

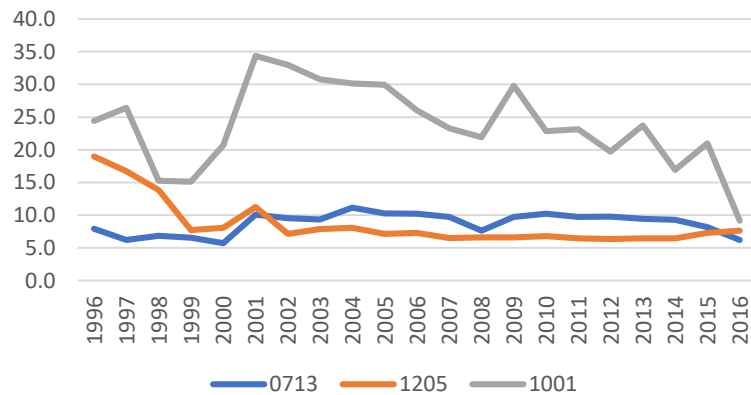


# CANADA GRAINS COUNCIL

Update on International MRL Coalitions

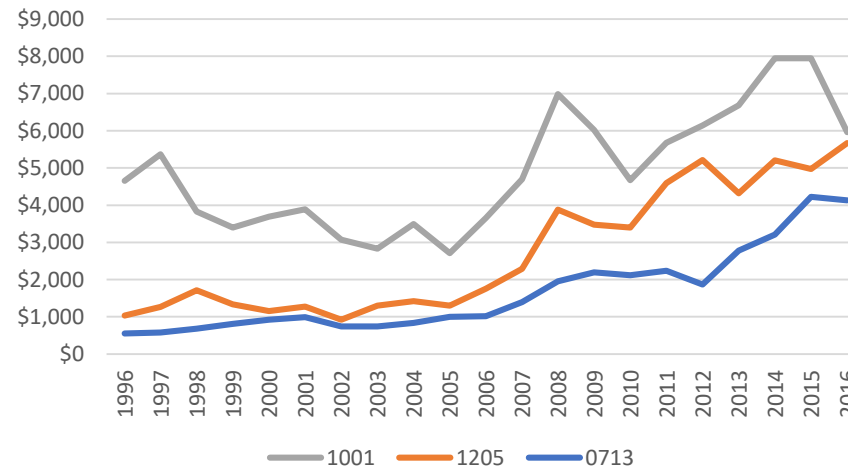
# MRLs and protectionism?

Average Applied Tariffs (MFN)



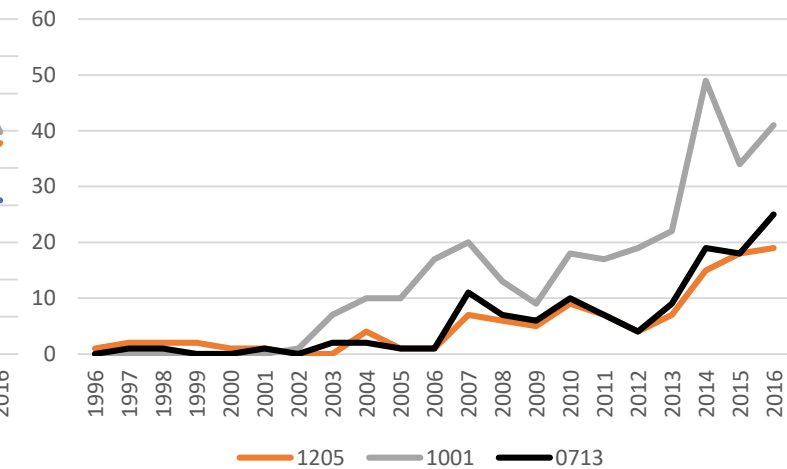
Average % AV Applied MFN Tariff  
Average of China, Japan, United States, India, Mexico, Pakistan, UAE, EU, Turkey, Colombia  
Sourced from WTO tariff download facility

Canadian Exports



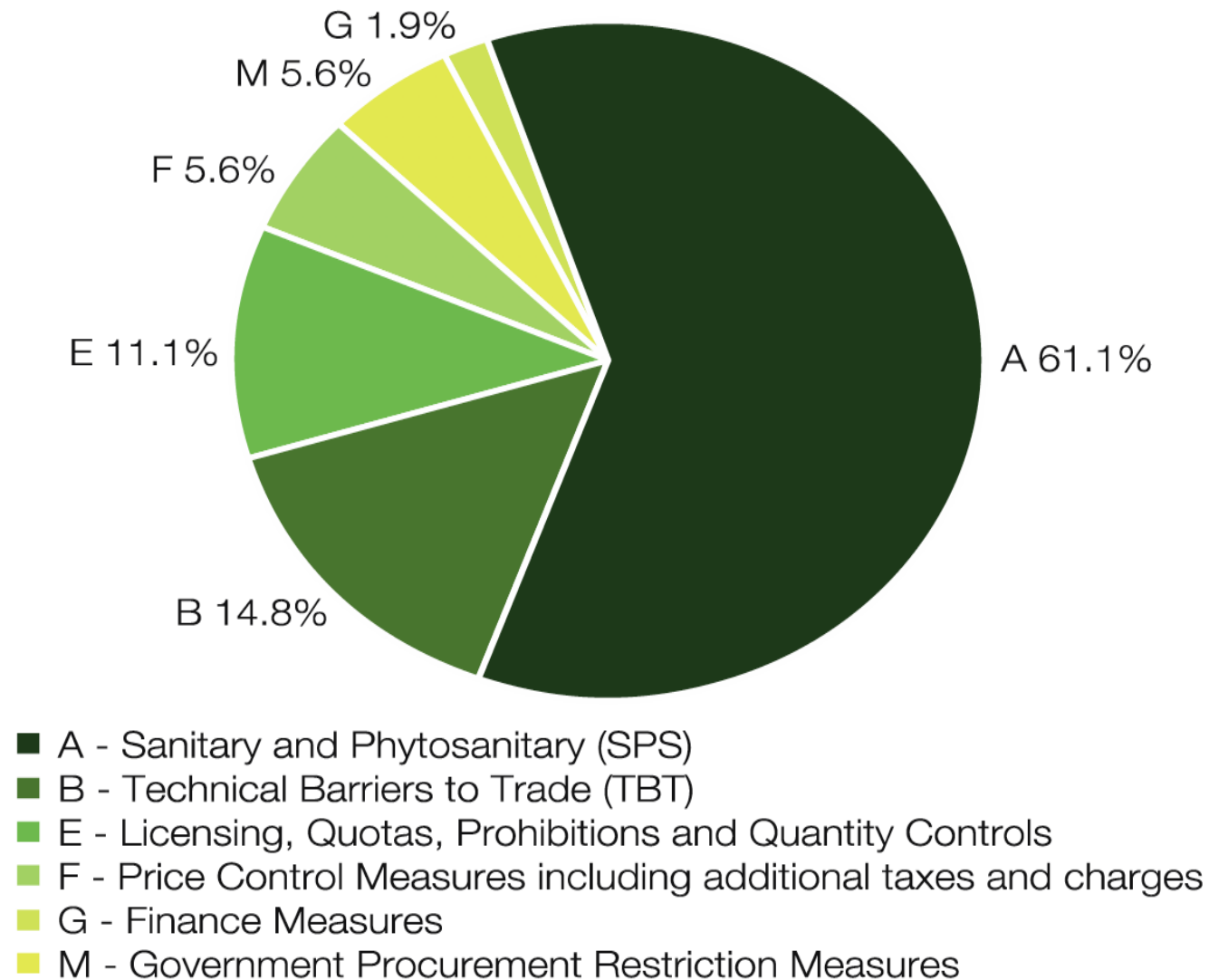
X1,000 \$CDN  
Total Canadian exports  
Sourced from Industry Canada

WTO SPS MRL Notifications

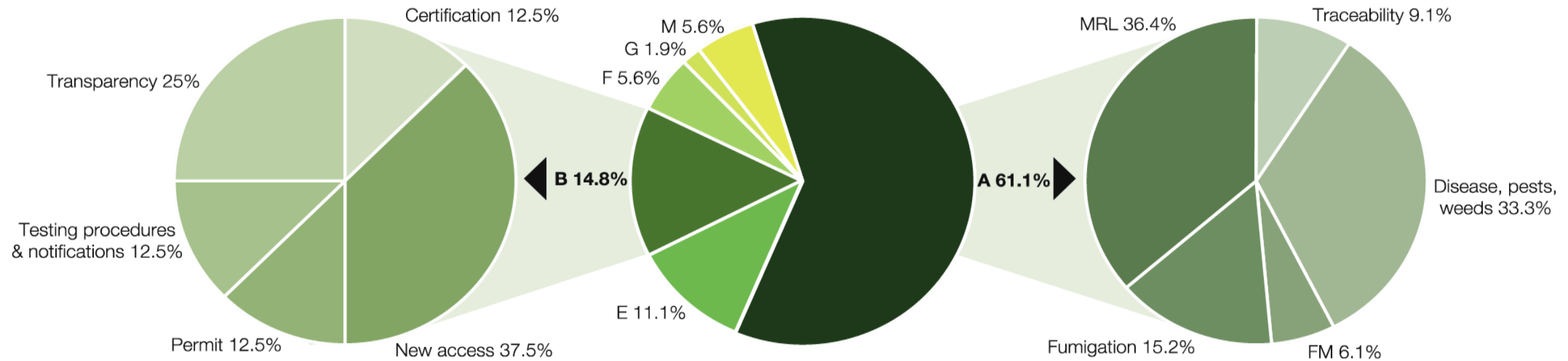


WTO SPS MRL Notifications

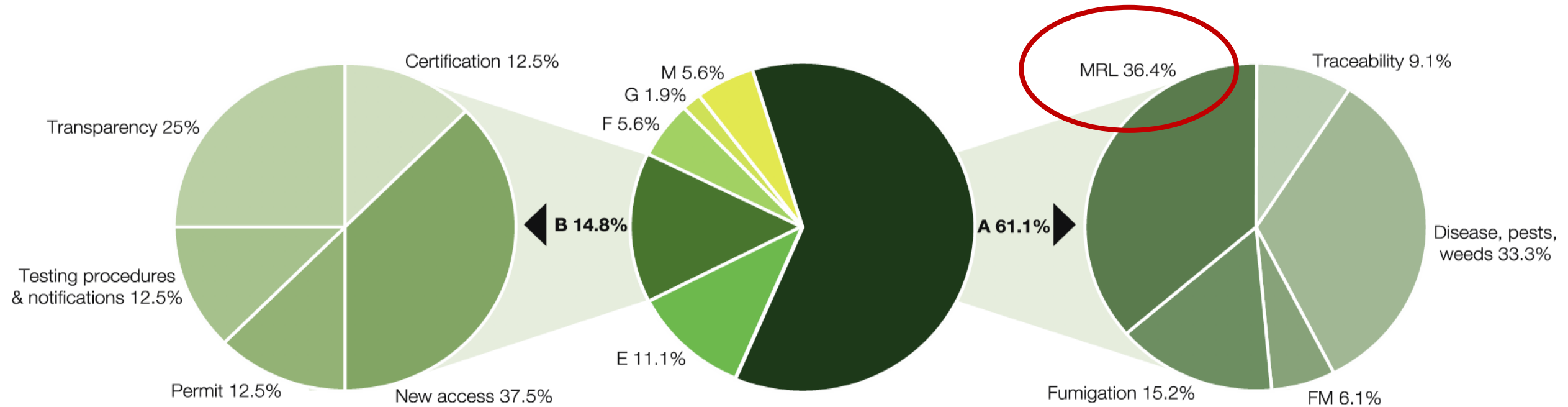
# Non-Tariff Barriers to Trade (NTBs): Results by source of NTB



# Results by source of NTB cont'd



# Results by source of NTB cont'd



# Canadian Export Dependency

Population (2018): 37 million

Number of Farms: 193,492

Arable Land (2016): 159 million acres

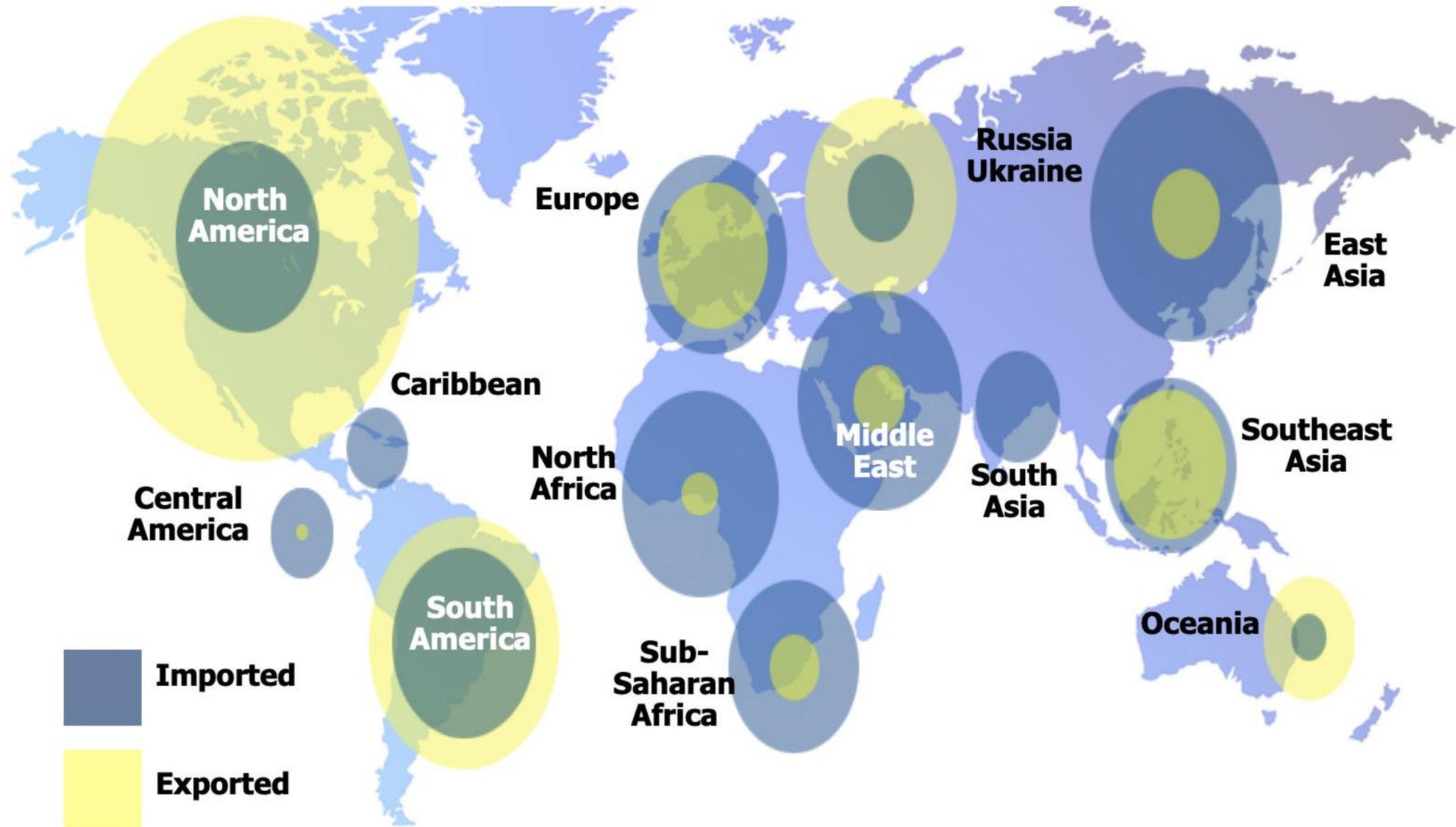
**OILSEEDS:** Canada exports about 90% of oilseed production when exports of oil and meal are included

**CEREALS:** Canada is the largest oat exporters in the world, supplies about 20% of the global malting barley market, and accounts for about 50% of global durum wheat trade.

**PULSES and SPECIAL CROPS:** Canada exports about 80% of its pulse production, and has been the world's dominant supplier of peas, lentils, mustard, and canaryseed



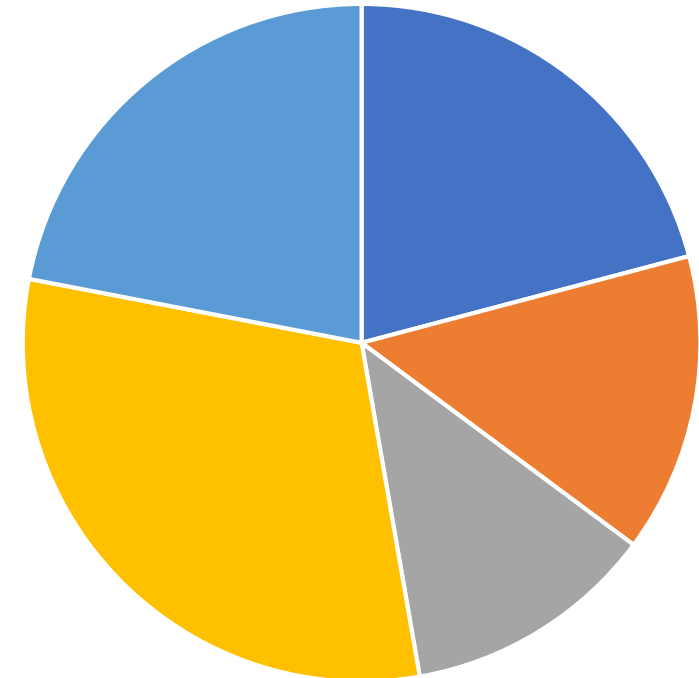
# Which countries does this affect?



Source: International Grains Council

# Shift in trading environment?

1. More missing MRLs and potential application of zero- or near-zero defaults
  - Less use of international standards (Codex MRLs)
2. Residue testing more sensitive
3. Heightened monitoring/testing
4. Hazard-based MRLs
5. Increased sensitivity to public attitude towards pesticides



Importer Use of MRLs by Source:

- Other
- National, Codex
- National
- EU deferral
- Codex and Codex recommended

Canadian Export Destinations – 91 Countries

# MRL highlights from past 12 months

- Italy protectionism
- California court decision(s), Brazil, India
- EU hazard-based criteria
- Asia MRL developments: China import tolerances, Korea extension, Vietnam
- Momentum building at APEC:
  - October 2018 APEC MRL workshop
  - Upcoming APEC Grain Trade Facilitation Forum
- Momentum building at WTO

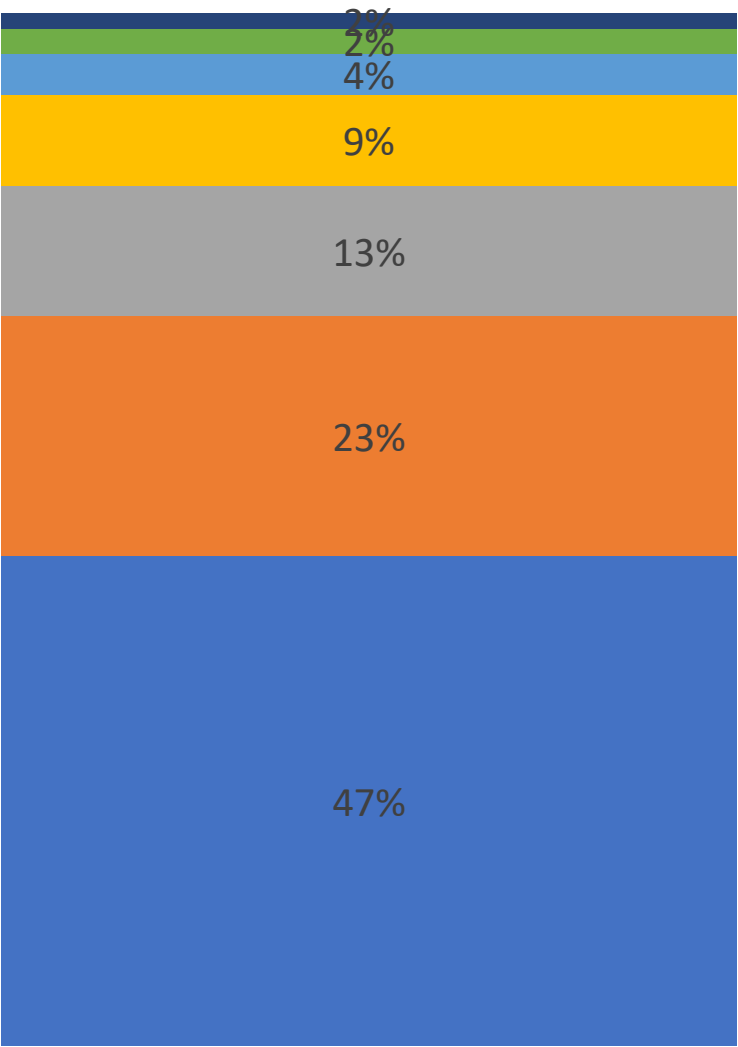
# WTO-related activity on MRLs

- Original India 2015 paper criticizing missing MRLs for tea, spices and rice
- October 2016 Pesticide MRL Workshop – WTO SPS cmte
- Joint MRL Statement at 2017 WTO Ministerial
- Glyphosate re-registration (7 different WTO member interventions on EU proposed revocation)
- Intervention on EU pesticides policies, EU Endocrine Disruptors/EU 1107(2009). Examples:
  - Lowering of Metalaxyl to LOD: raised at WTO in 2017/2018
- February 2018 missing MRL workshop in Geneva
- June 2018: MRL recommendations for endorsement by WTO SPS 5<sup>th</sup> review – signed by 18 governments

# International MRL noncompliances by the numbers

Noncompliances reported during the most recent year of publicly available data (all origins, all products):

2,907



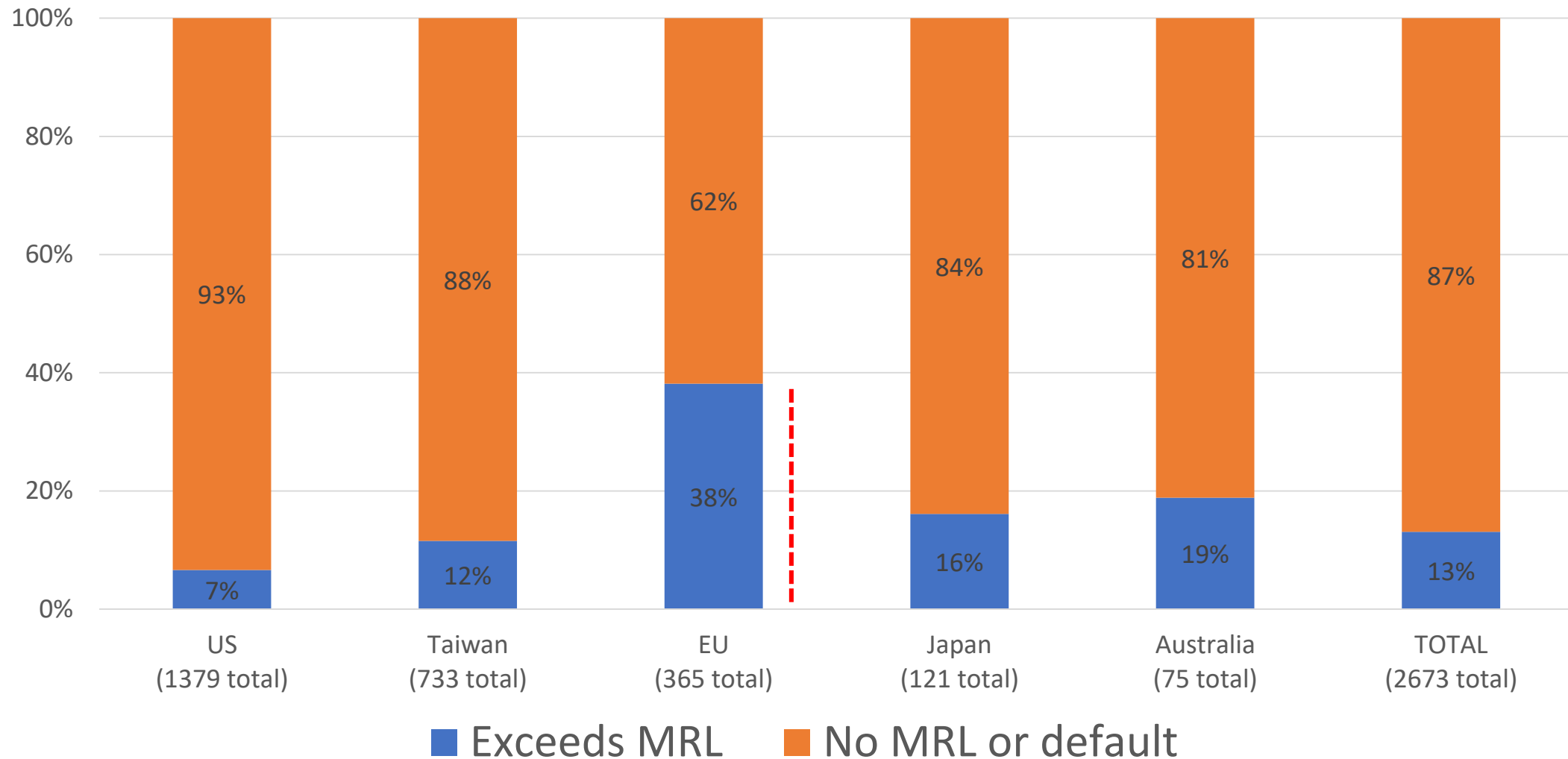
Import country reporting noncompliance:

- United States
- Taiwan
- EU
- Canada
- Japan
- Australia
- Hong Kong

MRL violations for most recent one-year period with available data. US: October 1, 2013 – September 30, 2014; Canada: April 1 2013 – March 31, 2014; Australia, EU, Hong Kong, Japan, & Taiwan: July 1, 2016 until June 30, 2017.

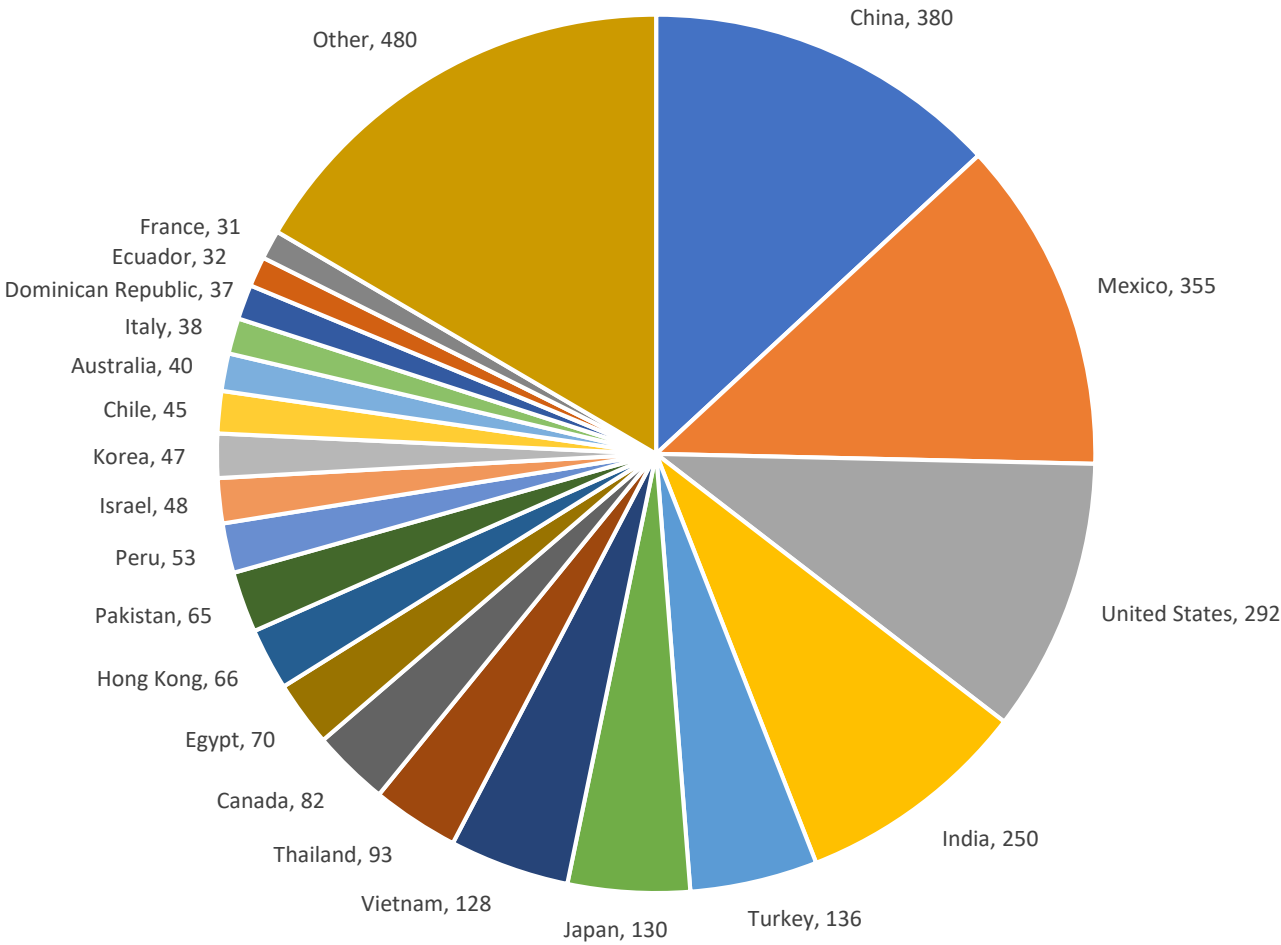


# Proportion of MRL noncompliances due to no MRL or default – provisional data



MRL violations for most recent one-year period with available data. US: October 1, 2013 – September 30, 2014; Australia, EU, Japan, & Taiwan: July 1, 2016 until June 30, 2017. Taiwan and Japan violations of 0.01 ppm or less marked as “No MRL or default”

# MRL Noncompliances by Country of Origin

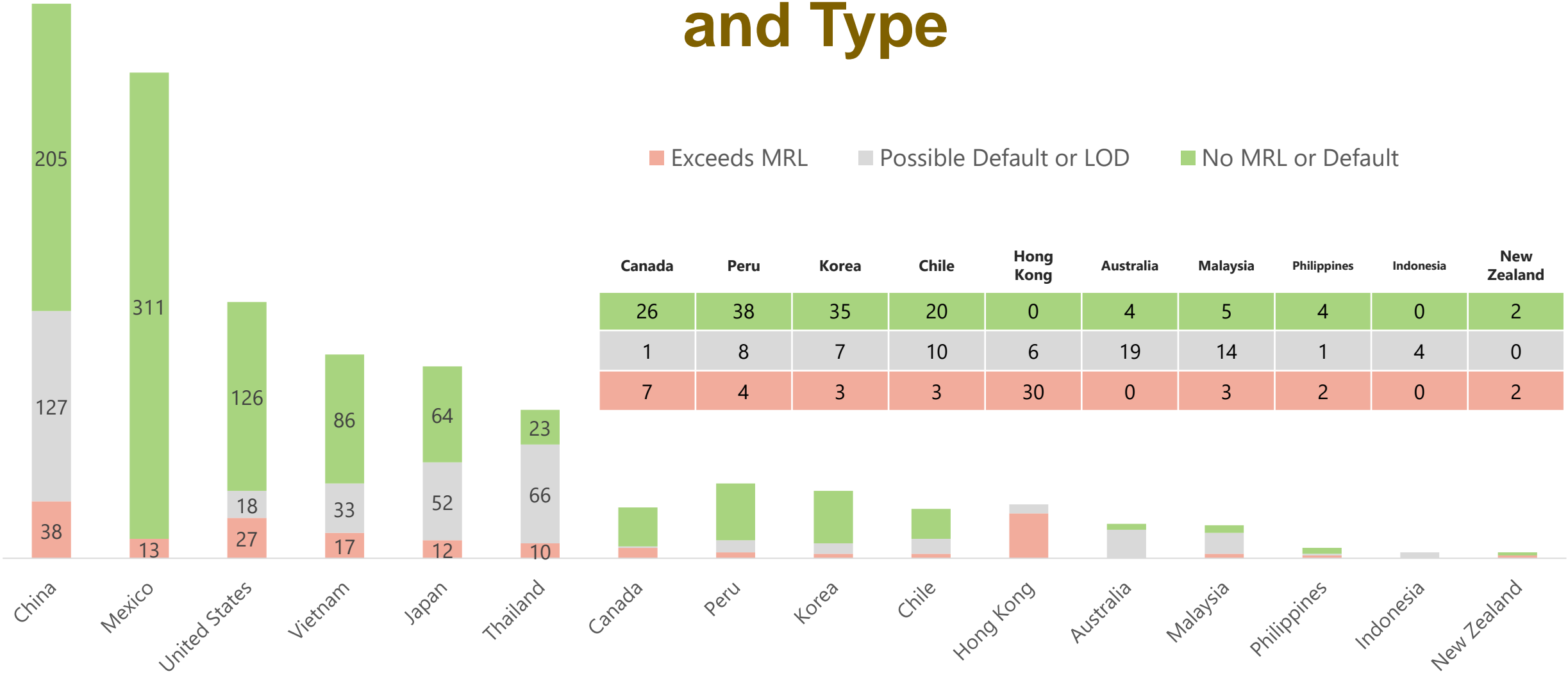


	Country	Violations
1.	China	380
2.	Mexico	355
3.	United States	292
4.	India	250
5.	Turkey	136
6.	Japan	130
7.	Vietnam	128

MRL violations for most recent one-year period with available data. US: October 1, 2013 – September 30, 2014; Canada: April 1 2013 – March 31, 2014; Australia, EU, Hong Kong, Japan, & Taiwan: July 1, 2016 until June 30, 2017.



# MRL Noncompliances by Country of Origin and Type



# Trade-Enabling Solutions

1. Mitigate risk of noncompliances for missing MRLs through interim deferral to Codex MRLs (industry coordination through IGTC)
2. Improve Codex MRL setting process (industry coordination through IAFN)
3. Mitigate short term trade risk through value chain assessment (driven through National Commodity Associations for 'Keep it Clean' initiative)

## International Coalition Work:

- Broad, multi-commodity, multi-country efforts on trade-enabling solutions

# Mitigate Short-Term Trade Risk

Short term:

- [www.keepingitclean.ca](http://www.keepingitclean.ca)
- (also: CGC process for MRL grower advisories)

But: not using technology is not an acceptable solution

### PRE-HARVEST INTERVAL

Growers can protect their crop marketing options and keep markets open for everyone by following the label at all points in the season. Applying crop protection products or desiccants without following label directions may result in unacceptable residue levels that exceed established maximum residue limits (MRLs).

Following the label includes:

- Using a product only on the crops it is registered for.
- Correctly timing the application.
- Strictly adhering to the pre-harvest interval (PHI).

Also known as the spray to swath interval, the PHI outlines the number of days that must pass between the application of any crop protection product and cutting the crop by either swathing or straight-cutting.



### Follow Us



#### Twitter

**Keep it Clean!** Be sure to grow only varieties rated R or MR to blackleg, and rotate varieties to bring a mix of resistance genes a... <https://t.co/20Kj23eG3>  
Tuesday, 25 September 2018 23:01

#### Keep it Clean! Videos



# 5 SIMPLE TIPS TO KEEP YOUR CROPS READY FOR MARKET



## SIMPLE TIP #1

### Use Acceptable Pesticides Only

Only apply pesticides that are both registered for use on your crop in Canada and won't create trade concerns. Talk to your grain buyer to ensure the products you are using are acceptable to both domestic and export customers.

To learn more about **Crop Protection Products and International Markets**, including export requirements, roles throughout the value chain and responsible commercialization, read this Brochure:

[Crop Protection Products and International Markets \(277 KB\)](#)



## SIMPLE TIP #2

### Always Read and Follow the Label

Always follow the label for rate, timing and **pre-harvest interval (PHI)**. The PHI is the number of days that must pass between the last application of a pesticide and swathing or straight

### Follow Us



### Products of Concern

**CANOLA**

Be informed – treated crop could create marketing concerns:

**Metconazole (e.g. Quash)** – consult grain buyer before using.

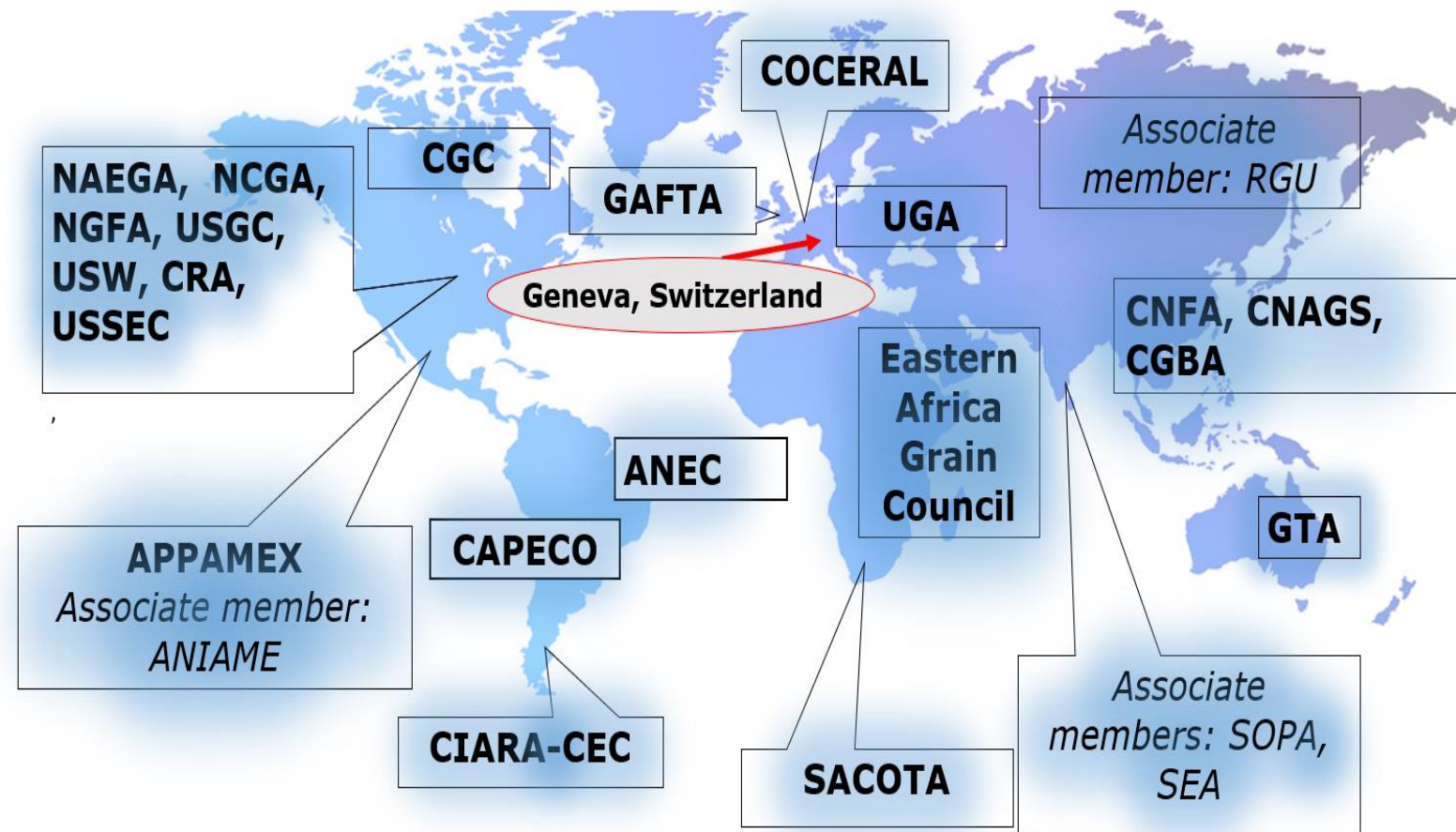
**CEREALS**

Special Considerations:

**All Cereals: Glyphosate (e.g. Roundup)** – under increased scrutiny. Rigorous adherence to guidelines, including following the label, will keep this important product in our toolbox for years to come.

# International Grain Trade Coalition (IGTC)

- Formed in 2001, focused on reducing barriers to trade. 25 associations, 8000+ businesses, 85 countries
- Key files include CBP, LLP, PBI, E-Phytos and now MRLs (as of 2018).
- A market and regulatory environment that supports trade and avoids disruptions in the international movement of grains, oilseeds, pulses and other agri bulks



# International Grain Trade Coalition (IGTC)

Work to date: IGTC MRL policy position developed, MRL policy team established, advocacy plan, Geneva outreach, member survey

Position summary:

- All WTO Member countries' use of existing international MRL standards, recommendations and guidelines where they exist
- IGTC encourages all countries to develop an interim MRL policy (could involve the use of available Codex MRLs until the country in question formally establishes an MRL)
- If no MRLs established in importing country or by Codex, interim measure policy could include countries adopting MRLs as applied in exporting countries

# Use of Codex dramatically reduces MRL risk: example

- 113 residue noncompliances originating in nine countries were publicly reported on a single fungicide by North America and the EU in most recent 12-month timeframe
- If CODEX MRLs were used for this one product, the 113 noncompliances would have been reduced by 75% to 28 noncompliances

	Actual MRL noncompliances (no use of Codex MRLs)	Number of noncompliances if Codex MRLs were used
Acceptable	0	85
Noncompliances	113	28

# Trade-Enabling Solution: Mercosur Example

## 1. If no national MRL in importing Mercosur country:

The Codex MRL for the product in question will apply if the a.i.:

- is registered in the exporting country
- has not had health concerns identified by importing country
- has not been limited in the exporting country because of risk cup

## 2. If no national or Codex MRL in place:

Importing country will adopt exporting country MRL if the a.i. meets the above conditions and the risk cup is not full based on importing country's (or Codex) ADI.

(If no ADI by Codex or importing country, case-by-case analysis that accounts for appropriate health and safety criteria)

# IAFN Coalition for an Enhanced Codex



Case studies to date on impacts: Quinoa, Peru; Peas and Beans, Kenya; Cranberries, US; Sheep, UK.

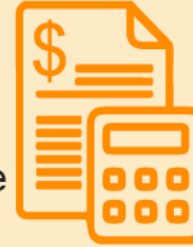
**1 Increase availability of experts**

Expand the provision of experts and expert time by national governments, as well as re-assess whether the required qualifications are unduly limiting the number of eligible scientists.



**2 Secure budgetary resources**

Secure consistent, predictable and adequate funding for scientific advice from FAO, WHO, and national governments.



**3 Reduce the delay between registration of a compound and establishment of a Codex MRL**

Consider existing reviews completed or MRLs set by competent national authorities, instead of conducting de novo data evaluations to avoid rework and delay.



**4 Increase use of Crop Grouping and Representative Commodities**

Maximize the establishment of crop group MRLs based on a review of representative and all other supporting commodity data.



**5 Strengthen implementation of JMPR and CCPR procedures and more efficient communication**

Utilize the electronic tools to allow for discussion of identified issues before the actual face-to-face JMPR meeting and to increase the number of active ingredients or additional uses reviewed at each meeting.



**6 Elevate the trade perspective at Codex**

To increase the number of Codex MRLs annually in order to avoid trade disruption and promote global misalignment, we encourage CCPR to consider greater efficiencies in its processes to reduce trade risks and put more MRLs in place.



# Call to action: case studies

IAFN looking for additional case studies to help communicate trade impacts and impacts on growers globally: [gord@canadagrainscouncil.ca](mailto:gord@canadagrainscouncil.ca)

Examples:

- Noncompliances in cases where no importing country MRL but Codex MRL in place
- Production losses because missing MRLs limit ability to use technology (whether missing national list MRLs or Codex MRLs): especially for newer invasive species
- Simple comparison of facing very few MRLs in target market vs. Much larger number of MRLs in other jurisdictions
- Others

# Questions & Comments