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SPECIFIC ISSUES OF INTEREST TO THE CPAB:

Canada Proposes New MRL for Flumioxazin on Pears

- Health Canada's Pest Management Regulatory Agency (PMRA) recently granted conditional registration to technical grade flumioxazin and the end-use product Flumioxazin 51WDG for use in Canada on pears and several other commodities.
- PMRA has proposed an MRL for flumioxazin on pome fruits (Crop Group 11) at 0.02 ppm, which is equivalent to the current U.S. MRL.
- Comments are due by August 30, 2010. For more information, please see: <http://www.hc-sc.gc.ca/cps-spc/pest/part/consultations/pmrl2010-26/index-eng.php>.

GENERAL ISSUES OF INTEREST TO THE CPAB:

U.S. and Brazil Announce Framework Agreement in Cotton Dispute; Brazil to Suspend Retaliation Pending Revision of 2012 Farm Bill

- On June 17, Brazil suspended retaliatory measures against the U.S. when it approved a framework agreement that has been negotiated over the past several weeks. The framework outlines specific steps to be taken in the dispute over U.S. cotton subsidies, in which the World Trade Organization (WTO) ruled that Brazil is entitled to \$829 million in countermeasures.
- Brazil will suspend the implementation of the WTO-sanctioned countermeasures until 2012, pending the implementation of a new U.S. Farm Bill. The countermeasures, including a proposed 30% tariff on U.S. pears, were scheduled to go into effect on June 21.
- The framework agreement sets a limit on cotton subsidies and provides benchmarks for the implementation of changes to certain elements of the U.S. export credit guarantee program, GSM-102. Under the provisions of the framework, the U.S. and Brazil will meet four times a year to discuss possible amendments to the 2012 Farm Bill relating to GSM 102 and cotton subsidies.
- The framework also upholds the concessions agreed upon by the two countries in previous negotiations, including minor revisions to GSM 102, the recognition of the Brazilian state of Santa Catarina as free of certain hog and cattle diseases, and the establishment of a \$143.7 million annual fund to help develop Brazil's cotton industry (see the April 9 edition of the *BCI Monitor*).
- Although not a permanent solution to the dispute, the framework will establish a process for continued discussions and provide specific interim steps with the aim of reaching a comprehensive solution in 2012.

EU Parliament Supports Proposed COOL Requirement for Fresh Fruit

- On June 15, the European Parliament supported the passage of a proposed law requiring country of origin labeling (COOL) for all fresh fruits and vegetables. Imported products will be subject to the new COOL requirements.
- Under the draft legislation, front-of-package labeling will also be required for all prepackaged foods. Manufacturers will be required to label the amount of calories, sugar, salt, and fat of packaged products. Members of the European Parliament (MEPs) also added protein, unsaturated fats, and fiber content to the requirement for the labeling of prepackaged foods in the draft legislation.
- Mandatory allergen labeling will also be expanded to include all food that is not pre-packed, including restaurant food. *(Continued on next page)*

(EU Parliament Supports Proposed COOL Requirement for Fresh Fruit continued)

- The European Commission and the European Council will vote on the draft legislation in the near future. All three bodies of the EU government—the Parliament, Commission, and Council—must reach an agreement before the proposed new rules become law. Once the law is passed, food producers will have three years to update their labels.
- For more information on the EU's proposed food labeling law, including a link to the full text of the proposal, please see: http://ec.europa.eu/food/food/labellingnutrition/foodlabelling/index_en.htm.

Canada Approves Free Trade Agreement with Colombia

- The Canadian Parliament recently approved a bilateral free trade agreement (FTA) between Canada and Colombia. The two countries, which began FTA negotiations in 2007, signed the agreement in 2008. The FTA was quickly approved by the Colombian Congress yet was stalled in the Canadian Parliament due to concerns of Colombia's human rights record.
- In an April 28 interview, Colombian Trade Minister Luis Guillermo Plata stated that the passage of the Canada-Colombia FTA may give Canadian exporters a tariff advantage over their U.S. competitors, as the U.S. Congress delays approval of the bilateral U.S.-Colombia FTA.
- Under the provisions of the proposed FTA, the Colombian tariff on Canadian fresh pears (HS 0808.20.10) will be immediately eliminated upon implementation of the agreement. Both U.S. and Canadian pears currently enter Colombia at the most favored nation (MFN) tariff rate of 15%.

Members of Congress Call for Action on Pending Free Trade Agreements

- Members of the Senate Finance Committee and House Ways and Means Committee called on President Obama last week to act on the pending FTAs the U.S. has signed with South Korea, Colombia, and Panama.
- On June 1, 16 Republican Senators—including 8 members of the Finance Committee—sent a letter urging President Obama to develop a “well-defined and finite list” of the particular outstanding issues to be accomplished for each FTA and provide Congress with a “specific timeline” for the implementation of these FTAs.
- The letter stresses that expedited action is required, especially as other countries move forward with competitive trade deals, such as the recently completed FTAs between Canada and Colombia and the EU and Colombia.
- In a similar action on June 2, the House sent a bipartisan letter specifically requesting action on the U.S.-Colombia FTA. The letter, which was signed by 9 members of the House Ways and Means Committee as well as 30 other members of the House, calls for the immediate resolution of outstanding issues so that the agreement can be sent to Congress for a vote before its recess in August.

Codex Commission to Vote on Proposed MRL Changes in July

- The Codex Committee on Pesticide Residues (CCPR) recently published a report on its 42nd Session that took place in Xian, China on April 18-24 (see the April 30 edition of the BCI Monitor).
- The 125-page report details the items of discussion at the meeting, and includes proposed new pome fruit MRLs for the following pesticides: chlorpyrifos-methyl at 1 ppm (U.S. MRL: 0.5 ppm); hexythiazox at 0.4 ppm (U.S. MRL: 0.25 ppm); spiroticlofen at 0.8 ppm (U.S. MRL: 0.8 ppm); and tebuconazole at 1 ppm (U.S. MRL: 0.05 ppm). The draft Codex MRLs for fenbuconazole at 0.5 ppm and haloxyfop at 0.02 ppm do not have a corresponding U.S. MRL.
- The draft changes listed in the report will be discussed and voted on at the 33rd Session of the Codex Alimentarius Commission scheduled from July 5-9, 2010 in Geneva, Switzerland. To view the report in full, please see: http://www.codexalimentarius.net/download/report/741/al33_24e.pdf.

Study Analyzes Competitiveness of Pears in Europe

- A study carried out by the University of Bologna analyzes the costs, prices and competitiveness of pears in Europe by comparing the main production systems in different countries.
- The study presents data (updated until 2009) for pear-growing regions in Italy, Spain, Portugal France, Belgium and the Netherlands. The study is available in English upon request from cinzia.zanella@csoservizi.com.

Second Round of Trans-Pacific Partnership Negotiations Held in San Francisco

- On June 14, representatives from the eight participant countries of the Trans-Pacific Partnership (TPP: U.S., Australia, Chile, Singapore, Peru, Brunei Darussalam, New Zealand, and Vietnam) met in San Francisco, California to convene a week-long round of negotiations.
- Topics of discussion included how the TPP agreement will relate to existing FTAs between current TPP participants. The U.S., which currently has trade deals in place with Australia, Chile, Peru, and Singapore, took the position that the TPP should not reopen market access schedules in the previously negotiated deals.
- Another key topic of discussion focused on how the TPP countries would negotiate market access schedules with one another, with the U.S. favoring individual negotiations with each member state that does not have a pre-existing bilateral agreement. Under this approach, the U.S. would separately negotiate with Brunei, New Zealand, and Vietnam to determine distinct market access schedules with each country.