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**SPECIFIC ISSUES OF INTEREST TO THE CPAB:**

**Mexico Removes Medfly Requirements for Solano and Santa Clara Counties**

- U.S. officials indicated that Mexico has removed Santa Clara and Solano Counties from its lists of areas facing restrictions due to Mediterranean fruit fly (Medfly). Restrictions on host fruit from San Diego and Los Angeles counties remain in place.
- Mexico prohibits imports of any Medfly host fruit from quarantine counties. Shipments of hosts from outside quarantine areas must be accompanied by a phytosanitary certificate with an additional declaration indicating that the shipment was grown, packed, and stored outside the quarantine area. Shipments transiting quarantine areas must be sealed with the seal numbers appearing on the phytosanitary certificate.

**Taiwan Relaxes Medfly Quarantine Transit Requirements**

- U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) officials announced on May 7, 2010 that Taiwan has slightly relaxed its requirements for shipments of Mediterranean fruit fly (Medfly) and Mexican fruit fly (Mexfly) host fruit that transits the quarantine zones in Los Angeles and San Diego counties.
- Under the new rules, containers of host fruit may be sealed at the packing house and opened at LAX for transloading into air containers. The fruit does not need to be in pest-proof packaging. Two additional declarations are required on the phytosanitary certificate: "The fruit was neither produced nor packed in Mediterranean fruit fly or Mexican fruit fly regulated areas," and "Transit safeguards were conducted in the place of origin and during transloading at the port of exit."
- Previously, Taiwan required pest-proof packaging or that containers remain sealed until they reached Taiwan. The seals on sea containers must still remain intact until arrival in Taiwan. APHIS met with the industry for input and proposed the current solution to Taiwanese officials. APHIS continues to request that Taiwanese officials lift all restrictions at sea and air ports.

**LaHood Says U.S. Intends to Restart Mexican Trucking Program; Will Release Plan "Very Soon"**

- In a meeting with the Senate Transportation, Housing and Urban Development Appropriations Subcommittee on March 6, U.S. Transportation Secretary Ray LaHood stated that the Obama administration is "very close" to finalizing a plan to permit cross-border trucking from Mexico. Secretary LaHood indicated that President Obama will restart the Mexican trucking program per its commitments under the North American Free Trade Agreement (NAFTA) in an effort to remove the retaliatory tariffs on U.S. goods that Mexico imposed over a year ago.
- LaHood's statement was in response to Senator Patty Murray's (D-WA) critique of the Administration's lack of action in addressing the ongoing dispute. In a meeting between Murray and Mexican Ambassador to the U.S. Arturo Sarukhan earlier this week, Sarukhan indicated that Mexican President Felipe Calderon will likely bring up the issue with President Obama when the two meet on May 19 in Washington D.C.

**EPA Announces Petition to Register Pesticide Products for New Use on Pears**

- On May 5, the U.S. Environmental Protection Agency (EPA) announced the receipt of applications to register certain pesticide products. Included was a petition for use of Kasumin 2L with active ingredient kasugamycin hydrochloride on pome fruit (including pears) and other commodities.
- Comments are due by June 4, 2010. For more information or to submit a comment, please see: <http://edocket.access.gpo.gov/2010/pdf/2010-10137.pdf>.

**GENERAL ISSUES OF INTEREST TO THE CPAB:****Agricultural Industry Groups Call for Implementation of Stalled Trade Agreements**

- U.S. agricultural groups held a press conference on May 3 to highlight the significance of the stalled free trade agreements with Colombia, Panama, and South Korea. American Farm Bureau President Bob Stallman stated that the stalled negotiations put U.S. exporters at a disadvantage in the global marketplace as competitor countries continue to liberalize their national trade agenda by pursuing various trade agreements. National Association of Wheat Growers former president Dale Schuler reiterated this fact by claiming the U.S. wheat industry will lose market share in Colombia to Canada if the two countries implement their proposed bilateral FTA before the U.S.
- Additionally, representatives from the National Pork Producers Council and the National Cattleman's Beef Association warned of the potential detriment to these industries if the three FTAs—particularly the Korea-U.S. FTA (KORUS)—are not implemented in the near future.

**Australia and India Announce Completion of Feasibility Study on Bilateral Free Trade Agreement**

- On May 4, Australia's Minister for Trade Simon Crean and his Indian counterpart Anand Sharma announced the conclusion of the Australia-India Free Trade Agreement (FTA) Joint Feasibility Study. The study, which was initiated in April 2008, provides an overview of the Australia-India trade relationship and outlines the applicability of certain concessions under the potential FTA between the two countries. Included is an analysis of the effects of trade liberalization on the agricultural economies of both countries.
- Based on this analysis, the study recommended that both governments consider pursuing negotiations for a bilateral FTA. In a statement to the press, Crean indicated that the comprehensive FTA would open the sensitive agriculture markets of both countries in addition to providing greater access for other goods and services.
- To view the complete results of the study, please see: <http://www.dfat.gov.au/geo/india/fta-study/index.html>.

**EU Reports Progress in Development of Several Trade Agreements**

- On May 4, the EU announced the re-launch of negotiations with Mercosur (Argentina, Brazil, Paraguay, and Uruguay). Negotiations were suspended in 2004 following nine years of inconclusive negotiations between the two trading blocs.
- In response to the official resumption of negotiations, the EU's Committee of Professional Agricultural Organizations (COPA) and the General Committee for Agricultural Cooperation in the European Union (COGECA) sent a letter to the European Commission declaring its opposition to the FTA. COPA-COGECA cited the potential harm to the EU agricultural sector, particularly in the beef, pork, poultry, wheat, citrus fruit, and juice industries. The organization also stated that the pursuit of the FTA would "send the wrong message" to the EU's other trading partners by signaling that the EU is "no longer interested" in completing the Doha Round of negotiations. To view the COPA COGECA's letter, please see: <http://www.copa-cogeca.be/Download.ashx?ID=636354&fmt=pdf>.
- In other news, the EU also recently announced the re-launch of FTA negotiations with India following an EU agreement to address the long-standing issue concerning the transshipment of generic drugs to India. An EU-India ministerial meeting on the FTA is likely to occur in June or July.
- Finally, the EU and Canada will continue their ongoing negotiations for an FTA in the upcoming months. The two sides have completed three rounds of negotiations, with a fourth round planned for July 2010 and a fifth in October 2010. Canadian International Trade Minister Peter Van Loan recently stated that the FTA is "moving ahead of schedule," and is likely to be completed before the end of 2011.

**EU to Host Coalition Meeting to Discuss Doha Development Agenda**

- The EU will host a meeting of senior trade officials and other top government representatives from 18 member countries of the World Trade Organization (WTO) to discuss pertinent trade issues in the Doha Development Round of negotiations. The call for a coalition meeting followed the "Group of Five" (U.S., EU, China, India, and Brazil) meeting in Paris in late April, which focused on general economic and procedural issues.
- The two-day meeting, scheduled to begin on May 19, will focus on specific "gaps" between the various agendas of all coalition countries.