scale, specifying the type, quantity, country of origin, port of entry, and use of the products that each importer may import during the relevant six-month period. Any products of a different type, in a greater quantity, from another country, through a different port, or for a different use than those specified in their approval are prohibited. Additionally, import approval will not be issued for any horticultural products harvested more than 6 months before hand or if the domestic market price falls below a level determined by a ministerial body in Indonesia.

Imports of meat, poultry, dairy and horticultural products can be subject to changing regulations and requirements.

Issue: Halal Certification

As of October 17, 2019, Indonesia's Halal Product Law ("Halal Law") came into effect. The compulsory Halal labeling law initially applied to food and beverages while some products and services have until 2022 to comply. The Halal Law regulates the processing, materials, and

certification of Halal products, in addition to establishing partnerships with international Halal agencies. The Halal Law mandated the establishment of the Halal Products Certification Agency (BPJPH), a new government agency under the Ministry of Religious Affairs that will issue Halal certificates through a one-stop-shop system.

BEEF AND PORK

Issue: Sanitary Barriers

Indonesia requires each U.S. meat establishment seeking to export to Indonesia to complete an extensive questionnaire that includes proprietary information, and to be inspected by Indonesian inspectors, before it can ship meat to Indonesia. The United States has raised concerns about this approval system with Indonesia repeatedly, including at the WTO Committee on Sanitary and Phytosanitary Measures (WTO SPS Committee) and in bilateral interactions. In 2016, Indonesia conducted an audit in the United States and approved 10 new meat plants to export. However, in 2017, Indonesia subjected all animal product establishments seeking to export to Indonesia to inspection fees.

DAIRY

Issue: Non-Tariff Measures/Domestic Procurement Mandates

In 2017, MOA issued Regulation 26/2017, which required that local milk processors and importers procure local milk, promote local dairy products, and/or invest in the local dairy sector. In January 2018, MOA began implementing Regulation 26/2017, sending letters to domestic processors and importers, requiring that they submit "partnership proposals" by February 15, 2018. However, in July 2018, MOA issued two regulations (Regulations 30/2018 and 33/2018) rescinding the partnership requirement and removing it as a condition for obtaining import permits. In addition, the July amendments deleted mandatory reporting requirements, removed sanctions associated with non-compliance, and deleted the clause stating that dairy processors must establish within three years their own plants that procure only local milk. The United States will continue to monitor Indonesia's implementation of Regulations 30/2018 and 33/2018 to ensure that MOA does not informally enforce partnership requirements.

FRESH FRUIT AND VEGETABLES

Issue: Quantity Limits applied to Import Permits

A new regulation issued by the Indonesian government in 2019 (MOA No. 39/2019) states that importers can present an Import Recommendation (IR) request at any time and requests for the current year can be filed during the previous year's November. The regulation covers 29 fresh horticulture commodities (previously 28 products). MOT is responsible for issuing import permits and specifying quantities permitted for import based on a MOT estimate of the importer's cold storage capacity. The regulation states cold storage capacity will continue to be used as a benchmark for the quantity permitted for import. The proof of control (previously: ownership) of refrigerated warehouse (cold storage) requirement applies specifically to general importers. Importers/producers will maintain the right to rent cold storage in order to increase import volumes.

POTATOES

Issue: Tariffs

Indonesia has a varied tariff structure that applies to all potato products except for seed potatoes. The tariffs range from 5% to 20%.



FRUIT

Issue: Cherries - Phytosanitary Trade Barrier

Israel prohibits the imports of U.S. sweet cherries to enter the country due to concerns regarding plant pests and diseases. APHIS has been working with Israel for years to complete the pest risk analysis and receive approval to export U.S. cherries.

Issue: Apples and Pears - Tariff Rate Quotas

In 1985, the U.S. and Israel signed an FTA. In 1996, the U.S. and Israel signed an Agreement on Trade in Agricultural Products (ATAP) which established a program of gradual and steady market access liberalization for food and agriculture products. The ATAP provides a schedule of tariff rates, quotas, and reference prices. The ATAP expired, but has been renewed annually while negotiations over a new ATAP continue.

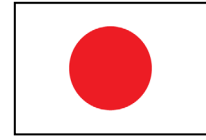
Imports of U.S. apples and pears may enter duty-free under a TRQ. The current TRQ for apples and pears is 4000 MT and 1364 MT respectively. Israel has a specific duty that is charged on all U.S. out-of-quota apple and pear imports. The flat rate duty is 1.92 NS per kilogram for apples and 2.13 NS per kilogram for pears.

POTATOES

Issue: Seed potato – Prohibited

Imports of seed potatoes from the U.S. are strictly prohibited.

JAPAN



BEEF

Issue: Tariffs and Safeguard

Tariffs on U.S. beef have been at a static level of 38.5% for many years. There has also been a complicated system of safeguards in place where tariffs would increase if imports hit specified thresholds. On September 26, 2018, U.S. President Donald Trump and Japan's Prime Minister agreed to open bilateral trade talks. A bilateral agreement was signed on October 17, 2019 and the deal became effective January 1, 2020.

The agreement reduces tariffs on U.S. beef to the same rates as those currently being paid by Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) suppliers such as Australia, Canada and New Zealand. Japan's tariffs on U.S. beef cuts will be reduced from 38.5% to 9% over 15 years. Tariffs on beef tongues decline from 12.8% to zero by 2028, and the rate falls to zero for other offal by 2030. Tariffs on processed beef items are phased to zero in five to 15 years, depending on the product.

DAIRY PRODUCTS

Issue: Tariff Rate Quotas

Under the U.S. - Japan Bilateral Trade Agreement, Japan's 40 percent cheese tariffs will be eliminated in 15 years, with whey duties eliminated in 5 to 20 years, depending on the type. A transitional U.S. TRQ will be established for 9,000 metric tons of whey products, and U.S. processed cheese will have a 150 metric ton permanent TRQ.

Japan will immediately eliminate its 8.5 percent tariffs on lactose and lactose syrup and its 2.9 percent tariff on milk albumin that includes whey proteins, which are often used in high-protein supplements. Japan's imports of U.S. lactose and lactose syrup and milk albumin were worth more than \$72 million in 2018. Additionally, Japan will establish a new 750 metric ton global tender within its WTO TRQ for milk powder with protein content of 35 percent or higher.

Japan may apply two safeguards for whey products during the tariff transition period and for a limited period beyond. For Years 1 through 4, the safeguard quantity is for U.S. products only. From Years 5 until termination, the safeguard trigger is calculated as an aggregate of U.S. and CP-TPP countries shipments. Japan has also agreed to consult to renegotiate the safeguard trigger volume if the safeguard is implemented in two years in a consecutive three-year period. Under the agreed-upon terms, the safeguard for whey powder could be terminated as early as year 16, while the safeguard on whey protein concentrate (WPC) could be terminated as early as year 22. The safeguard will not apply to whey products imported under the CSQ. Japan has committed to not apply the WPC safeguard in the event there is a domestic shortage of skim milk powder in Japan and/or there is no demonstrable reduction in demand for skim milk powder.

FRUIT

Issue: Pears – Phytosanitary Ban

Imports of U.S. pears into Japan are prohibited for plant quarantine reasons such as fire blight.

POTATOES

Issue: Fresh Table Stock - Phytosanitary Ban

Japan prohibits imports of U.S. fresh table stock potatoes. Potatoes have been included during bilateral plant health negotiations, but no official changes have been made.

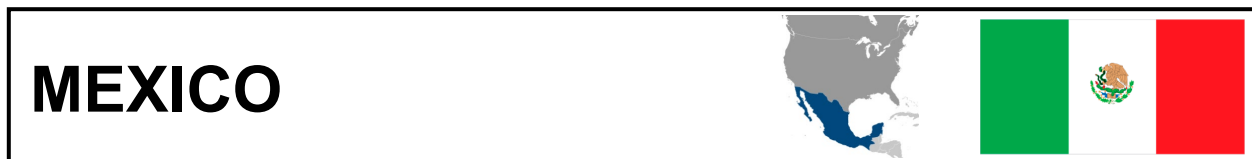
Issue: Processed - Tariffs

Prior to the U.S. - Japan Bilateral Agreement, Japan had a 8.5% tariff on frozen French fries. They also had a 20% tariff on dehydrated potato flakes, granules, and pellets (HS 1105.2), as well as a 13.6% tariff on mashed potato flakes (HS 2005.2). When the E.U.-Japan Economic Partnership Agreement was implemented on February 1, 2019, there were fears that American potato products would become less competitive in Japan. These fears were assuaged with the signing of the U.S. - Japan Bilateral Agreement later in 2019. Under this agreement, Japan will eliminate tariffs on most potato products, including immediate elimination of the 4.3 percent tariff on fresh potatoes, and elimination of the 8.5 percent tariff on frozen French fries over three years. Japan will also phase out the current 20 percent tariff on dehydrated potatoes in five years.

PORK

Issue: Pork Import Regime

U.S. pork exports to Japan are subject to a trade-distorting “gate price mechanism” that functions in a manner similar to a variable levy. In order to prevent lower-priced imports from competing with Japanese pork, the mechanism levies progressively higher duties on lower-priced imports. For instance, chilled and frozen pork are subject to a specific duty of up to 482 yen/kg (approximately \$4.30/kg) based on the difference between the actual import value and a government-established reference price. This duty is in addition to a 4.3 percent ad valorem duty that is charged on all chilled and frozen pork regardless of import value.



FRUIT

Issue: Stone Fruit (Peaches, Nectarines) On-Site Inspections

In 1997, a pilot program was signed by Mexico and the U.S for the export of non-fumigated peaches and nectarines from California. Continual discussions occurred, allowing California stone fruit and Northwest (Idaho, Oregon, and Washington) apricots into Mexico in 2002 under a systems approach program with registered packing facilities. The low prevalence of Oriental Fruit Moth (OFM), documented in three technical visits by Mexican officials, allowed the avoidance of oversight costs (a U.S. office). Slight program modifications were made in 2003 and 2004.

Peach and nectarine growers in Idaho, Oregon and Washington are seeking access to the Mexican market under a systems approach. These same growers currently ship apricots to Mexico under a systems approach for OFM and also have been successful in exporting peaches and nectarines to British Columbia, Canada, under the OFM system approach protocol proposed to Mexico. OFM has never been discovered in stone fruit shipments to British Columbia, Canada, or in apricots to Mexico. Mexico requires the presence of on-site inspectors to monitor the program. This is not required for the apricot systems approach and is not needed for the peach and nectarine program. Mexico has explained that in order for the on-site verification requirement to be dropped, it must first change its federal regulation.

POTATOES – FRESH

Issue: Fresh -Border Zone Limitations

Expanding fresh potato market access into Mexico is the U.S. potato industry's highest international market access priority. In March 2003, through a bilateral agreement, U.S. fresh potato market access was granted to the border region of Mexico but limited to an area within 26 KM (16 miles) of the U.S.-Mexico border. The fresh-border zone limitation was temporarily lifted on May 19, 2014, allowing shipments of fresh potatoes to cities with populations greater than 100,000 provided that certain shipping and labeling requirements established by the Mexican government were met. Mexican potato growers filed a lawsuit (Amparo) on May 20. The entire Mexican market closed to U.S. potatoes on June 9, 2014, after a court injunction from the Seventh District Court in the State of Sinaloa to provisionally suspend fresh potato imports from the U.S. into interior Mexico.

Beginning July 7, 2014, APHIS resumed exports of potatoes into the 26 KM border area. This is an interim measure that will be in place until all legal challenges in Mexico are addressed for the expansion. There are several lawsuits pending in Mexico and The U.S. Potato Board, the National Potato Council, the Office of the U.S. Trade Representative, and other stakeholders are working to resolve the issue.

VEGETABLE SEED

Issue: Seed Testing

For the past several years Idaho companies have had difficulty re-exporting China-origin pepper seed to Mexico due to pepper mild mottle virus (PMMoV) infections in China. Typically, Idaho companies grow pepper seed in China and test it for PMMoV using a PCR. If the seed tests positive, the seed is treated and re-tested with bioassay method to determine if the virus was killed/inactivated by the treatment. Some Idaho companies treat without testing.

Mexico re-tests all seeds. When this China-origin seed is re-tested the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food of Mexico (SAGARPA) tests for the presence of viral protein, DNA, or RNA whether or not the virus has been killed/inactivated, resulting in false positives and therefore shipment rejections. The larger companies are able to get some seed into Mexico by testing their own seed and will not send test positive seed to Mexico and then may ship test-positive seed to other countries. However, smaller companies that import their seed often don't have that luxury of rerouting test-positive seed to other markets. Instead, these companies have their seed routinely tested by an APHIS accredited lab, and if the virus has been killed/inactivated, APHIS issues the phytosanitary certificate.

SAGARPA has been attempting to build capacity in a couple of their labs to be able to retest this seed in Mexico. Unfortunately, this method takes at least 6 weeks to perform. In addition, SAGARPA would need to have sufficient capacity to run multiple test trials at once to cover all incoming seed shipments, which currently does not appear to be feasible. The timeframes involved for SAGARPA has resulted in U.S. companies losing market share because the planting windows are not able to be met with such delays. In addition, there are reports indicating that PMMoV is already established in Mexico, suggesting that it could/should be deregulated by Mexico and SAGARPA concerns about US companies in this regard are unnecessary.

SAGARPA should accept APHIS issued phyto certificates or re-export certificates with the appropriate Additional Declaration on these products without the need for re-testing. Currently, the Mexican Secretariat for Agriculture and Rural Development (SADER) continues its practice of retesting any seed imports, including US seeds, for the presence of pests of Mexico concerns, where PMMoV is included.

PERU



FLAX

Issue: Lack of import Protocol

U.S. flax is currently prohibited in Peru because of a lack of import protocol. The National Agricultural Sanitation Service of Peru (SENASA) has not established a protocol that would allow flax to be imported into Peru despite a high demand within the country. Currently industry is working with APHIS on providing information necessary for SENASA to conduct a pest risk assessment (PRA) and establish the necessary protocol.

SEEDS

Issue: 10-year Moratorium on Genetically Engineered Crops

In 2011, the Peruvian Congress approved Law No. 29811. The law initiated an immediate 10-year moratorium on the cultivation and import for cultivation of genetically engineered organisms, such as seeds. Peru imports GE crops for consumption but does not allow for the commercial production of GE crops in the country. The implementing regulations do not define tolerance levels for accidental presence of genetically engineered components in conventional planting seeds. Given Peru's testing of all conventional imported seed and zero tolerance standard, the risk of steep fines due to accidental presence is high.

ONIONS

Issue: Import Permits

Currently there is no sanitary protocol to export U.S. onions (fresh) to Peru, except for planting (seeds).

RUSSIA



ALL PRODUCTS

Issue: Sanctions

In 2014, the U.S., EU and some U.S. allies (i.e. Canada and Australia) began imposing sanctions against a handful of Russian oligarchs and their privately held companies, as well as a few politicians in response to Russia's invasion of Ukraine as well as other Russian abuses.

As a result of the implementation of economic sanctions against Russia, Russia issued counter sanctions on some agricultural products from the U.S., Canada, the EU, Australia, and Norway. On August 6, 2014 Russia banned beef, pork, poultry, fruits, vegetables, fish, seafood, cheese, milk and a variety of other products. Not all agricultural products are banned. Some U.S. food and agriculture products still have access to the Russian market.

On June 24, 2019, the Russian government extended the ban on the import of agricultural products from the countries that applied economic sanctions against Russia, including the United States, until the end of 2020.

BEEF

Issue: Uncooked Beef Ban

Currently, Russia bans imports from the United States of uncooked beef from cattle over the age of 30 months due to concerns about bovine spongiform encephalopathy (BSE). Russia initially imposed this ban despite the World Organization for Animal Health's (OIE) determination that the United States poses a negligible risk for BSE and therefore should not be subject to age restrictions. Further, Russia's BSE requirements have effectively closed the Russian market to all U.S. cooked beef. Russia should open its market fully to U.S. beef and beef products based on science, the OIE guidelines, and the U.S. BSE negligible risk status.

In addition, in 2013, Russia adopted a zero-tolerance policy for beta-agonists and trenbolone acetate, standards that are more stringent than the Codex Alimentarius's (Codex) maximum residue levels for beef. Although the United States has established a "Never Fed Beta Agonists Program," Russia's prohibition on these hormones – along with the counter sanctions – continue to preclude U.S. exporters' access to the Russian market. Russia has also adopted a near zero-tolerance for tetracycline residues in beef, a standard also more stringent than Codex's maximum residue levels (MRL), but again appears to have failed to provide WTO Members with a risk assessment that conforms to international guidelines.

MILK AND MILK PRODUCTS

Issue: Sanitary Restrictions

In 2014, the United States and the Russia-Kazakhstan-Belarus Customs Union (CU) concluded negotiations on a U.S.-CU veterinary certificate for heat-treated milk products. Nevertheless, Russia has effectively banned the importation of U.S. dairy products since September 2010, when Rosselkhoznadzor (Russia's Federal Service for Veterinary and Phytosanitary Surveillance) instructed customs officials to allow shipments only from exporters on Rosselkhoznadzor-approved lists. The EEC has now extended this listing requirement to most agricultural products. This directive also appears to be inconsistent with EAEU legislation eliminating the requirement that a foreign producer be included on an approved list in order to be eligible to export dairy products to the EAEU. Russia and the other EAEU member States should eliminate the listing requirement for exporters of low-risk products, including heat-treated dairy products.

PORK AND PORK PRODUCTS

Issue: Sanitary Restrictions

Russia maintains near zero-tolerance levels for tetracycline-group antibiotics, a standard that is more stringent than Codex's MRL. As part of its WTO accession commitments, Russia committed to submit a risk assessment for tetracycline antibiotics conducted in accordance with Codex methodology or to align its tetracycline standards with Codex standards. However, to date, Russia has yet to pursue either approach. Russia's adoption of a zero-tolerance for both beta-agonists and trenbolone acetate, along with its on-going counter sanctions, have deterred most U.S. pork and pork products from re-entering the Russian market.

Russia also requires U.S. pork to be frozen or tested for trichinosis, a requirement that constitutes a significant impediment to exports of U.S. fresh and chilled pork to Russia. The United States does not consider these requirements related to trichinosis to be necessary because U.S. producers maintain stringent biosecurity protocols that limit the existence of trichinae in the United States to extremely low levels in commercial swine.

PET FOOD AND ANIMAL FEED

Issue: Extra Certification Requirements

Russia requires a veterinary certificate to ship pet food and animal feed to Russia, as well as either a letter from the producer attesting to the absence of feed derived from agricultural biotechnology or a copy of the agricultural biotechnology registration provided by the Russian Ministry of Agriculture. Russia also requires inputs for pet food or animal feed imported from a third country be accompanied by an official certificate endorsed by a veterinary official of that country's national animal health agency. Additionally, Russia restricts the use of most U.S. ruminant-origin ingredients in pet foods and animal feeds, further impeding access for U.S. exports to this market and limiting the variety of available U.S. products.

SINGAPORE



PORK

Issue: Trichinae and Permissible Time Limits

Singapore requires U.S. pork exports to be frozen and tested for trichinosis, even though U.S. producers maintain stringent biosecurity protocols that limit the presence of trichinae in U.S. commercial swine to extremely low levels. The requirement for trichinae testing is unnecessary, costly and delays export by two to three weeks. Singapore also imposes overly restrictive requirements on frozen and processed meat and poultry products that limit the time after slaughter or manufacture that a product may arrive in Singapore. On February 4, 2016, as part of the bilateral letter exchange on SPS issues, the United States and Singapore agreed to establish a Bilateral Cooperative Mechanism on Pork Trade to serve as a forum for consultations between Singapore and the United States with respect to pork-related trade issues, including trichinella-related mitigations during shipment and the length of time after slaughter within which pork and pork meat products from the United States are allowed to enter Singapore. USDA proposed using a PQA-Plus export verification program to address Singapore's concerns, but regulators have not yet reached agreement on the proposal.

SOUTH KOREA



BARLEY-MALTING

Issue: KORUS – Tariff Rate Quota

The Korea Agro-Fisheries Trade Corporation (aT) administers the licenses for the TRQs on a first-come, first-served basis, in response to written applications. The applicable in-quota tariff rate is 30 percent. The Korea-U.S. Free Trade Agreement (implemented March 15, 2012) increases access for all U.S. barley substantially. The KORUS FTA establishes a zero-duty TRQ for U.S. un-hulled, naked, malt, and malting barley. The duty-free volume will grow 2 percent each year until tariffs are completely eliminated in 2027, although a safeguard duty could still be applied in the final year.

The duty-free quota baseline was established at 9,000 MT, growing 2% each year through year 15 at which time all U.S. shipments of malt and malting barley will enter duty-free. A safeguard duty was also set and will be gradually reduced to 174% by year 2026 with tariffs being completely eliminated in 2027. For 2020 (Year 8 TRQ), 10,545 MT of U.S. malt and malting barley may enter the Korean market duty free.

BEEF

Issue: KORUS - Tariffs

The KORUS significantly cut the high tariffs on U.S. beef imports. Tariffs on imports of beef muscle cuts will decline from the initial tariff rate of 40% to zero in 15 equal annual reductions. The agreement includes a quantity safeguard of 270,000 MT for beef muscle cuts, growing at a compound 2.7% annual rate to a final safeguard level of 354,000 tons in year 2026. In 2027 and beyond, tariffs will be zero and the safeguard will no longer apply. For 2020, the applicable duty on beef imports underneath the safeguard level is 16%. It is 30% if it is over the safeguard amount. Korean tariffs on beef offal also decline in 15 equal annual reductions. Offal trade faces no safeguards.

Issue: Import Restrictions

In December 2003, Korea banned the import of U.S. beef following the discovery of a cow with BSE in Washington State that was imported from Canada. Since then, U.S. beef producers and regulators have put in place measures to control the risk of BSE, and in 2008, the U.S.-Korea Beef Protocol was reached, re-opening this market. The Beef Protocol provides for imports of boneless and bone-in beef from cattle less than 30 months of age.

DAIRY

Issue: KORUS - Tariff Rate Quotas

The KORUS agreement created TRQs that doubled the amount of dairy accessible to Korea. The TRQ established for cheese, with an initial duty-free quantity of 7,000 tons, grows 3% annually. Out-of-quota tariffs on cheddar cheese will be completely eliminated in 2022, ten years after the signing of KORUS, and out-of-quota tariffs on all other cheeses will be eliminated in 2027, 15 years after the signing. The TRQ for skim milk powder, whole milk powder, and evaporated milk had an initial duty-free quantity of 5,000 tons total, growing 3% annually in perpetuity. The over-quota tariffs on these milk products remain unchanged at the MFN rates, ranging from 89% to 176%. The TRQ for food-grade whey had an initial duty-free quantity of 3,000 tons, growing 3% annually. The over-quota tariff for food-grade whey was reduced from 49.5% to 20% upon implementation of the agreement and is phased out over 10 annual reductions, ending in 2022. The agreement established a TRQ of 200 tons for butter and a TRQ of 700 tons for infant foods, with both of these quotas growing at 3%, and becoming duty-free in 2022. The 36% tariff on whey blends is also phased out in 10 annual reductions, ending in 2022. Feed-grade whey became duty-free immediately.

FRUIT

Issue: Apples – Phytosanitary Ban

Korea prohibits the import of U.S. apples due to phytosanitary concerns such as codling moth and fire blight. APHIS has been negotiating with Korea to authorize imports of U.S. apples since 1993. In 1996, Korea submitted to APHIS a U.S. apple pest risk assessment (PRA) that identified 13 pests, including three spider mites (Yellow, Pacific, and McDaniel) of quarantine concern, and requested a proposal for the appropriate mitigation measures. U.S. industry maintains that the risk from pests of concern can be successfully mitigated and commercial shipments of fruit do not pose a threat to Korea's plant health.

Issue: Cherries – Fumigation Requirement

Only Idaho cherries from Ada, Canyon, Gem, Owyhee, Payette, Twin Falls, and Washington counties can be exported to Korea with methyl bromide fumigation to control pests of quarantine concern. In June 2008, the industry proposed and submitted a systems approach for the Northwest (Washington, Oregon and Idaho) which provides quarantine security that is equivalent to that provided by methyl bromide fumigation. Korea sent inspectors to California, Washington, Oregon and Idaho in 2008 to evaluate the step-by-step process used by U.S. producers.

The U.S. cherry industry is pushing South Korea to allow imports of cherries from Pacific Northwest states without fumigation. Currently only cherries grown in California are available for export to South Korea due to concerns over the spread of the codling moth. Although South Korean officials have approved of California's pest mitigation measures, they argue that measures in Oregon, Washington, and Idaho are not sufficient.

Issue: Pears – Phytosanitary Ban

Korea prohibits imports of U.S. pears due to five quarantine pests identified in a PRA. Trade of this fruit will only be possible when Korea approves phytosanitary standards of the U.S.

Issue: KORUS - Apples and Pears - Tariffs

KORUS decreased the tariff on apples and pears over time. Under KORUS import tariffs on U.S. apples, excluding the Fuji variety, have a 10-year phase-out and the tariff on Fuji apples has a 20-year phase-out. The agreement also included an initial quantity safeguard of 9,000 tons that increased in 2017 to 12,000 tons, growing 3% annually thereafter to 20,429 tons in year 23, after which the safeguard no longer applies. Beginning in 2023, the safeguard only applies to Fuji apples. Korean tariffs on non-Asian pear varieties will be eliminated in 2022, and in 2032 years for Asian pear varieties. For 2020 (Year 8 TRQ), 13,113 MT of U.S. apples may enter the Korean market duty free.

ONIONS

Issue: KORUS - Safeguards

Korea restricts onion imports through high tariffs and limiting quotas. Korea's WTO in-quota tariff rate is 50% until the quota of 20,645 MT for world markets is met. At that time, the tariff will jump to 135%.

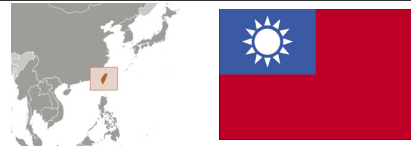
When the KORUS FTA was implemented, a 2,904 MT safeguard for U.S. onions was established in the first year ending December 31, 2012. Onions that entered under the safeguard amount were assessed a 126% tariff the first year with a 135% tariff over the safeguard amount. Each year, the safeguard amount increases, and the duty applied to quantities that enter within the safeguard amount decreases. By the eighth year (2020), the duty for U.S. onions (45%) within the safeguard amount will be less than the WTO in-quota rate of 50%. The safeguard will increase to 5,808 MT in the fifteenth year. After the nineteenth year of the agreement, the safeguard is removed, and all quantities enter duty-free. For 2020 (Year 8 TRQ), 4,356 MT of U.S. onions may enter the Korean market duty free.

POTATOES

Issue: KORUS - Tariffs and Quotas

The KORUS agreement resulted in duty-free immediately for frozen potatoes (French fries), eliminating the 18% tariff. Dehydrated potatoes (flakes and powder) entered the market under a 10-year safeguard with an initial duty-free quantity of 5,000 tons that grows 3% compounded annually. Potatoes for chipping will receive seasonal treatment that will be phased out over 15 years (2027). All quantities will enter duty-free during the out-of-season period (December 1-April 30), eliminating the 30% applied tariff. During the in-season period (May 1-November 30), the tariff will be phased out over 15 years. Fresh table stock potatoes will enter under a new TRQ, starting with a duty-free quantity of 3,000 tons that will grow 3% compounded annually in perpetuity. The over-quota tariff will remain at the current MFN rate of 304%. The U.S. table potato TRQ under the KORUS FTA increases 3 percent annually. In 2020, the U.S. can export 3,801 MT of table potatoes to Korea under the TRQ.

TAIWAN (ROC)



FRUITS AND VEGETABLES

Issue: Fresh – Maximum Residue Levels

Taiwan sets its own maximum residue levels. Newer chemical compounds registered for use in the U.S. may not yet have an MRL in Taiwan. Provisional MRLs, based on U.S. MRLs, have been established for certain crops if a chemical's registrant submitted a data package to Taiwan by October of 2000.

BEEF AND BEEF PRODUCTS

Issue: Sanitary and Phytosanitary Barriers

The Taiwan authorities banned imports of U.S. beef and beef products following the detection of an animal with bovine spongiform encephalopathy (BSE) in the United States in 2003. In 2006, Taiwan began allowing imports of U.S. deboned beef derived from animals under 30 months of age. In October 2009, the United States and Taiwan reached an agreement on a protocol to expand market access to fully re-open the Taiwan market to all U.S. beef and beef products for human consumption. However, in January 2010, Taiwan's Legislative Yuan adopted an amendment to Taiwan's Food Sanitation Act that banned imports of U.S. ground beef, internal organs, eyes, brains, spinal cord and skull meat, as well as imports of all beef and beef products from cattle 30 months of age and older, for at least 10 years following the last confirmed BSE or variant Creutzfeldt-Jakob disease case. This amendment is contrary to Taiwan's obligations under the 2009 beef protocol.

Taiwan also announced additional border measures, including a special import licensing scheme, for permitted offal. Additionally, Taiwan imposed stricter border inspection requirements for certain beef offal (such as tongue) that discourage trade in eligible items. In July 2014, Taiwan confirmed market eligibility for U.S. beef lips, ears, backstrap, skirt sinew, and tunic tissue, although barriers such as batch-by-batch inspections continue to discourage trade. Taiwan should open its market fully to U.S. beef and beef products based on science, World Organization for Animal Health (OIE) guidelines, the United States' negligible risk status, and the beef protocol.

PORK

Issue: Ractopamine

In early 2007 Taiwan banned U.S. pork exports containing the leanness-enhancing drug ractopamine despite the eased restrictions on U.S. beef. Since 2007, U.S. officials have raised this issue repeatedly at meetings of the WTO SPS Committee as well as in bilateral meetings with Taiwan, including meetings at the most senior levels. Taiwan authorities appear to have acknowledged in a number of public statements that trace amounts of ractopamine do not present a health risk. In 2015, Taiwanese President Ma Ying-jeou stated that Taiwan does not intend to change its position with regard to ractopamine use in pork.

POTATOES

Issue: Greening Potatoes

In September 2017, two fast food restaurants reported French fries with green patches being served to patrons. As a result, Taiwanese health authorities have become increasingly critical of potato shipments entering Taiwan. Taiwan's Food and Drug Administration reports that potatoes turn green due to exposure to light and due to the presence of a chemical called solanine, which in some extremely rare circumstances can cause illness. In the United States, greening is considered a quality issue, not a food safety issue, since people would have to consume significant quantities of

green potatoes alone to have an adverse reaction. Taiwan's Act Governing Food Safety and Sanitation allows for a penalty ranging from \$900 USD - \$100,000 USD to be assessed against food vendors found to be selling or using potatoes which contain 200 ppm or above of solanine.

Issue: Fresh - Late Blight Certification

Exports of U.S. fresh potatoes are limited to Idaho, Oregon, Washington, Alaska, Montana, California, and Colorado. For seed potatoes, only potatoes from California can be exported.

Taiwan requires that fresh potatoes be field inspected for late blight. This is unique among international potato trade protocols and increases the cost of doing business with Taiwan. Late blight (*Phytophthora infestans*) is a serious potato pathogen. This pathogen existed in the U.S. When market access was first granted for U.S. fresh potatoes to Taiwan in the late 1990s, Taiwan expressed concern over this pest and required that U.S. potato fields with products destined for Taiwan be pre-inspected during the growing season to ensure late blight did not exist. This pre-inspection costs time and money and requires that product be segregated for Taiwan. Often growers have all of their fields inspected to avoid the segregation issue. At times, due to increased demand in Taiwan, pre-inspected products have run out, thus limiting U.S. exports to Taiwan. There is no storage or on-site shipment inspection allowed.



FRUIT

Issue: Apples, Pears and Cherries - Tariffs

Tariffs are 10% for apples, 30% for pears and 40% for cherries (ad valorem). As a result of the ASEAN-China Free Trade Area, the U.S.'s largest competitor, China, has been able to export competitive products to Thailand duty-free since 2003. Under the FTA between Thailand and Australia, Australian apples and pears also have duty-free access. Both FTAs leave U.S. suppliers/exporters at a competitive disadvantage.

LAMB

Issue: BSE

In December 2003, after finding the first BSE case in the U.S. in a dairy cow, the Department of Livestock Development (DLD) placed a ban on all kinds of meat from ruminant animals (including goat and sheep). In early 2006, Thailand lifted the ban on boneless beef and beef products, but the ban remains in place for goat meat and lamb. Raw lamb meat cannot be imported into Thailand. Only cooked lamb products are permitted entry.

PORK

Issue: Ractopamine Ban

In 2012, after the Codex Alimentarius Commission established maximum residue levels (MRLs) for ractopamine in cattle and pig tissues, Thailand indicated it would lift its ban on imports of pork from countries that allow ractopamine use, such as the United States. However, it has not yet established MRLs for ractopamine in pork, which effectively prevents the importation of U.S. pork products. The United States has repeatedly raised this issue with Thailand. In response to a petition from the National Pork Producers Council (NPPC), the Office of the United States Trade Representative (USTR) is reviewing Thailand's eligibility for the U.S. Generalized System of Preferences (GSP) program because of lack of progress on the pork market access issue.

POTATOES

Issue: Tariffs and Quantitative Restrictions

For January 1 - December 31, 2020, the United States has a quota of 5,208.75 metric tons for fresh potatoes. The import tariff under the quota is 0 percent, but outside the quota limit it is 125 percent. Chip stocks have a quota of 52,000 metric tons. Chip stocks can be imported from the United States between July 1 and December 31. The import tariff under the quota is 27 percent, while out of quota will get hit with a 125 percent tariff.



ALL PRODUCTS

Issue: Import Permits

An import permit is required for all agricultural products. These import permits are not assigned equally to all exporters and result in unfair or restricted trade. These import restrictions are not based on scientific evidence, which raises concerns about the consistency of these practices with WTO requirements.

Import licensing practices prevent entry of U.S. agriculture products for goods including dairy products, fruits, and beef. Venezuela has failed to establish an open and predictable system for issuing import licenses which has led to application processing delays.

Import licenses are valid for four, six, or twelve-month periods, and are renewable. When applying for a license, local importers are required to submit a monthly list of imports received, indicating volume and value, along with the balance of the allocated quota along with the invoice of the most recent import. Local importers are required to obtain the “certificate of non-domestically produced food product” and the “certificate of insufficient domestically produced food product” from the Ministry of Light Industry and Trade (MILCO), in order to obtain import licenses.

FRUIT

Issue: Apples, Pears and Cherries -Tariffs

Venezuelan tariffs for apples, pears, and sweet cherries are 15%. U.S. fruit trade is limited by tariffs, the import permit system, and the duty-free access negotiated by the Andean Community (Bolivia, Colombia, Ecuador, Peru, and Venezuela), Mercosur (Argentina, Brazil, Paraguay, and Uruguay) and Chile.

VIETNAM



FRUIT

Issue: Apples, Pears and Cherries - Tariffs

Tariffs are 10% for apples, pears, and cherries entering Vietnam.

Issue: Peaches, Plums, Nectarines - No Market Access

Vietnam has a lengthy pest risk assessment (PRA) process to develop an import protocol for fruit. There are protocols for apples, grapes, cherries and pears but not for peaches, plums or nectarines. As a result, peaches, plums and nectarines are not allowed into the market.

LIVESTOCK

Issue: Animal Health Sanitary Measures

In November 2018, Vietnam passed a Livestock Production Law to regulate livestock breeding and production despite numerous interventions and formal comments on the draft of the law to the WTO Committee on Sanitary and Phytosanitary Measures. The law bans imports of livestock and livestock products produced using chemicals prohibited for domestic use including such products as ractopamine, BST and synovex. MARD officials assert that because there are no banned substances specifically named in the law, that there will be no impact on trade.

PEAS, LENTILS AND CHICKPEAS

Issue: Tariffs

Tariffs on peas, lentils, and chickpeas going to Vietnam range from 10% to 20% under a MFN tariff structure. The U.S. does not have a free trade agreement with Vietnam and therefore is at a disadvantage to those countries which do.

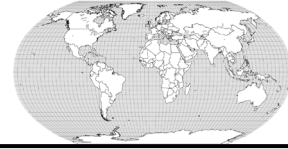
POTATOES

Issue: Tariffs

Vietnam assesses a tariff on all U.S. Potatoes except seed potatoes. Tariffs range from 10% to 35%. Vietnam and the EU concluded a free trade agreement in 2020 that eliminated tariffs on potato products from the EU, creating a significant competitive disadvantage for U.S. producers.

IMPORT ISSUES

WORLDWIDE



COUNTRY OF ORIGIN LABELING (COOL)

Issue: U.S. Country of Origin Labeling (COOL)

On January 15, 2009, the USDA published the final rule for Country of Origin Labeling (COOL). Effective March 16, 2009, COOL regulations require country of origin labeling at retail for muscle cut and ground beef, veal, pork, lamb, goat, and chicken; wild and farm-raised fish and shellfish; fresh and frozen fruits and vegetables; peanuts, pecans, macadamia nuts, and ginseng sold by designated retailers. Processed food items and food sold in restaurants and food chains are excluded. State and regional designations may be used for designation in certain circumstances. The law provides for penalties of up to \$1,000 per violation for both retailers and suppliers not complying with the law. For specific details on COOL visit <http://www.ams.usda.gov/rules-regulations/cool>

Mexico and Canada brought a WTO case against the United States for enacting COOL regulations, and in November 2011 a WTO panel ruled that the COOL regulations violate WTO rules on technical barriers to trade. The United States had until May 23, 2013, to come into compliance with the WTO ruling in COOL. In response, USDA issued a final rule to amend the COOL regulations to change the labeling provisions for muscle cut covered commodities to provide consumers with more specific information. The rule went into effect May 23, 2013. The regulation required meat products sold in the U.S. to be sorted, packaged and labeled separately depending on where the animal was born, raised and slaughtered. The labels were required for steaks, ribs and other cuts of meat; ground meat and imported muscle cut meat labeling regulations were not affected by this change. Earlier USDA rules only required that countries of origin be noted (i.e. "Produce of U.S. and Canada") rather than specifying "Born in Canada, raised and slaughtered in the United States, etc." Both Canada and Mexico were strongly opposed to the regulations.

In August 2013, Canada and Mexico requested a compliance panel be formed to ensure the U.S. was WTO compliant. The Panel issued confidential interim reports to the parties on June 27, 2014. The U.S. appealed a 2014 ruling in favor of Canada but lost the appeal. The final report found the U.S. in violation of WTO rules regarding technical regulations allowed under the WTO agreement. In order to avoid more than \$1 billion in retaliatory import tariffs, Congress repealed the labeling requirement in December 2015. While beef and pork no longer require COOL labeling, chicken and lamb must still be labeled with their country of origin.

HONEY

Issue: Sale of Product at Less than Fair Value (LTFV) by Argentina and China Producers

In September 2000, the American Honey Producers Association and the Sioux Honey Association filed a petition with the U.S. International Trade Commission (ITC) and Commerce, alleging that the honey industry was being injured by LTFV imports of honey from Argentina and China and that Argentina subsidized their industry's honey products. In November 2001, the ITC determined the industry had been injured and the U.S. Department of Commerce (USDOC) issued antidumping and countervailing duty orders on imports of honey from Argentina and an antidumping duty order on imports of honey from China. Some of the duty orders have since been rescinded. On December 15, 2003, the USDOC International Trade Administration concluded that dumping had occurred and reparations were negotiated.

On January 31, 2012, the ITC published the results of a preliminary review of honey sales made from nine Argentine companies from December 1, 2009, to November 30, 2010. The preliminary results indicated that the honey was not being sold at less than normal value. During the preliminary results, it was requested that companies provide information regarding sales of honey made to the U.S. during the period of review to determine the appropriateness of preliminary margin assignments. The final assessment results and instructions were submitted to U.S. Customs and Border Protection (CBP) upon completion of the review, which was 180 days from the publication of the preliminary results. The CBP shall assess antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. The final results were that companies who provided valuable information were provided with a rate of zero and those that did not give information have a rate of 0.77.

In January 2015 the Department of Commerce ("Department") published the preliminary results of the twelfth administrative review, covering the period December 1, 2012, through November 30, 2013, of the antidumping duty order on honey from the People's Republic of China ("PRC") finding that Customs and Border Protection of the U.S. will assess anti-dumping duties of \$2.63 per kilogram on all appropriate entities keeping the duty rate of \$2.63 per kilogram in place.

The ITC determined in April 2018 during another administrative review that revoking the existing countervailing duty order on honey from Argentina and the existing antidumping duty orders on honey from Argentina and China would likely lead to continuation or recurrence of material injury within a reasonably foreseeable time, therefore, keeping the antidumping orders.

In December 2018, Commerce began another administrative review of the antidumping (AD) order on honey from China. Eventually, the review rescinded for the period December 1, 2017, through November 30, 2018, in part, with respect to two companies: Inner Mongolia Komway Import & Export Co., Ltd and Shenzhen Long Sheng Shang Mao Ltd. The review continued with respect to Jiangsu Runchen Agricultural/Sideline Foodstuff Co., Ltd.

Commerce will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on all appropriate entries. For the companies for which this review is rescinded, antidumping duties shall be assessed at rates equal to the cash deposit rate of estimated antidumping duties required at the time of entry, or withdrawal from warehouse for consumption.

RESOLVED ISSUES

Issues resolved more than 10 years ago have been removed.



FRUIT

Issue: Cherries – Phytosanitary concerns

U.S. cherries were not allowed into Western Australia due to phytosanitary concerns including the possibility of introducing brown rot. After ten years of negotiations, the market for cherries into Western Australia was opened in July 2011.

GENETICALLY MODIFIED PRODUCTS

Issue: Shipments of non-biotech seed held up at border

Shipments of non-biotech seed had been delayed or even prohibited due to concerns by Biosecurity Australia. This was largely seen as a preventative measure because of Australia's stringent GM requirements. However, the U.S. Office of Agriculture Affairs in Canberra reported in 2020 that this is not happening anymore.



FRUIT

Issue: Quota Restriction on Apple and Pear Imports

Apple and pear imports from countries other than Argentina, Paraguay and Uruguay were limited by a quota of 10,000 metric tons (MT) from August 1 through December 31. It was common practice for Brazilian officials to issue permits in excess of the restriction. However, the Agricultural Trade Office in Sao Paulo confirmed in 2020 that this restriction is no longer in effect.

WHEAT

Issue: Tariff Rate Quota Implementation

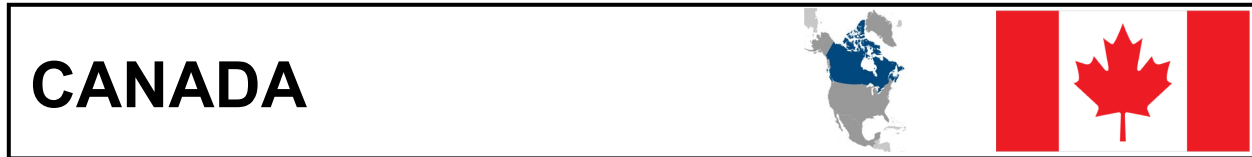
Brazil's WTO schedule provides for a 750,000 metric tons (MT) duty-free MFN tariff-rate quota (TRQ) for wheat imports. Brazil had not implemented this TRQ commitment, and in 1996, Brazil notified the WTO of its intent to withdraw the wheat TRQ in accordance with the negotiating process established in Article XXVIII of the GATT 1994. Brazil has applied the MERCOSUR CET of 10 percent on imported wheat from non-MERCOSUR trading partners, including the United States. As an outcome of a meeting between President Trump and President Bolsonaro on March 19, 2019, Brazil announced it would finally implement the TRQ.

PORK

Issue: Ban on U.S. Pork Products

U.S. fresh, frozen, and further processed pork products were ineligible for import into Brazil. Brazil had indicated it would only authorize imports of U.S.-origin pork and pork products that had been

tested and shown to be free of trichinae, or if mitigation measures were enforced in the production process. The United States did not consider these import requirements for trichinae to be scientifically justified. The risk of transmission of trichinae posed by U.S. pork and pork products is very low because U.S. pork producers maintain stringent biosecurity protocols that have virtually eradicated the incidence of trichinae in U.S. commercial herds. The United States raised this issue in various engagements with Brazil. In the Joint Statement following the meeting between President Trump and President Bolsonaro on March 19, 2019, the leaders announced agreement on science-based conditions to allow for the importation of U.S. pork to Brazil.



ALL PRODUCTS

Issue: Steel and Aluminum tariffs

President Trump imposed tariffs on steel and aluminum imports from Canada and several other countries in 2018. Canada responded, with retaliatory tariffs on U.S. goods effective July 1, 2018. Canada imposed 25% tariff on metal products and 10% on over 250 other goods such as coffee, soups, bread and other sauces and condiments. However, these tariffs were lifted on May 20, 2019 in response to a tariff exemption for Canada instituted by President Trump.

On January 24th, 2020, the United States again raised tariffs on derivative steel products by an additional 25% from previous levels and added an additional 10% tariff on derivative aluminum products. Canada, however, along with five other countries, is exempt from these additional tariffs.

WHEAT AND BARLEY

Issue: State Trading Enterprise Monopoly

The Canadian Wheat Board (CWB) received financial backing from the federal government including low interest rates and backing of guaranteed payments. Over the years, there were numerous disputes by the U.S. regarding CWB's unfair trading practices.

In March 2003, the WTO agreed to a U.S. request to convene a panel to hear a dispute about monopolistic wheat trading practices of CWB. In March 2004, the World Trade Organization (WTO) panel agreed with the U.S. that:

- Canada's mandatory authorization requirements for foreign grain entering Canadian grain elevators violated national treatment principles.
- Canada's "rail revenue cap," which may have resulted in lower rail transportation rates for the CWB than for imported grain, also violated national treatment principles.
- Canada's prohibition on mixing foreign grain with Eastern Canadian grain also violated national treatment principles.

The panel ruled against the U.S. in that it did not find that the CWB export regime violates Canada's obligations under GATT Article XVII governing the behavior of state trading enterprises.

In April 2004, the panel released its report, in which it ruled that the CWB was not violating WTO rules governing state trading enterprises. The WTO panel recognized the potentially harmful and trade distorting effects of state trading enterprises but determined that the WTO Agreement as written does not provide an adequate remedy. USTR sought relief for farmers by filing a WTO challenge. As a result, Canada passed legislation in May 2005 that rectified its grain import and marketing system practices to bring them into compliance with the WTO panel's recommendations.

In 2007, following release of results from a survey conducted by the federal government showing more than 60% of Canadian barley growers favored eliminating single desk control of barley marketing in western Canada—results that CWB disputed—the Harper government announced it would unilaterally end CWB’s barley monopoly. CWB challenged that effort in federal court and won the right to have Parliament ultimately decide whether or not barley farmers would be able to sell their crop outside the wheat board system. The government lost a subsequent appeal. In June 2008, CWB won another legal victory when a federal court ruled that Canada’s agriculture minister violated the Charter of Rights and Freedoms when he issued a gag order in 2006 preventing the CWB from spending money to advocate the single-desk grain marketing system.

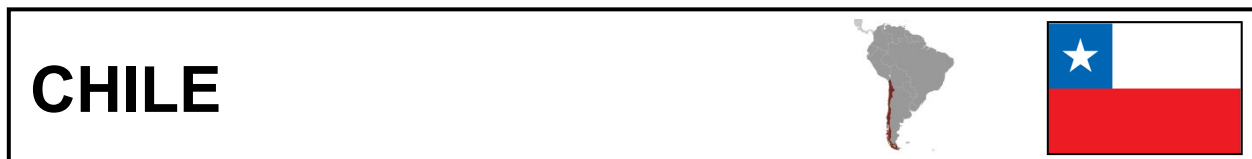
The Marketing Freedom for Grain Farmers Act, passed in December 2011, established a free market system for barley and wheat farmers in which the farmers are able to choose how to sell their crops and to which buyers they would sell. A voluntary CWB with government backing will remain in place until 2017 as the farmers make the transition from the monopoly. The change went into effect August 1, 2012. As of August 1, 2017, the CWB operates under the same regulatory conditions as any other private grain company, officially ending the monopoly.

WINE

Issue: Discriminatory Practices against Imported Wine in British Columbia

Canada has specific regulations on how wine can be sold and each province may also establish their own requirements. In April of 2015, British Columbia (BC) amended regulations to permit the sale of wine in grocery stores. The amended regulations provided two options for grocery stores to sell wine. Under the “wine on shelf” option, a grocery store could sell wine anywhere within the grocery store, but only BC wine could be sold on grocery store shelves. Imported wine could only be sold in grocery stores under a “store within a store” option. Under the “store within a store” option, wine sales were restricted to a “wine store” that was physically separated from the grocery store, had controlled access and separate cash registers from the grocery store’s cash registers. The discriminatory BC regulations negatively affected U.S. winemakers by effectively denying them access to BC grocery store shelves.

Under USMCA, Canada agreed that British Columbia would remove its limitations on sales of non-British Columbian wines in grocery stores, which it did November 1, 2019. The United States, Mexico, and Canada also agreed to non-discrimination and transparency commitments regarding sale and distribution and labeling and certification provisions to avoid technical barriers to trade in wine and distilled spirits.



FRUIT

Issue: High Tariffs

Chile assessed a tariff of 6% ad valorem on the CIF value with an additional 18% value-added tax. The 2003 passage of the U.S. - Chile FTA provided U.S. horticulture better access to Chile’s market. The tariff on apples and pears was immediately eliminated January 1, 2004, and three-quarters of all U.S. farm goods began entering Chile duty-free January 1, 2008. All duties were phased out over 12 years, ending in 2020.

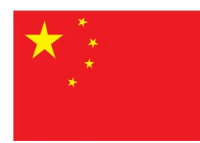
PEAS, LENTILS, & CHICKPEAS

Issue: Fumigation Protocol

Chile used to require fumigation for pea, lentil, and chickpea imports from the U.S. Domestic researchers have found that the U.S. does not have significant insect numbers to prompt the fumigation requirement. The Bruchidae family, commonly called storage seed weevils, is the prominent group of pests that are of concern in Chile.

Chile did not require fumigation from the U.S.'s largest competitor, Canada. The Canadian-Chile FTA strengthened Canada's competitive advantage in the Chilean market for special crops. USDA-APHIS had continued to press Chile to implement and enforce WTO-consistent sanitary and phytosanitary requirements. After years of effort by USDA-APHIS, the Chilean requirement of fumigation of U.S. peas and lentils was finally removed.

CHINA (PRC)



ALL PRODUCTS

Issue: Currency Manipulation

A substantial increase in the value of the Chinese currency is essential to reduce trade imbalances, but China has historically intervened massively in the foreign exchange markets, buying \$15-20 billion per month for several years to keep market pressures from pushing up the currency. The overvalue currency makes Chinese exports cheaper in overseas markets and U.S. imports more expensive to Chinese buyers.

The China currency Manipulation Act of 2008 was presented in congress to stop currency manipulation by China. It proposed that Congress work with the International Monetary Fund (IMF) to take steps to ensure that China promptly takes steps to correct its exchange rate. In June 2010, the Chinese government pledged that it would allow for greater exchange rate flexibility, allowing its currency to float gradually upward. By December 2011, the yuan increased 18% compared to the U.S. Dollar. At the 2013 U.S.-China Strategic and Economic Dialogue, China adopted a flexible exchange rate.

Over the past few years China has taken large steps to let their currency float. Additional reforms regarding currency and foreign exchange issues were included in the bi-lateral Phase One agreement in January 2020. As a result, the U.S. Treasury Department has removed China's designation as a currency manipulator at this time.

The semi-annual report published by the U.S. Treasury Department in January 2020 included China on the "Monitoring List" of major trading partners that merit close attention because of their disproportionate share of the overall U.S. trade deficit. Once on the Monitoring List, an economy will remain there for at least two consecutive reports to help ensure that any improvement in performance versus the criteria is durable and not due to temporary one-off factors.

BARLEY

Issue: Phytosanitary Protocol

U.S. barley had been prohibited from import into China due to the lack of an approved phytosanitary protocol. As part of the U.S.-China Phase One agreement signed in January 2020, China agreed to remove some structural barriers to trade in food and agriculture products including finalizing a

protocol for barley. The protocol was subsequently approved by both countries and notice was posted on China's customs website on Thursday, May 14, 2020, effectively allowing the export of U.S. barley to China as long as exporters meet the necessary administrative requirements.

BEEF

Issue: BSE Ban

In December 2003, China imposed a ban on U.S. bovine products in response to the bovine spongiform encephalopathy (BSE) detection in a cow imported into the U.S. from Canada. China's ban included not only beef, but also low-risk bovine products (i.e. bovine semen and embryos, protein-free tallow and non-ruminant origin feeds and fats), which pose no risk of BSE and should not be banned under existing international standards.

In 2004, after numerous meetings, technical discussions, and a visit to U.S. bovine facilities by Chinese food safety officials, China announced a lifting of its BSE ban for some low-risk bovine products like bovine semen and embryos subject to facility certification. Additionally, China signed a bilateral protocol for non-ruminant origin feeds and fats contingent on facility certification by Chinese regulatory authorities. In 2006, China declared its border open to U.S. beef under 30 months of age. However, U.S. and Chinese officials never finalized a protocol until 2017.

Effective March 17, 2020, as part of the U.S.-China Trade One deal, eligible beef and beef products from cattle of any age slaughtered or further processed and certified in facilities that have been added to the General Administration of Customs in China (GACC) website are eligible for export.

FRUIT

Issue: Apples – Phytosanitary Restriction

China had long prohibited imports of U.S. apples other than Red and Golden Delicious varieties due to quarantine concerns over the bacterial disease fire blight. Furthermore, only three states were approved to export these two varieties: Idaho, Washington, and Oregon. Despite requests from APHIS for China to authorize the importation of six additional apple varieties (Fuji, Gala, Granny Smith, Rome, Jonagold, and Braeburn), AQSIQ had maintained import restrictions on U.S. apples.

AQSIQ contended that fire blight may be transmitted to China's domestic crops if import restrictions were eased for U.S. apples. However, AQSIQ did not provide APHIS with scientific evidence that would justify excluding additional apple varieties and production areas from the export program due to fire blight. The U.S. industry and APHIS maintained that mature, symptomless apples produced under commercial conditions have not been shown to transmit fire blight.

In a related matter, in 2004 the WTO ruled in favor of the U.S. that Japan's quarantine measures for fire blight imposed on U.S. apples were maintained without scientific justification, providing additional support against China's position.

On August 9, 2012, China suspended imports of U.S. apples which were mainly from Washington citing postharvest disease concerns. On January 15, 2013, China made a proposal to reopen the market if the U.S. agreed to store apples for 20 days in packing sheds before shipping them to China. The U.S. disagreed and submitted a counterproposal in March 2013. Developments of this issue continued to be complex. Both markets remained closed to apples from either country until January 2015 when USDA and the Chinese government approved fresh apple imports for both countries effective in May 2015.

Issue: Pears – Phytosanitary Ban

In January 2013, China opened market access to pear imports from the U.S. Previously Chinese government prohibited the import of U.S. pears due to quarantine concern for the bacterial disease

fire blight. Research has shown that commercially produced and packaged fruit is extremely unlikely to transmit fire blight. China was concerned that this bacterial plant disease might be transmitted to the country's domestic crops. Mature symptomless pears do not transmit the disease.

HAY & HAY PRODUCTS

Issue: Alfalfa pellets and cubes, and Timothy Hay – Phytosanitary Restrictions

Alfalfa cubes, alfalfa pellets and timothy hay were prohibited to enter into China due to a lack of an established phytosanitary import protocol. Under the Phase One agreement signed between the United States and China on January 15, 2020, China agreed to implement a phytosanitary protocol to allow importation of U.S. alfalfa hay pellets and cubes and U.S. timothy hay. This protocol was implemented in May 2020.

HORSES

Issue: Import Restrictions

The shipment of live horses to China was suspended pending China's revisions to the import protocol. A process for the importation for live horses was agreed upon in 2017 between APHIS and China's AQSIQ. There are still strict requirements in place, as laid forth in this report:

https://www.aphis.usda.gov/regulations/vs/iregs/animals/downloads/ch_horses_17.pdf

PEAS

Issue: Food Safety Restriction

China was enforcing a limit on the selenium content of imported peas. Under Chinese regulations, the selenium content was limited to 3 parts per million (PPM) which is not in line with any health dangers related to selenium intake. In fact, this limit may have discouraged the intake of selenium at the minimum levels required for good health. USDA worked with the Chinese government on this issue, and the Chinese authorities agreed to review their selenium standard in coordination with USDA. Chinese authorities were allowing the importation of peas for noodle-making without reference to selenium content, because only the pea starch is used in the noodle-making process, and any selenium present is removed in the by-product that enters the animal feed chain. This exception allowed the U.S. to continue to export yellow peas to China while the selenium issue was under review. In March 2011, through the efforts of USDA and FAS, China lifted the selenium restriction on imported peas.

POTATOES

Issue: Fresh Chipping - Phytosanitary Ban

For decades Idaho fresh potatoes were prohibited to enter into China because of reported phytosanitary concern and the issue has been raised at nearly every U.S.-China plant health bilateral. In a violation of international trade practices, China's AQSIQ was overtly linking progress on the U.S. potato request to Chinese apple access to the U.S. There were some objections to the pests of concern as well as the draft protocol.

As part of the Phase One agreement between the United States and China signed on January 15, 2020, China agreed to implement a phytosanitary protocol to allow the importation of U.S. fresh chipping potatoes for processing into China. Access was implemented on February 14, 2020. According to the requirements, the potatoes can come from three States: Oregon, Washington and Idaho. Potatoes must be cleaned, without soil residue, and must be shipped with cold chain logistics. Besides pest management requirements, potatoes should be planted and produced with approved seed potatoes and be grown on land that has not been planted in potatoes during the previous two years.

COSTA RICA



POTATOES

Issue: Chipping Potatoes - Zebra chip

In April 2012, U.S. fresh potato exports were halted temporarily because of the pest zebra chip. The USDA and Ministry of Agriculture (MOA) had numerous meetings to try and reach an agreement so potato shipments could resume. In mid-June APHIS signed a bilateral agreement with MOA, effectively re-opening the market for chipping potatoes only.

Unexpectedly, Costa Rican authorities decided that the protocol had to be notified to the WTO to allow other members to provide comments. The U.S. objected to this procedure because the WTO does not require the notification of bilateral agreements such as the protocol in question. Nevertheless, Costa Rica provided the two-month comment period and received comments from domestic producers, which further extended the time that U.S. potatoes could not enter Costa Rica. After reviewing the comments, the MOA reopened the market to U.S. potatoes on October 26, 2012.

In August 2013, Costa Rica again closed its market to U.S. fresh potatoes due to the alleged detection of zebra chips in a shipment. Subsequent testing in a US lab had determined that zebra chips were not present in the shipment sample. In February 2014, USDA-APHIS sent a letter proposing a market access agreement to reopen the Costa Rican market to U.S. fresh potatoes. Unfortunately, the Costa Rican response issued in early May 2014 rejected this proposal, and instead proposed requirements that were not commercially feasible for U.S. potato exporters.

In November 2015, an official from Costa Rica's SFE visited the states of Washington, Oregon, and California to review industry growing and handling practices. In January 2016 Costa Rica's Servicio Fitosanitario del Estado (SFE) informed APHIS that it would begin issuing import permits for U.S. chipping potatoes effective February 1. A protocol for additional measures for the importation of chipping potatoes due to zebra chips was also released. The market for fresh table stock potatoes remains closed.

DOMINICAN REPUBLIC



POTATOES - FRESH

Issue: Tariff Rate Quota

Under the CAFTA-DR free trade agreement with the United States, the Dominican Republic had put in place a tariff rate quota (TRQ) for U.S. fresh potatoes (HS 0701.90). This tariff rate quota was phased out over a period of 12 years, ending in 2017. Currently, U.S. fresh potatoes have free market access to the Dominican Republic.

EUROPEAN UNION



DAIRY

Issue: Somatic Cell Count Standard & Import Requirements

As the FDA has stressed to the European Union for more than a decade, somatic cell count (SCC) levels for raw milk are quality criteria and not food safety criteria and as such should not be required as part of public health attestations. The EU's mandatory compliance with its SCC levels illustrates the member states' efforts to enforce their own quality standards regardless of the available scientific evidence in support of a public health justification.

The EU's SCC certification requirements require each farm to meet a 400,000/ml. threshold, but Idaho changed state law in 2013 to reflect this requirement, no longer making it an issue for Idaho dairymen.

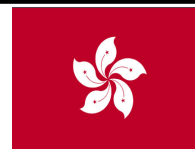
FRUIT

Issue: Cherries – Phytosanitary Trade Barriers

The European Union required cherries to be free of *Monilinia fructicola* (brown rot) and required documentation that controls had been applied in the field. This restriction limited the supply of cherries that qualify for export to the EU. *M. fructicola* reportedly occurs in Europe, yet there were no known official controls on the disease or on movement of fruit within the EU from those countries where positive detections had been made. In addition, there was no supporting technical documentation justifying its quarantine requirements.

In the spring of 2015, an import protocol was established, and the market was reopened to U.S. cherries.

HONG KONG



BEEF

Issue: Prohibition of Beef Products

Effective June 17, 2014, all boneless and bone-in beef products, tongue (no tonsils), oxtail and offal are allowed to be exported from the U.S. to Hong Kong. This change was in response to the OIE granting the U.S. negligible risk status for BSE in 2013, further affirming the safety of U.S. beef and beef products. Prior to June 2014 imports were limited to U.S. bone-in beef from cattle 30 months of age and younger.

The Special Administrative Region of Macau announced in November 2015, that it would resume imports of American bone-in beef products derived from cattle over 30 months of age as well as ground beef and offal, regardless of age effectively granting full market access for U.S. beef products. Prior to November 2015, only bone-in U.S. beef products originating from animals under 30 months of age and boneless beef from animals regardless of age were permitted.

INDIA



PEAS, LENTILS, & CHICKPEAS

Issue: Phytosanitary Restriction – WEED seeds and soil

In 2010, India announced that it would require Additional Declarations to be added to phytosanitary certificates for all imported pulses. The Additional Declarations as required by India would require USDA-APHIS to declare the shipment to be 100% free of quarantine weed seeds and soil contamination. USDA-APHIS takes the position that even with rigorous testing, it is impossible to provide a 100% guarantee that a shipment contains no weed seeds or soil. India planned on instituting these Additional Declaration requirements on March 31, 2011. At that time, they granted a series of postponements to allow more time for discussions with trading partners. However, in January 2013 the Additional Declaration requirements were instituted at Indian ports, with significant penalty fees being imposed on pulses imported from the U.S. In the fourth quarter of 2013, USDA-APHIS was able to find common ground with the Indian authorities and began to issue Additional Declarations that India is deemed to be satisfactory, without including blanket guarantees.

ISRAEL

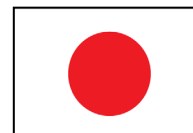


FRUIT

Issue: Apple - Phytosanitary Trade Barrier

U.S. apple and pear exporters have a long history of shipping to Israel with no report of any detection of live apple maggot or plum curculio, the two primary pests of concern to Israel. In March 2009, Israel's Plant Protection and Inspection Service informed the USDA-APHIS that apples and pears would have to meet cold treatment requirements to mitigate the risks of apple maggot and plum curculio. Although Israel had not conducted a PRA, Israel granted the U.S. an exemption from this requirement until September 1, 2012. In December 2012, bilateral meetings authorized the use of provisional cold treatment schedules until July 15, 2013. An acceptable work plan was put into place in 2014.

JAPAN



BEEF

Issue: Import Restrictions

In December 2003, Japan banned most products derived from cattle, sheep, and goats following the discovery of a cow with BSE in Washington State that was imported from Canada. Over the years that followed Japan gradually eased up restrictions on imports, finally agreeing to remove all limits on beef imported from the United States on May 17th, 2019. This was the first time that American beef imports had been permitted without restriction since 2003.

FRUIT

Issue: Cherries – Phytosanitary Restrictions

U.S. cherry exports to Japan have required fumigation with methyl bromide to control codling moth since the export program began in 1978. In the past, Japan had been unwilling to eliminate this costly fumigation requirement and inspection program despite evidence demonstrating minimal risk of transmitting codling moths.

Based on USDA research that demonstrated that cherries are not a suitable host for codling moth, the U.S. requested that Japan remove the specific treatment requirement for sweet cherries. In its place, the U.S. government submitted a systems approach to the Japanese government for consideration, which combined post-harvest commodity inspections with good orchard pest management practices. The industry supplied documentation that the proposed systems approach provided quarantine security, which is equivalent or better than that provided by methyl bromide fumigation.

In July of 2009, Japan agreed to allow cherries from orchards in Washington, Oregon, and California that use traps to monitor pest levels, rather than fumigate for them. Due to issues resulting from the tsunami in 2010, the rulemaking process to allow cherries from Idaho was not able to move forward as quickly as anticipated. On May 31, 2013, however, Idaho was added to the list of states allowed to export without fumigation.

POTATOES

Issue: Fresh Chipping – Phytosanitary Ban

In April 2006, pale cyst nematode (PCN) was found in a soil sample collected from a potato processing facility in Idaho. This was the first time PCN had been found in the United States. Although processed potatoes are not considered a source for infection because nematodes cannot survive the cooking process, Japan immediately banned shipment of chipping potatoes from the United States. The nematode does not pose a threat to human health but can reduce the yield of potatoes and other crops. Scientists from USDA-APHIS and ISDA conducted extensive soil sampling to determine the extent of PCN in Idaho and established a regulated area within Idaho with strict protocols. An eradication program using fumigation and other methods was established.

In February 2007, the market was reopened for all original shipping states except Idaho. After protracted negotiations and a Japanese Plant Health officials' visit to Idaho to review USDA's PCN Eradication Program, it was finally announced on September 15, 2017, that Japan would expand market access for US chipping potatoes, resuming imports from Idaho for the first time in 11 years.

Issue: Chipping Stock – Year-round Access

Chipping potato exports were limited to only the months of February 1 to July 30 each year. The Ministry of Agriculture, Fisheries and Forestry (MAFF) in Japan eliminated the restriction effective February 14, 2020. U.S. chipping potatoes can now enter all year round or January 1 – December 31.

SOUTH KOREA



KORUS FTA RE-VAMP

At the request of the Trump administration in January 2018, the U.S. and Korea began negotiating potential amendments to the 2012 KORUS agreement. In September 2018, a number of modifications were made. These changes did not affect U.S. agricultural products, except for more leniency and urgency for certificates of origin and verifications of origin. An overview of the KORUS 2018 modifications can be found in the following document: <https://fas.org/sgp/crs/row/IF10733.pdf>.

ORGANIC PRODUCTS

Issue: Organic Trade Agreement on Processed Products

Since 2009 negotiations between the U.S. and Korea had been ongoing due to the Korean Ministry of Food, Agriculture, Forestry and Foods' (MIFAFF) implementation of a complex series of regulations governing organic products, labeling, and enforcement. In May 2012, the Korean legislative body passed an Organic Act including processed products that would effectively shut out U.S. products unless they were certified to the Korean organic standard. The U.S. and Korea reached an organic equivalency agreement that became effective July 1, 2014. The equivalency agreement allowed for organic processed products certified in either country to be labeled as organic in either market.

POTATOES

Issue: Tariffs and Quotas

KORUS eliminated duties on U.S. French fries exported to Korea, created a new annual reduced quota for dehydrated flakes, reduced dehydrated blended product tariffs, and established a U.S. only quota for fresh potatoes. As the KORUS is implemented in the years ahead, additional tariff reductions will occur.

Issue: Fresh Table Stock and Chipping - Phytosanitary Restrictions

In August 2012, Korea closed its market for PNW table stock and chipping potatoes due to the presence of zebra chip in the region. In October 2012, after intensive negotiations, Korea reopened the market for PNW chipping potatoes including Idaho. The market for fresh table stock potatoes remained closed until a final market access agreement was reached in September 2017. As of December 2017, the Korea market is also open for table-stock potatoes from the PNW for those grown according to the Integrated Pest Management (IPM) guidelines for Insect and Mites in Pacific Northwest Potatoes.

MEXICO



ALL PRODUCTS

Issue: Retaliatory Tariffs

As a result of the March 2018 U.S. tariffs on steel and aluminum products to protect national security as instituted by President Trump, Mexico placed retaliatory tariffs on certain products. Prior to the implementation of retaliatory tariffs, Mexico and the United States enjoyed tariff free trade due to NAFTA. The tariffs implemented on June 5, 2018 affected several important industries including dairy and potatoes:

HS Codes	Tariff Percentage
020312 Ham, Shoulders and other cuts, bone in	20%
020329 Pork not otherwise mentioned elsewhere	20%
040610 Fresh cheese, including whey and curd	25%
040690 Other cheese not mentioned elsewhere	25%
080810 Apples	20%
200410 Potatoes	20%
210690 Food preparations derived from dried milk, buttermilk, or whey	15%

On May 17, 2019, the Trump administration reached an agreement with Canada and Mexico to lift tariffs on metal imports. In return, both Mexico and Canada agreed to lift the retaliatory tariffs they had placed on American products. Instead of tariffs, the three nations agreed to take further measures to avoid dumping.

BEEF

Issue: Anti-Dumping Duties

Beef had been subject to antidumping duties by Mexico since 1999, even though a NAFTA dispute settlement panel ruled in 2004 that Mexico improperly imposed the antidumping duties.

In 1998, Mexican cattlemen requested an anti-dumping investigation, alleging that U.S. livestock and beef products were sold below cost of production. In 1999, the Mexican Department of Commerce (SECOFI) imposed dumping duties on U.S. beef and beef variety meat imports. The final decision announced in 2000 resulted in assorted anti-dumping duties that varied by product and ranged between zero and \$0.80/Kg. Product graded USDA Prime or certified by USDA as "Angus Beef" was exempt.

In 2003, the U.S. requested and received two WTO consultations on Mexico's anti-dumping measures on U.S. beef as well as five provisions of Mexico's Foreign Trade Act and its Federal Code of Civil Procedure.

In April 2006, Secretary of Economy (SECON) decided to continue antidumping duties on imports of U.S. beef and beef by-products from certain U.S. exporters and producers for another five years, after completing a sunset review investigation. In addition, Mexico's modification of the beef dumping duties in 2004 in response to the findings of a NAFTA Chapter 19 panel, which determined that SECON did not sufficiently demonstrate that U.S. beef imports had damaged Mexico's beef industry.

Mexican policies in this area reduced the number of U.S. suppliers and altered product trading patterns.

The issue was finally resolved on August 10, 2010. The Mexican Government published a notice to eliminate the imported duties imposed on beef exports after the only Mexican producer association withdrew its support for continuing the duties.

Issue: Bovine spongiform encephalopathy (BSE)

Mexico's Secretariat of Agriculture (SAGARPA) banned imports of bovine products in December 2003 following the bovine spongiform encephalopathy (BSE) detection in Washington State. In March 2004, SAGARPA resumed boneless beef imports, and in February 2006, bone-in beef imports resumed from cattle less than 30 months of age. As of May 2014, Mexico lifted the 30-month cattle age limit on beef imports as well as removed the last of the BSE related restrictions.

CANOLA

Issue: Phytosanitary Restrictions Lifted

Previously Mexico accepted U.S. rapeseed seed, canola oil and canola meal, but not U.S. canola. However, Mexico did accept Canadian canola. Under NOM 28, Mexico now accepts entry of commercial U.S. canola. The term "canola" is actually a trade name for rapeseed owned by the Canola Council of Canada. The Council has granted the U.S. the rights to use the name canola at no charge.

Industry has commonly distinguished rapeseed and canola by erucic acid content:

- Rapeseed – high erucic acid, industrial use
- Canola – low erucic acid (less than 2%), used for human consumption

Both are botanically equivalent and subject to the same pests and diseases. Mexico sought a risk analysis to modify NOM 28 but grandfathered Canada.

FRUIT

Issue: Anti-Dumping Duties for Apples

Apple trade between the U.S. and Mexico has had numerous issues. Starting in 1997, Mexico initiated an antidumping case against Northwest apples. In 1998, Northwest Fruit Exporters (NFE) entered into an agreement with the Mexican Department of Commerce (SECOFI/SE) that suspended the investigation into the alleged dumping of U.S. fresh Red and Golden Delicious apples. This resulted in higher minimum reference prices for the Mexican market.

After a repeal of the reference prices, a final duty of 46.58% was placed on U.S. apple imports. Some NFE Apple shippers petitioned the Ministry of Economia to prove that they were not part of the apple dumping in Mexico. There were only eight shippers in the PNW that received the reduction (the tariff rate varied from zero to 47.05%). On September 23, 2005, the Ministry of Economia established a new "all others rate" at 44.67%.

The high tariffs reduced U.S. exports by 25%, providing other international competitors who are not subject to the tariff an accessible market. The U.S. could ship varieties other than U.S. Red and Golden Delicious, but the Mexico market was dominated by these two varieties. On March 2, 2010, Mexico's Secretariat of Economy (SECON) published a notice in the Mexican Diario Oficial lifting the compensatory duties imposed on U.S. Red and Golden Delicious apples effective March 3, 2010.

The most recent case of anti-dumping allegations began in August 2014, when a Mexico industry group from the state of Chihuahua, UNIFRUT, petitioned an investigation against U.S. apple

producers for allegedly selling U.S. apples to Mexico at less than their fair value during the 2013-2014 season. In December 2014 the Mexican government announced they would pursue an anti-dumping investigation against the U.S. As part of the investigation, the Mexican Ministry of Economy asked around 40 U.S. shippers to respond to a questionnaire on production costs and sales prices.

The Mexican government reached a preliminary determination on the case and on January 6, 2016 published the preliminary duties. Duties went into effect beginning January 7, 2016 on U.S. apples as high as 20% for some companies and averaging 7.55%.

The Mexican government reached a final decision on the anti-dumping case on June 7, 2016, ruling that although imports of apples from the United States were made with dumping margins of up to 20.73 percent in the investigated period, and such imports represented 91 percent of total imports, such practice did not result in adverse effects to the domestic industry. Therefore, there is no credible claim to the anti-dumping regulations, causing Mexico to revoke the antidumping duties on U.S. apples.

Issue: Apples - Costly On-Site Inspection Procedures Eliminated

Although no listed quarantine pest had been detected at the border, the protocol required apple exports to be supervised by an official of the Mexico Export Inspection Office (MEIO). After many years, the Yakima, Washington MEIO was closed, with oversight functions turned over to the USDA-APHIS.

MEAT

Issue: Inspection Points

In 2000, Mexico's Agriculture, Livestock, Rural Development, Fisheries and Food Ministry (SAGARPA) implemented laws changing all "verification points" for inspection of meat products to be "in Mexican territory." The most important provision was the moving of import verification points from the U.S. side of the border to the Mexican side of the border. In 2012, multiple seminars were held which gave additional training to those who inspect U.S. meat in Mexico.

POTATOES

Issue: Potato Cyst Nematode

In April 2006, PCN was found in a soil sample collected from a potato processing facility in Idaho. This was the first time the PCN had been found in the United States. The nematode does not pose a threat to human health but can reduce the yield of potatoes and other crops. Mexico closed the market to all Idaho potatoes as a result of the PCN detection.

On April 2, 2007, Mexico agreed to a shipping protocol for Idaho fresh potatoes allowing for export of fresh potatoes but required extensive PCN testing on all fields prior to planting. The field testing was a burden on Idaho farmers, being time consuming and costly. Over the next 10 years, over a half a million samples were collected and no PCN was found outside of the Bonneville and Bingham counties, proving that the area outside of these two counties is free of PCN.

On March 1, 2018 Mexico changed portions of the export requirements regarding PCN soil surveys for exported Idaho fresh-pack potatoes. Idaho counties outside of Bingham and Bonneville no longer require field soil survey prior to export. Export potatoes from non-regulated fields in Bingham and Bonneville counties still require a soil survey as in the past. Fresh-pack potatoes from PCN regulated fields are still prohibited from being exported to Mexico.

SUGAR

Issue: Excessive Imports of Mexican sugar

Previously there was a WTO case against Mexico regarding high fructose corn syrup. Mexico imposed a 20% sales tax on soft drinks and other beverages that use any sweetener other than cane sugar. The beverage taxes sharply curtailed U.S. high fructose corn syrup (HFCS) producers' access to Mexico's market for soft drinks and other beverages. This affected sugar use and sugar production in the U.S. In 2004, the U.S. filed a WTO case against Mexico over these taxes. On October 7, 2005, the WTO ruled in favor of the United States in its challenge of Mexico's discriminatory beverage tax. The Mexican tax remained in place, but many bottlers were able to use HFCS without being subject to additional taxes due to court injunctions allowing HFCS use in soft drinks without paying the tax. The U.S. was allowed to export 250,000 MT of HFCS to Mexico. Mexico was allowed to ship 250,000 MT of cane sugar annually to the U.S. up until January 1, 2008, when the quota was eliminated.

However, in March of 2014 the U.S. sugar industry filed antidumping and countervailing duty petitions against the Mexican sugar industry with the U.S. International Trade Commission (ITC) and the U.S. Department of Commerce (USDOC). The ITC made a preliminary finding on May 9, 2014, stating that U.S.-domestic sugar producers are materially threatened by low cost imports of subsidized Mexican sugar into U.S. Markets. The commission's vote was 5-0, meaning that "there is reasonable indication that the U.S. industry is materially injured by reason of imports of sugar from Mexico that are allegedly subsidized and sold in the U.S. at less than fair value." The preliminary finding frees the USDOC to continue its investigation into alleged sugar dumping by Mexico and determine possible duties on the sugar and possible anti-dumping enforcement by the Customs Department. In October 2014, the United States and Mexico came to an agreement to avoid antidumping (AD) and countervailing duties (CVD) on U.S. sugar imports from Mexico. On December 19, 2014, both sides signed these two suspension agreements, but two U.S. sugar companies petitioned the suspension. In a final ruling in September 2015, the U.S. Department of Commerce upheld its earlier finding that sugar from Mexico has been subsidized and dumped into the U.S. market, making some adjustments to the suspended AD and CVD rates.

In 2013, in response to complaints on unfair trade practices, the U.S. Commerce Department imposed punitive duties as high as 80% on the Mexican sugar industry. At the end of 2014, Mexico accepted limits on the volume and price of sugar that it could export to the U.S. in order to avoid the imposed duties.

On June 6, 2017, the U.S. Secretary of Commerce and the Mexican Secretary of Economy announced a new agreement to suspend antidumping and countervailing duties against Mexican sugar imports into the United States. The U.S. sugar industry did not support the specifics of this agreement so on July 3, 2017, the U.S. Secretary of Commerce signed final amendments to the Mexican Sugar Suspension Agreements that were much more widely accepted by the industry. This agreement is similar to the agreement in 2014, except that it lowers the percentage of refined sugar that Mexico can send to the United States from 53% to 30%, and it lowers the purity at which Mexican sugar can be sold as refined sugar as well. In turn, it gives Mexico the option to supply 100% of any excess U.S. demand for sugar yearly.

PANAMA



POTATOES

Issue: Fresh – Phytosanitary Ban

In July 2015, Panama re-opened the market for U.S. potatoes from Idaho and California. The market was originally closed over concerns of potato purple top virus.

PHILIPPINES



POTATOES

Issues: Table Stock Potatoes – Phytosanitary Restrictions

Although some U.S. chipping potatoes were allowed, table stock potatoes were prohibited. The Philippines conducted a PRA on U.S. table stock potatoes and visited the U.S. potato industry in July 2012. Market access negotiations occurred, and the government revised its import requirements on July 12, 2013 to allow for the entry of U.S. fresh table stock potatoes.

SOUTH AFRICA



FRUIT

Issue: Apples – Phytosanitary Barriers

PNW apples first gained market access to South Africa in 2009, but only for apples originating from orchards that were declared pest free for *Rhagoletis pomonella* (apple maggot). During the 2010-2011 season, numerous containers of apples exported to South Africa were detained for reported quarantine pest finds. Notifications from South Africa of alleged interceptions were generally lacking in sufficient detail and were often issued many weeks after the interception. This severely limited the U.S. industry in any efforts to research the issue and to correct a problem, should one exist. Additionally, South Africa failed to respond to a USDA request to amend the market access agreement with a cold treatment protocol. Such a protocol would permit the export of apples originating from areas regulated for apple maggot. A protocol was finally established for the exportation of Pacific Northwest apples to South Africa, effective November 8, 2011.

TAIWAN (ROC)



Issue: Ban on Beef with Traces of Ractopamine

Taiwan's Council of Agriculture put a ban on beta-agonists including salbutamol, terbutaline, clenbuterol, and ractopamine in October 2011. Taiwan did not have a MRL standard for ractopamine; therefore they adopted a zero tolerance policy for the beta-agonist. These measures created significant barriers to U.S. exports of meat and meat products. The ractopamine issue did not affect Idaho's pork exports to Taiwan because exporting companies have ractopamine-free pork.

Ractopamine, a veterinary drug that is used to boost growth and promote leanness in pigs, cattle, and (to a limited extent) turkeys, was approved for use by the FDA for pork in 1999 and beef in 2003. The MRLs allowed by the FDA for beef and pork are 30 parts per billion (ppb) and 50 ppb respectively. Despite the allowance of the use of ractopamine in multiple countries (i.e. U.S., Brazil, and Canada), the beta-agonist was banned by many countries (including the EU, China, and Taiwan) for human and animal health reasons.

At its 26th session in 2003, the Codex was asked to adopt MRLs for ractopamine. The proposal to adopt a standard for ractopamine was based upon scientific advice from the Joint FAO/WHO Expert Committee on Food Additives (JECFA) and the recommendation of the Codex on Residues of Veterinary Drugs in Foods (CCRVDF). In 2004, JECFA concluded that ractopamine was safe and established an Acceptable Daily Intake (ADI) and acceptable MRLs for cattle and pig tissues (muscle, liver, kidney and fat). The MRLs determined safe by JECFA are 10 ppb in beef and pork cuts. After years of scientific and political stalemate, Codex voted 69-67 in favor of the adoption of MRLs for ractopamine on July 5, 2012.

On July 25, 2012, Taiwan's Legislative Yuan (LY) voted 63-46 in favor of creating three separate amendments that cleared the way for Taiwan to establish MRLs for ractopamine in beef. Since September 11, 2012, regulations set a MRL for ractopamine at 10ppb in beef.

LAMB

Issue: Scrapie

The market for U.S. lamb reopened in 2016. The U.S. sent an official letter in August 2011 requesting that Taiwan reopen the market to lamb, but discussions were tabled by higher priority issues, such as ractopamine in beef, in September of 2012.

Initially banned in conjunction with beef over the finding of BSE in a dairy cow in December 2003, the market remained closed for nearly 13 years due to requirements that the sheep originate from farms that have been scrapie-free for at least seven years under Taiwan's "Quarantine Requirements for the Importations of Animals or Animal Products". Taiwan's "scrapie free" definition follows the OIE standard (World Animal Health Organization - Office of International Epizootics). Transmissible spongiform encephalopathy (TSE), or scrapie, affects the nervous system of sheep and goats, but is not transmissible to humans. Scrapie is not considered a zoonotic disease; therefore, edible products exported from scrapie-infected countries, regions or zones should not be restricted.

In 2013, initial progress was made. Negotiations continued over the next few years and culminated in a site visit by Taiwan authorities to the U.S. to review lamb processing methods that eventually led to a resolution in 2016.

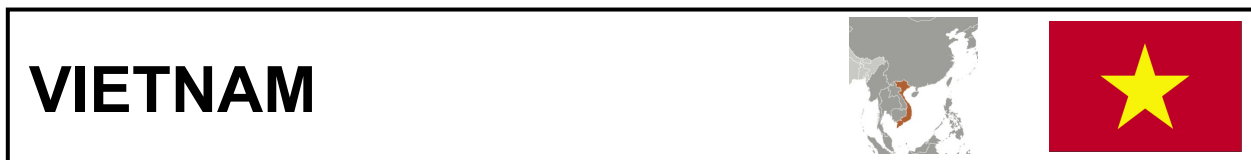
POULTRY/ANIMAL FEED

Issue: Avian Influenza Restrictions

A routine bacterial respiratory disease testing in an Idaho game bird flock in August 2008 revealed concurrent infection with Low Pathogenic Avian Influenza (H5N8, LPNAI) virus. A farm was put under quarantine with a 3 km surveillance zone where all poultry and game birds were tested. Results were all negative for AI. The quarantined flock was totally depopulated, and the premises were cleaned and disinfected.

Taiwan restricts poultry products from areas where High Path Avian Influenza (HPNAI) have been detected. Regulations clearly specify restrictions for HPNAI, but do not mention LPNAI, the disease found in Idaho. In spite of the distinction, certain Idaho animal feeds were restricted effective September 8, 2008. The issue was brought to the attention of APHIS, which responded that it doesn't matter if the detection is HPNAI or LPNAI, all manufacturers where animal feeds are produced must comply with Taiwan's quarantine requirements. During the Governor's trade mission to Asia in October 2008, Governor Otter discussed this issue with officials in Taiwan.

Effective June 11, 2009, the Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) lifted restrictions on poultry and poultry products except poultry meat for human consumption originating from countries (zones) where HPAI is not known to exist but LPAI may be. That means animal feed containing poultry ingredients manufactured in the states where LPAI is detected are allowed to ship to Taiwan without any additional heat treatment conditions. Poultry meat for human consumption including carcasses, meat, internal organs, and products manufactured by using aforementioned materials was still suspended from LPAI positive areas until May 16, 2011.



POTATOES

Issue: Fresh – Market Access

In June 2010, the Vietnam market was opened to U.S. fresh potatoes, including chip and table-stock. This access is based on an agreement reached between the USDA-APHIS and Vietnam's Ministry of Agriculture and Rural Development (MARD).



ALFALFA HAY

Issue: Cereal Leaf Beetle (CLB)

Alfalfa is not a host to Cereal Leaf Beetle although grasses found in hay are hosts. California required that grass hay be fumigated, and alfalfa hay must be grass free. In 2003, compressed baled alfalfa hay was given an exception to the fumigation rule (not rolled hay or rounds). No certification needed to accompany the shipment and it would be inspected at the California border, but any shipment with live beetles or larvae would be rejected. Alfalfa has always been exempted from the quarantine unless it is contaminated with grass (it is difficult to not have some grass). Alfalfa could then have grass so long as it was compressed (fumigation is not required). In August 2013 CLB was detected in fields in California for the first time. Effective April 1, 2014, California repealed the quarantine restrictions on cereal leaf beetles all together.

GLOSSARY OF TRADE TERMS

APHIS (Animal and Plant Health Inspection Service): a branch of the USDA regulates plants, domestic animals, and plant and animal products coming into the U.S.

AQSIQ (General Administration of Quality Supervision, Inspection and Quarantine): ministerial administrative organ directly under the State Council of the People's Republic of China in charge of national quality, metrology, entry-exit commodity inspection, entry-exit health quarantine, entry-exit animal and plant quarantine, import-export food safety, certification and accreditation, standardization, as well as administrative law-enforcement.

ASTA (American Seed Trade Association): one of the oldest trade organizations in the United States. Its membership consists of over 700 companies involved in seed production and distribution, plant breeding, and related industries in North America. As an authority on plant germplasm, ASTA advocates science and policy issues of industry-wide importance.

Bound Tariffs Rates, Tariff “binding”: tariff rates resulting from GATT/WTO negotiations or accessions, incorporated as part of a country's concessions schedule. Bound rates are enforceable under Article II of GATT. If a WTO member raises a tariff above the bound rate, the affected countries have the right to retaliate against an equivalent value of the offending country's exports or receive compensation, usually in the form of reduced tariffs on other products they export to the offending country.

CIF (Cost, Insurance and Freight): a trade term requiring the seller to arrange for the carriage of goods by sea to a port of destination and provide the buyer with the documents necessary to obtain the goods from the carrier.

CFIA (Canadian Food Inspection Agency): regulatory administration that inspects the health of exported-imported foods going/coming from Canada

Codex Alimentarius: The Codex Alimentarius Commission, based in Rome, is a subsidiary of the Food and Agriculture Organization of the United Nations (FAO) and the WHO. The SPS agreement (Sanitary Phytosanitary) designates Codex as the authority for international food safety evaluation and harmonization matters. Codex develops scientific methodologies, concepts and standards to be used worldwide for food additives, microbiological contaminants, and veterinary drug and pesticide residues.

Countervailing Duty: a special duty imposed on imports to offset the benefits of subsidies to producers or exporters in the exporting country.

CPTPP/CP-TPP/TPP11 (The Comprehensive and Progressive Agreement for Trans-Pacific Partnership): A free trade agreement signed between 11 countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam.

Decoupled: payments to farmers that are not linked to current production decisions. When payments are decoupled, farmers make production decisions based on expected market returns.

Duty: tax imposed by a government on goods imported or exported.

Export Subsidies: special incentives, such as cash payments, extended by governments to encourage increased foreign sales; often used when a nation's domestic price for a good is artificially raised above world market prices.

EU (European Union): The EU was created on November 1st, 1993, by the implementation of the Maastricht Treaty. The EU's members are Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Spain, and Sweden.

FAO (Food and Agriculture Organization of the United Nations): an intergovernmental organization with 194 Member Nations, two associate members and one-member organization, the EU. Their three main goals are: the eradication of hunger, food insecurity and malnutrition; the elimination of poverty and the driving forward of economic and social progress for all; and the sustainable management and utilization of natural resources, including land, water, air, climate and genetic resources for the benefit of present and future generations.

FOB: a standard shipping term that stands for "free on board," meaning without charge to the purchaser for delivery on board or into a carrier at a specified point or location.

GATT (General Agreement on Tariffs and Trade): GATT was founded in 1948. Eight rounds of trade negotiations were completed under GATT. GATT was replaced by the World Trade Organization (WTO) on January 1, 1995.

Generalized System of Preferences (GSP): a temporary, non-reciprocal grant of tariff preferences by developed countries to developing countries to encourage the expansion of manufactured and semi-manufactured exports from developing countries by making goods more competitive in developed country markets.

GMO (Genetically modified organism): this is an organism made up of genes from different organisms to produce a final organism that has the desired characteristics (such as disease resistance). This differs from traditional plant breeding in that genes can be moved from one plant to another with greater precision.

Harmonization: international efforts to increase the uniformity of regulations and procedures in cooperating countries.

Harmonized code: an international nomenclature developed by the World Customs Organization and recognized by over 170 countries. The system classifies goods into general categories using six-digit codes, allowing all participating countries to classify traded goods on a common basis. Beyond the six-digit level, countries are free to introduce national distinctions for tariffs and many other purposes.

IMF (International Monetary Fund): The International Monetary Fund is an organization of 188 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

Internal Support: The Uruguay Round agreement on internal support recognized for the first time that policies of overproduction of specific commodities by individual countries played a major role in distorting world agricultural trade. It defined those policies that seriously distorted trade and those with minimal trade distorting effects using the traffic-signal colors of amber and green. Amber box policies (symbolizing "caution") are subject to reduced government support; while green boxes (symbolizing "go") entail no reduction requirements or restrictions. Another temporary exemption category called blue box was created to accommodate the EU and bring negotiations to a conclusion.

- **Amber box** policies include price supports, marketing loans, payments based on acreage or number of livestock, input subsidies and certain subsidized loan programs.
- **Green box** policies focus on governmental programs intended to support agriculture and include many of the operations of state and federal departments of agriculture or state university

research. Such policies include research, pest and disease control, extension services, inspection, marketing and promotion, crop insurance, natural disaster relief, conservation programs, and public stockholding.

- **Blue box** policies are redefined amber box policies that are related to production-limiting programs, such as payments based on fixed area and fixed yield, fixed number of livestock, or no more than 85% of the base level of production.

Incoterms: standard terms established by the International Chamber of Commerce which are used to define the specific responsibilities of buyers and sellers in international sales contracts. The terms are revised every 5-10 years. The most recent version of the terms went into effect in 2020.

ISO (International Organization for Standards): the ISO is a worldwide federation of national standards bodies from over 160 countries. Its mission is to promote the development of standardization and related world activities, specifically to facilitate the international exchange of goods and services, and to develop cooperation in intellectual, scientific, technological, and economic activities.

Joint FAO/WHO Expert Committee on Food Additives (JECFA): a body of experts that provides scientific advice to Codex on food additives, contaminants, and residues of veterinary drugs.

MAFF (Ministry of Agriculture, Forestry and Fisheries): a cabinet ministry in the government of Japan responsible for setting quality standards for food products, supervising commodity markets and food sales, and undertaking land reclamation and land improvement projects.

MIFAFF (Ministry for Food, Agriculture, Forestry and Fisheries): Korean ministry that aims to upgrade agriculture from primary production-based industry into advanced industry which encompasses processing and marketing in order to compete in the global arena.

Most Favored Nation (MFN): an agreement between two countries to extend the same trading privileges to each other that they extend to any other country. Under a MFN agreement, for example, a country will extend to another country the lowest tariff rates it applies to any third country. A country is under no obligation to extend MFN treatment to another country, unless both are members of the WTO, or unless MFN is specified in an agreement between them.

MRL (Maximum Residue Level): a maximum residue level is the maximum amount of residue legally permitted on food. Once residues are demonstrated to be safe for consumers, MRLs are set by independent scientists, based on rigorous evaluation of each pesticide legally authorized. They act as an indicator of the correct use of pesticides and ensure compliance with legal requirements for low residues on unprocessed food. MRLs are trading standards used to ensure that imported and exported food is safe to eat. In practice, they allow the free movement of goods within the EU and from the rest of the world.

NMPF (National Milk Producers Federation): the NMPF develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. NMPF provides a forum through which dairy farmers and their cooperatives formulate policy on national issues that affect milk production and marketing.

Norma Oficial Mexicana (NOM): the NOM is published in the Diario Oficial with the final ruling, just as the U.S. publishes rulings in the Federal Register.

Normal Trade Relations (NTR): the term applied to Most Favored Nation (MFN) status for trading partners of the U.S. The U.S. extends NTR/MFN treatment to all of its trading partners. Some countries, such as Cuba and North Korea, are denied NTR treatment.

Non-Tariff Trade Barriers: government measures other than tariffs that restrict trade flows. Examples of non-tariff barriers include quarantine restrictions, import licensing, variable levies, import quotas, and technical barriers to trade.

Organization for Economic Cooperation and Development (OECD): an international organization made up of European countries, Japan, Korea, Israel, Australia, New Zealand, Canada, Mexico, and the United States that allows these governments to discuss, develop, and perfect economic and social policy. They compare experiences, seek answers to common problems, and work to coordinate domestic and international policies.

PNW (Pacific Northwest): region of the United States that encompasses six states (Oregon, Washington, Idaho, Montana, Wyoming and Alaska).

PRA (Pest Risk Assessment): is a process of investigation, evaluation of information and decision making with respect to a certain pest that starts once it is known or determined that this pest is a quarantine pest. Subsequently an evaluation of the potential of introduction of the pest into the country is done. With identification, determination and evaluation done, the process culminates with decision making to avoid or reduce the probability of entrance or establishment of the pest into the country.

Price Pooling: a price pooling system allows a State Trading Enterprise (STE– see below) greater flexibility in export pricing relative to private grain trading companies. Under the pool system, prices to producers may be averaged across grades and quality differences, time of year, and in some cases, freight charges. The degree to which pools are segmented by grade, quality, marketing period, and location defines how much flexibility the STE has in pricing products for export.

Quota: a specified quantitative limit of a product that can be imported from a specified country.

Reference Price: the minimum import price for certain farm products, normally based on an average of the country's market or producer prices over a given period. Specifically refers to a commodity of a prescribed quality which may be supported by intervention measures.

Risk Management Document (RMD): it includes a summary of the findings of a pest risk assessment and records the pest risk management process for the identified issue.

Sanitary and Phytosanitary Measures (SPS): sanitary and phytosanitary measures are laws, regulations, and procedures adopted by governments to protect animal, plant, or human health. International trading rules embodied in the General Agreement on Tariffs and Trade (GATT) have always recognized the right of each country to adopt and maintain any measure deemed necessary to protect human, animal or plant health. Under the Uruguay Round Agreement on the Application of SPS measures, WTO member countries agreed to base any SPS measures on an assessment of risks posed by the import in question and to use scientific methods in assessing the risk.

State National Harmonization Program for Seed Potatoes (SNHP): harmonization program that is a collaborative effort between the USDA-APHIS, the National Potato Council, the USPB, the National Plant Board and state seed certification agencies. Each participating state agrees to follow baseline standards regarding both quarantine and non-quarantine potato pests, creating a framework in which interstate and international commerce can be facilitated.

State Trading Enterprise (STE): governmental and non-governmental enterprises, including marketing boards, which have been granted exclusivity, special rights or privileges, including statutory or constitutional powers, in which they influence purchases or sales in the level or direction of imports or exports. (Understanding on the Interpretations of Article XVII of GATT 1994)

Subsidy: an economic benefit granted by a government to producers, often to strengthen their

competitive advantage. The subsidy may be direct (a cash grant) or indirect (e.g. low-interest export credits guaranteed by a government agency).

Tariff: a tax imposed by a government on imports or exports. A tariff may be imposed to protect domestic industries from imported goods or to generate revenue and may be either a fixed charge per unit of product imported (specific tariff) or a fixed% of value (ad valorem tariff).

Tariffication: the process of converting nontariff trade barriers to bound tariffs. This was done under the Uruguay Round Agreement on Agriculture in order to improve the transparency of existing agricultural trade barriers and facilitate their proposed reduction.

Tariff-Rate Quota (TRQ): a two-tiered tariff scheme. A lower tariff applies to imported goods in a quantity below the specified quantitative (quota) amount. Any amount that is imported after this initial quota has been filled faces a significantly higher tariff rate.

Transatlantic Trade Investment Partnership (TTIP): a trade agreement that is presently being negotiated between the European Union and the United States. Beginning in 2013, the agreement aims to remove trade barriers in a wide range of economic sectors to make it easier to buy and sell goods and services between the EU and the U.S. On top of cutting tariffs across all sectors, the EU and the US want to tackle barriers behind the customs border – such as differences in technical regulations, standards and approval procedures.

Union for the Protection of New Varieties of Plants (UPOV): the International Union for the Protection of New Varieties of Plants is an intergovernmental organization with headquarters in Geneva, Switzerland. UPOV was established by the International Convention for the Protection of New Varieties of Plants which was signed in Paris in 1961 and entered into force in 1968. As of February 2020, there were 76 member countries.

USDA-AMS (United States Department of Agriculture's Agricultural Marketing Service): the USDA-AMS administers programs that facilitate the efficient, fair marketing of U.S. agricultural products, including food, fiber, and specialty crops.

USDEC (United States Dairy Export Council): is a non-profit, independent membership organization that represents the global trade interests of U.S. dairy producers, proprietary processors and cooperatives, ingredient suppliers and export traders.

USDOC (United States Department of Commerce): the U.S. Department of Commerce is a federal government agency that has a wide range of responsibilities in the areas of trade, economic development, technology, entrepreneurship and business development, environmental stewardship, and statistical research and analysis.

Value Added Tax (VAT): an indirect tax on consumption that is levied at each discrete point in the chain of production and distribution, from the raw material stage to final consumption. Each processor or merchant pays a tax proportional to the amount by which he increases the value of the goods he purchases for resale after making his own contribution.

World Customs Organization (WCO): established in 1952, the WCO is a worldwide, intergovernmental organization designed to increase the effectiveness and efficiency of the customs systems worldwide.

World Trade Organization (WTO): established on January 1, 1995, as a result of the Uruguay Round, the WTO replaced GATT as the legal and institutional foundation of the multilateral trading system of member countries. Located in Geneva, Switzerland, it provides the principal contractual obligations determining how governments frame and implement domestic trade legislation and regulations.