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2013 MRL Workshop California Specialty Crop Council

Presented Remotely by

Bob Schramm

Schramm, Williams & Associates, Inc.



2013 MRL Workshop

June 5-6, 2013

Federal Specialty Crop Pending Issues

- Legislation
- Regulatory Matters
- Trade Agreements



Federal Specialty Crop Pending Issues

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Legislation

- Immigration
- Tax Reform (estate tax, cash accounting, etc.)
- Water
 - Costa Bill
- Appropriations
 - Ag, Water
- Continuing Resolution?
 - Sequestration
- Debt Limit Vote (When)



Federal Specialty Crop Pending Issues

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Regulatory Matters

- Food Safety Modernization Act
 - Pending Comments Due Sept. 2013
 - Food Importer Obligations
 - Product Tracing Systems for Food



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Federal Specialty Crop Pending Issues

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Trade Agreements

- TPP & TTIP
 - Cong. Devin Nunes, Chair, Trade Subcommittee
 - National Export Initiative (Increase Exports by 50%)
- Trans-Pacific Partnership
 - Japan
- Transatlantic Trade Investment Partnership (US/EC Free Trade Agreement)



U.S. Trade in Fresh Fruits, Vegetables and Tree Nuts

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Year	Imports	Exports	Balance
1995	\$4,546,941,000	\$5,155,383,000	\$608,442,000
1997	\$5,277,013,000	\$5,362,865,000	\$85,852,000
1999	\$6,528,175,000	\$4,916,736,000	(\$1,611,439,000)
2001	\$6,850,065,000	\$5,330,162,000	(\$1,519,903,000)
2003	\$8,184,958,000	\$6,048,928,000	(\$2,136,030,000)
2005	\$10,142,166,000	\$7,846,740,000	(\$2,295,426,000)
2007	\$12,386,239,000	\$9,150,442,000	(\$3,235,797,000)
2009	\$13,234,928,000	\$10,666,140,000	(\$2,568,788,000)
2011	\$16,977,042,000	\$13,764,544,000	(\$3,212,498,000)
2012	\$14,766,725,000	\$13,437,627,000	(\$1,329,098,000)

Note: Trade data above denotes chapters 7, 8 and 20 of the Harmonized Tariff Schedule.

Prepared by Schramm, Williams & Associates, Inc. using data from the U.S. Department of Commerce

U.S. Trade in Fresh and Processed Fruits, Vegetables and Tree Nuts

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Year	Imports	Exports	Balance
1995	\$6,495,846,000	\$7,005,251,000	\$509,405,000
1997	\$7,668,272,000	\$7,414,348,000	(\$253,924,000)
1999	\$9,168,521,000	\$7,048,742,000	(\$2,119,779,000)
2001	\$9,446,284,000	\$7,342,137,000	(\$2,104,147,000)
2003	\$11,366,350,000	\$8,047,255,000	(\$3,319,095,000)
2005	\$14,076,081,000	\$10,138,957,000	(\$3,937,124,000)
2007	\$17,668,669,000	\$12,000,428,000	(\$5,668,241,000)
2009	\$18,400,240,000	\$13,984,901,000	(\$4,415,339,000)
2011	\$23,436,547,000	\$17,915,619,000	(\$5,520,928,000)
2012	\$20,905,097,000	\$17,551,024,000	(\$3,354,073,000)

Note: Trade data above denotes chapters 7, 8 and 20 of the Harmonized Tariff Schedule.

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Transatlantic Trade Investment Partnership

General Negotiating Objectives

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- US/EC Fresh Fruit & Vegetable Trade balance
 - US \$2 billion (\$1.7 billion tree nuts)
 - EC \$350 million
- Sanitary and phytosanitary measures and technical barriers to trade
- Removal of tariffs and non-tariff barriers
 - Economic costs and benefits to U.S. producers and consumers



Transatlantic Trade Investment Partnership

General Negotiating Objectives

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- Treatment of specific goods (described by HTSUS numbers)
 - Product-specific import or export interests or barriers,
 - Particular measures that should be addressed in the negotiations, and
 - Approach to tariff negotiations



Transatlantic Trade Investment Partnership

General Negotiating Objectives

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- Customs measures
 - Apply only to goods eligible to receive such treatment
 - Appropriate rules of origin
 - Ensure transparent, efficient, and predictable conduct of customs operations
 - Remove unwarranted procedural obstacles to trade



Transatlantic Trade Investment Partnership

General Negotiating Objectives

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- Greater transatlantic regulatory compatibility with respect to health, safety and the environment
 - (Fruit and vegetable grade standards?)
- Reduce unnecessary costs and administrative delays stemming from regulatory differences
 - (Regulatory Equivalency?)
- Relevant trade-related intellectual property rights
- Relevant competition-related matters that should be addressed in the negotiations



Transatlantic Trade Investment Partnership

General Negotiating Objectives

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- Relevant government procurement issues
- Relevant environmental issues
- Relevant labor issues
- Relevant transparency and anticorruption issues that should be addressed in the negotiations



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Specialty Crop Farm Bill Alliance

- ❑ 2013 Farm Bill General Information
- ❑ Senate/House Similar Farm Bill Provisions
- ❑ House Amendments
- ❑ Senate Amendments
- ❑ House-Senate Farm Bill Conference



2013 Farm Bill Status

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- Senate –
 - Senate Floor
 - Completion?

- House –
 - Modified Rule (Limited amendments)



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Senate/House Similar Farm Bill Provisions

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- ❑ Funding for Export Credit Guarantee Program
- ❑ Funding for Market Access Program
- ❑ Foreign Market Development Cooperator Program
- ❑ Promotion of Agricultural Exports to Emerging Markets
- ❑ Technical Assistance for Specialty Crops
 - “Technical Barriers to Trade”
- ❑ State Block Grants
- ❑ GSM-102 Export Guarantee Program
- ❑ Specialty Crop Committee
- ❑ Under Sec, for Trade



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House Amendments

Federal Agriculture Reform and Risk
Management Act of 2013, H.R. 1947



House Committee Amendments

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- ❑ National Clean Plant Network
- ❑ State Block Grants
- ❑ Commerce Clause
- ❑ Christmas Tree Promotion, Research and Information Order
- ❑ Restore Fresh Fruit and Vegetable Program Dried Fruits
- ❑ Repeal of Grant Program to Improve Movement of Specialty Crops



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Senate Amendments

Agriculture Reform, Food and Jobs Act of 2013,
S.954



Senate Committee Amendments

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- Export Apple Act



Senate Floor Proposed Amendments

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- Crop Insurance Premium Subsidy Limitation
- Crop Insurance Premium Subsidy 15 Percent Reduction
- SCBG Reduction from \$70 million to \$55 million
- MAP Reduction from \$200 million to \$160 million
- Requires HHS and FDA to do a Scientific and Economic Analysis of FSMA Law
- Increase Number of Farms Exempt from FSMA
- Pilot Insurance Program-Quarantine & Food Safety Events



House-Senate Farm Bill Conference

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- July/August 2013?



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MRL Cases



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MRL Cases

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- Pistachio MRL Japan Problem
 - MHLW did not use the correct equipment
 - Japan registrant

- European Olive Oil - 98 Containers Stopped Chlorpyrifos
 - EC has not registered chemical in US - TTIP



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SPS Export Insurance Study



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SPS Export Insurance Study

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- TASC Funded

- 0.2% Denied Entry
 - Low premium but will exporters purchase

- Table Grape Export (Weed Seed)

- Potato Export (Sprouts)



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