

# Foreign Agricultural Service's Role in Addressing Trade- Related MRL Issues

Julie Scott

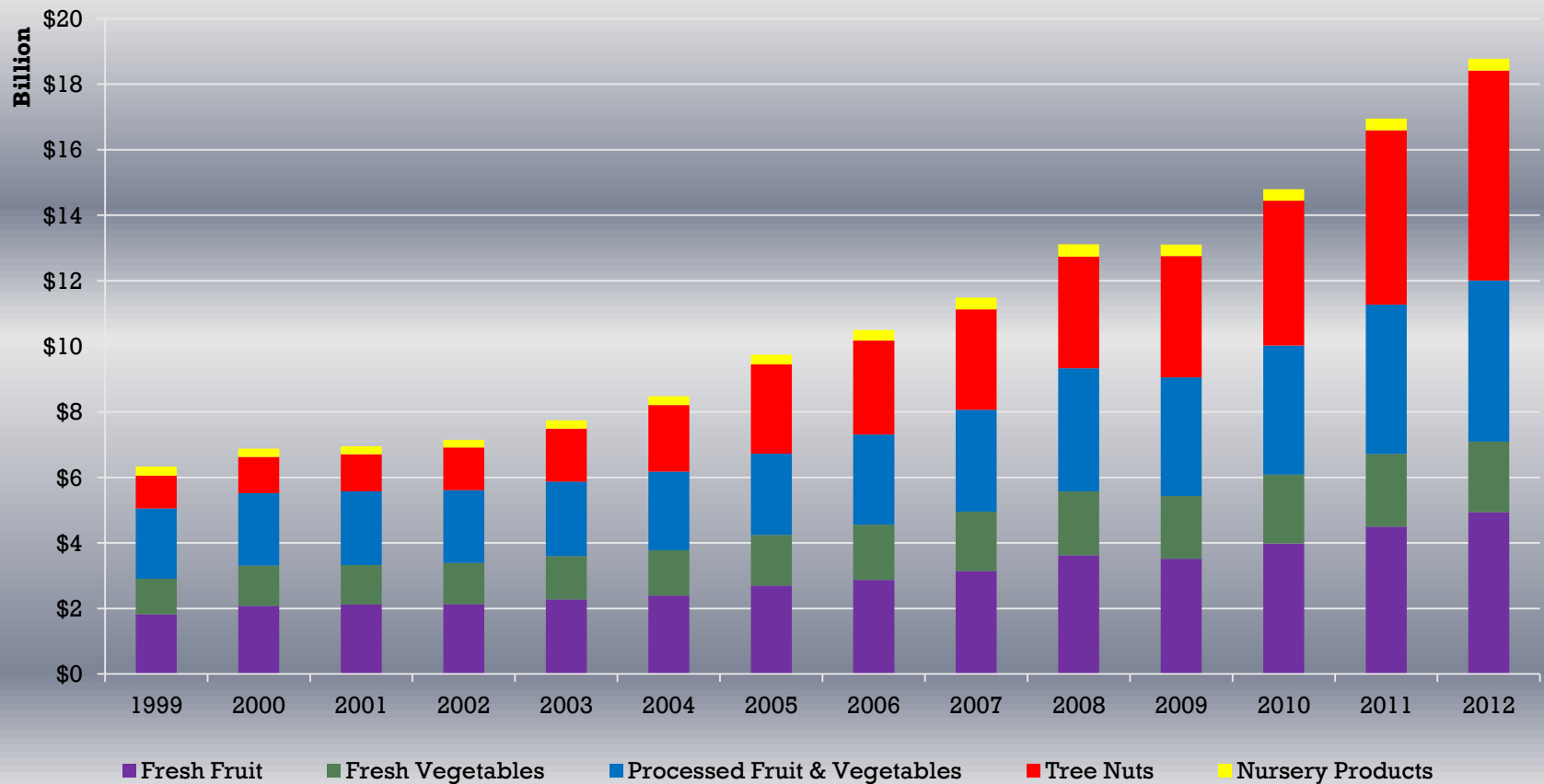
Foreign Agricultural Service

U.S. Department of Agriculture



# U.S. Specialty Crop Exports

**Export Value of U.S. Specialty Crops**

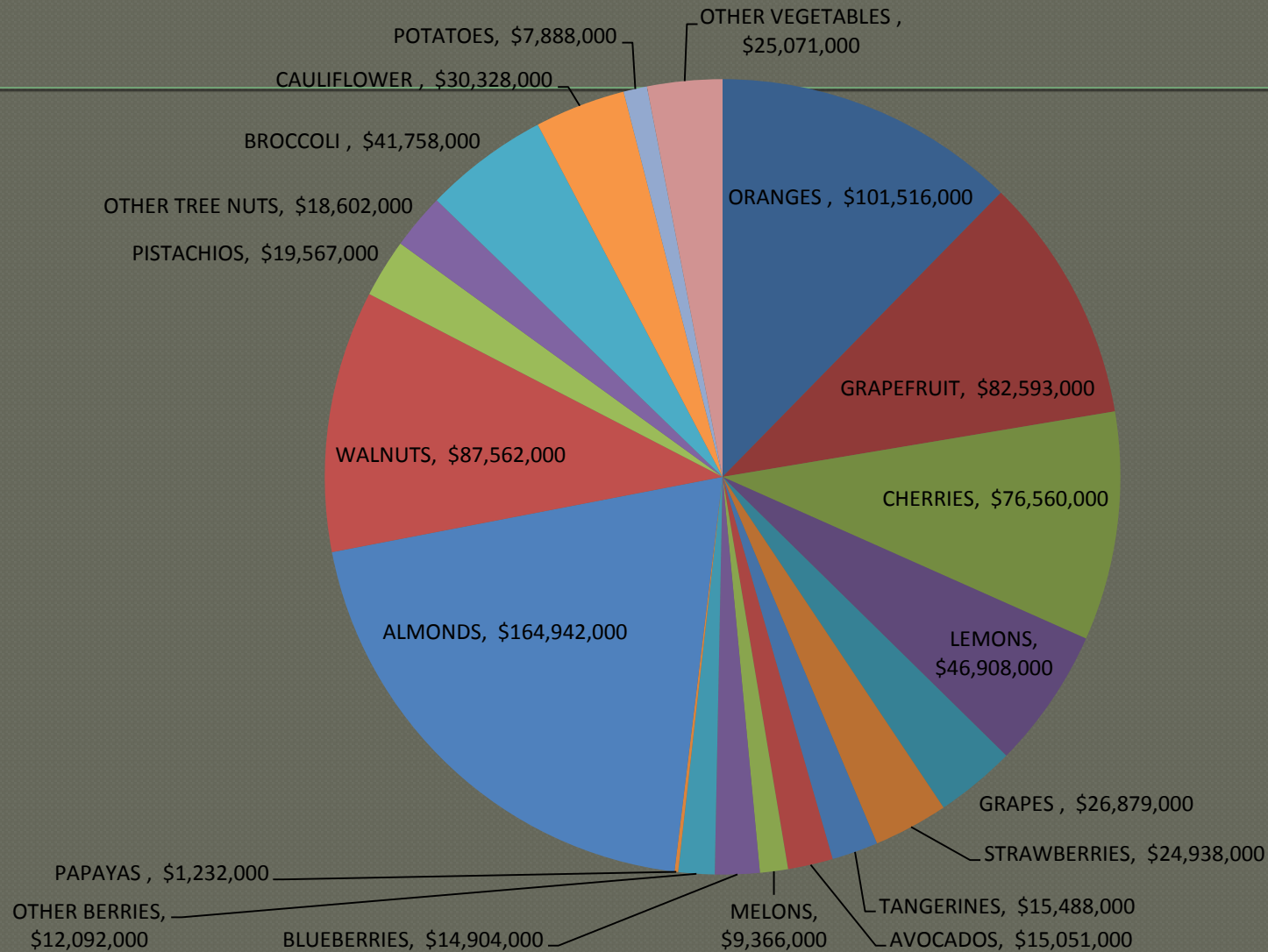


# 2012 Top Export Markets for Specialty Crops

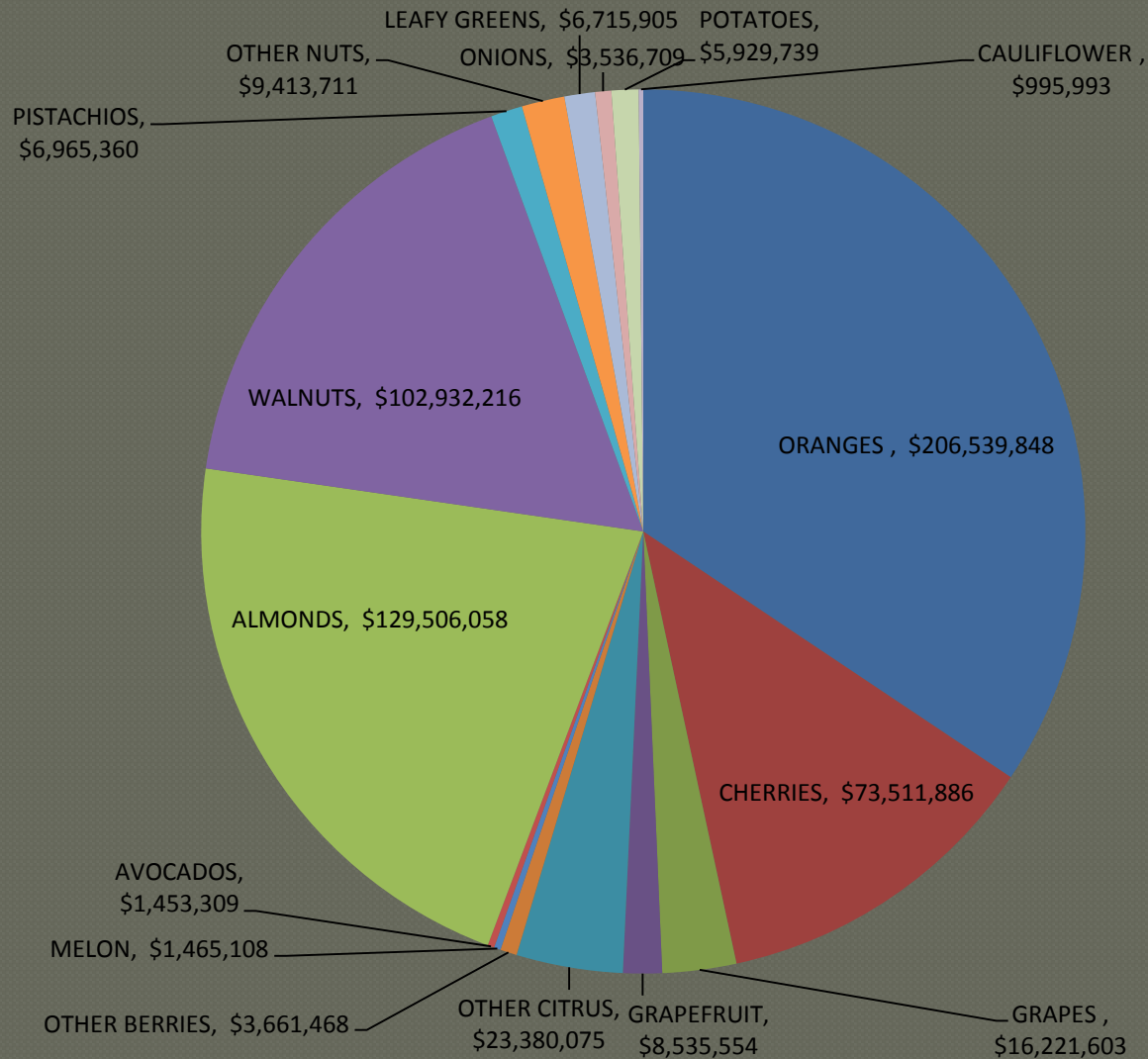
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- 1. Canada \$4.1 Billion
- 2. Hong Kong \$1.6 Billion
- 3. Mexico \$940 Million
- 4. Japan \$880 Million
- 5. Korea \$644 Million
- 6. China \$509 Million

# Exports to Japan



# Exports to Korea



# MRL Dis-Harmonization

- ◉ Different methodologies for assessing and evaluating the risks
- ◉ Lack of economic interest to request the establishment of MRLs
- ◉ Lengthy time and expense to develop the required registration data
- ◉ This results in various scenarios: National MRLs, Codex MRLs, default tolerances, deferral to export country MRLs

# MRL Violations and Commercial Risks

- US growers have access to latest pesticide technologies
- MRL violations in export markets can trigger sanctions against an entire industry
- Potential losses of export sales can be significant and a deterrent to trade

# Addressing MRL-Related Barriers to Trade

- Since 2002, FAS has allocated over \$6 million in support of projects addressing MRL-related trade barriers
- FAS has supported MRL database development, workshops, technical visits from foreign regulators, MRL harmonization research
- The goal of these projects is to develop and share information for removing unnecessary trade barriers related to MRLs



# Technical Assistance for Specialty Crop (TASC) Program

- The TASC program addresses SPS issues for U.S. specialty crops
- Currently, FAS is accepting TASC applications on a rolling basis
- \$4.1 million is remaining for FY 2013

# FAS Outreach Efforts to US Agricultural Industry

- Check MRL Database  
(<http://www.mrldatabase.com>)
- Reference Pesticide Database Program published  
by the Agricultural Marketing Service  
(<http://www.ams.usda.gov/AMSv1.0/pdp>)
- Implement Good Agricultural Practices (GAP)
- Review spray records before shipping product

# Consultations with US Agricultural Industry

- FAS collaborates with the US agriculture industry to resolve technical trade issues impacting plant products
- The Agricultural Policy Advisory Committee and six Agricultural Technical Advisory Committees provide advice and make recommendations to USDA and USTR on agricultural trade issues
- FAS is currently accepting applications for membership

# Inter-Agency and Industry Coordination

- We draw upon regulatory and technical expertise to assess issues and develop strategies for resolving issues based on sound science
- FAS leadership communicates USDA's concerns to foreign government counterparts

# Japan

- Established an MRL Positive List in 2006
  - FAS is coordinating the review of provisional MRLs with EPA and industry
  - FAS addressed concerns with Japan in the Regulatory Reform Initiative- Economic Harmonization Initiative forums
- Stringent enforcement for MRL violations
  - Established an MOU addressing MRL violations on US specialty crop products
  - Coordinate MRL compliance plans with US agricultural industry.

# Japan- con't

- ◉ Food additive designation required by law for any post-harvest fungicides
- ◉ Lengthy review and approval process for pesticides
- ◉ Recent success- simultaneous applications now accepted by Japan (May 2013)
- ◉ Fumigation changes (May 2013)

# Korea

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- Moving to a positive list in 2016
- Will defer to Codex MRLs during the transition
- FAS is working with EPA to supply data to Korea in support of priority MRLs
- Korea has agreed to postpone implementation if reviews are not completed by 2016
- Korea has a stringent MRL enforcement regime, and has increased testing based on violations in regional third markets
- Inspection volumes and rejection rates are increasing



# Taiwan

- Large backlog in MRL applications
- Address MRL concerns in annual US –Taiwan Food Safety bilateral trade forum
- Coordinate the establishment of US MRL priorities and data sharing with EPA and Taiwan
- Facilitated technical exchanges between EPA and Taiwan regulators
- TIFAs restarted- March 2013



# China

- ◉ Developing a positive list system
- ◉ FAS funded a capacity building project, whereby EPA has worked closely with ICAMA to build their technical capacity
- ◉ FAS will work to get U.S. priorities addressed as ICAMA begins to implement their MRL regime

# European Union

- Many EU MRLs are more restrictive than U.S. MRLs
- Under the Transatlantic-Trade and Investment Partnership, the EU has agreed to establish a forum to discuss MRL harmonization
- U.S. will be able to prioritize import tolerance applications

Questions?