

BCI MONITOR

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SPECIFIC ISSUES OF INTEREST TO THE CPAB:

**Argentinean Pear Exports Double in January**

- According to media reports, Argentinean pear exports grew significantly in the first month of 2011. Shipments from the San Antonio port in the pear-producing region of Rio Negro totaled 15,400 metric tons (MT) in January 2011, which represents a 105% increase from pear shipments exported from that port in January of last year. Similarly, pear exports from northern Patagonia have reached 13,400 MT, which is double the volume of pears exported from that port in the same period last year.
- The majority of Argentina's pear exports during this period were destined for European markets (via entry ports in the Netherlands) and Russia.

GENERAL ISSUES OF INTEREST TO THE CPAB:

**Singapore Proposes Changes for Prepackaged Food Imports**

- The Agri-Food and Veterinary Authority of Singapore (AVA) recently notified Singapore's trading partners of several recently-proposed amendments to the country's Food Regulations.
- One amendment proposed several new requirements concerning the labeling of prepackaged food. Under the amendment, the net quantity of prepackaged foods, the drained weight of food packed in liquid media, and the net weight of frozen foods would have to be labeled. Prepackaged foods containing ingredients known to be potential food allergens will be required to be specifically labeled. Additionally, the list of prepackaged foods required to list an expiry date will be expanded to include ready-to-eat, minimally processed fruits and vegetables such as cut fruits and vegetables. Finally, a list of permitted health claims, including the criteria for their use on food labels and advertisements, are specified in this amendment.
- Another amendment revises the requirements for import permit declarations. For traceability purposes, unbranded food products must declare either the name of the overseas manufacturer or the intended brand names.
- Comments on the proposed amendments are due to AVA by April 8, 2011. Copies of the amendments have been requested from FAS, and will be provided once they are received by BCI.

**Central America Proposes Regulations for Handlers of Unprocessed Food**

- The governments of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua recently proposed new regulations regarding the hygiene practices for unprocessed food. Central American Technical Regulation (RTCA) No. 67.06.55:09 establishes the general hygiene practices applicable to unprocessed foods, including the input of the raw materials for processing, packaging, storage, transport.
- The regulation applies to establishments which handle, store, and/or distribute unprocessed food products *within these Central American countries*. It does not apply to growers/primary producers, the processed food and beverage industry, or public food services and retail outlets, each of which are specifically governed by other regulations.
- Comments on the proposed regulation are due by March 26, 2011. The full text of the regulation (currently only available in Spanish) may be accessed here: [http://members.wto.org/crattachments/2011/sps/CRI/11\\_0204\\_00\\_s.pdf](http://members.wto.org/crattachments/2011/sps/CRI/11_0204_00_s.pdf).



### Japan May Introduce Bill Requiring Traceability for All Food Products

- A Japanese media report indicates that a bill may soon be introduced to the Japanese legislature that would require traceability for all food items. Though the details of the bill have not been finalized, the reports indicated that the bill may contain a provision requiring importers to keep detailed transaction records and could also include stricter country-of-origin labeling requirements than those currently in place. The bill aims to encourage consumer awareness of domestically-produced agricultural and livestock commodities.
- Japan already has specific traceability requirements for rice and rice products and domestic beef. Additionally, some traceability requirements are imposed on organic foods and genetically modified (GM) products. Several prefectural governments, food manufacturers/producers, and retailers have introduced traceability systems for other products, but these systems are voluntary and rarely provide complete traceability.
- If Japan implements a traceability law for all food products, exporters to Japan may be required to provide documentation of all transactions of the product conducted prior to export. Other provisions of the bill, such as country-of-origin requirements, would likely be similar to the existing rice traceability law. Foreign Agricultural Service (FAS) has provided an extensive analysis of the bill, including an abridged version of Japan's rice traceability law, in their report on the issue: [http://gain.fas.usda.gov/Recent%20GAIN%20Publications/DPJ%20to%20Submit%20Traceability%20Bill\\_Tokyo\\_Japan\\_1-31-2011.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/DPJ%20to%20Submit%20Traceability%20Bill_Tokyo_Japan_1-31-2011.pdf).

### U.S. and Korea Sign Supplemental Agreement to KORUS

- On February 10, the U.S. and South Korea signed a supplementary agreement that incorporates new provisions for the U.S. automotive sector under the U.S.-Korea Free Trade Agreement (KORUS).
- The original text of KORUS was signed in June 2007. However, ratification of the text by both countries' legislatures has been delayed due to U.S. concerns over the agreement's provisions for the beef and auto industries. South Korea has maintained that it would not renegotiate the signed text of the FTA, though it did agree to address U.S. concerns via an additional, separate agreement.
- The supplemental text outlines several new provisions for the automotive sector, including environmental and safety standards, tariff cuts, and increased import quotas for U.S. automakers. The U.S. also made some concessions to South Korea regarding the elimination of Korea's tariffs on U.S. pork tariff and certain U.S. visa policies.
- With the signing of the supplemental agreement, the administration hopes to eliminate the remaining obstacles for the ratification of the FTA. Additional information related to the text of the supplementary agreement may be accessed here: <http://www.ustr.gov/about-us/press-office/press-releases/2011/february/signed-legal-texts-related-us-korea-trade-agreeme>.

### Kirk Pledges Movement on Pending Free Trade Agreements

- In his testimony at the House Ways and Means Committee hearing on February 9, U.S. Trade Representative (USTR) Ron Kirk stated that the Obama administration aims to submit the U.S.-Korea Free Trade Agreement (KORUS) to Congress "as soon as possible." Kirk noted that the U.S. stands to lose market share if implementation of the agreement is delayed, as other countries continue to make progress on their own agreements with South Korea.
- Kirk also pledged to "move forward" with the pending free trade agreements (FTAs) with Colombia and Panama and commented on the progress of the ongoing negotiations for the Trans-Pacific Partnership agreement (TPP). However, Kirk did not comment on the specific timelines or goals for any of the agreements.
- A transcript of Ambassador Kirk's comments to the committee may be accessed here: [http://waysandmeans.house.gov/UploadedFiles/USTR\\_Ron\\_Kirk\\_Testimony\\_2-9-11.pdf](http://waysandmeans.house.gov/UploadedFiles/USTR_Ron_Kirk_Testimony_2-9-11.pdf)
- Meanwhile, House Ways and Means Trade Subcommittee Chairman Kevin Brady (R-TX) indicated that a bill to grant Russia permanent most-favored nation (MFN) status would not be considered before the passage of the pending FTAs with Panama and Colombia. As precondition for Russia to join the World Trade Organization (WTO), Congress must grant the nation permanent normal trade relations.
- Following Kirk's testimony at the hearing, Brady stated that there is "virtually no chance" that the House would vote on the Russia MFN bill before the Colombia and Panama agreements.

### Congress May Extend APTDEA, Let TAA Expire; Bill Introduced to Extend GSP

- House Ways and Means Committee Chairman Dave Camp (R-MI) stated that Congress will likely act on the extension of the Trade Adjustment Assistance (TAA) and Andean Trade Promotion and Drug Eradication Act (ATPDEA) programs in mid-February. At the end of last year both programs were granted temporary extensions that expire on February 12, 2011.
- Camp states that it is very likely that the two programs will be separated, possibly in an effort to continue ATPDEA without the extension of the TAA. House Democrats have voiced opposition to the separation, stating that they will not support a trade bill without the extension of the TAA. Some observers are concerned that the lack of a TAA program would further delay the passage of pending FTAs.
- Meanwhile, Senate Democrats have introduced a bill that would extend the recently-expired Generalized System of Preferences (GSP) until June 30, 2012. The GSP bill includes new provisions to exclude certain sleeping bag manufacturers from Bangladesh, an issue that caused a Senator to place a hold on the bill late last year.