



Trade Issues Report

Julie Chao, Senior Technical Advisor
Julie.Chao@fas.usda.gov
USDA Foreign Agricultural Service
Office of Agreements and Scientific Affairs
Plant Division





Agricultural Trade Matters

Global trade is the economic engine of U.S. agriculture and rural America. Trade helps create markets for U.S. farm and food products, supports U.S. jobs, encourages investment and fosters economic growth.

Value of U.S. Food and Farm
Products Exported in 2016

\$135 Billion



95%

of the World's Consumers Live
Outside of the United States

\$1.27

Every \$1 in Ag Exports Generates an
Additional \$1.27 in Economic Activity

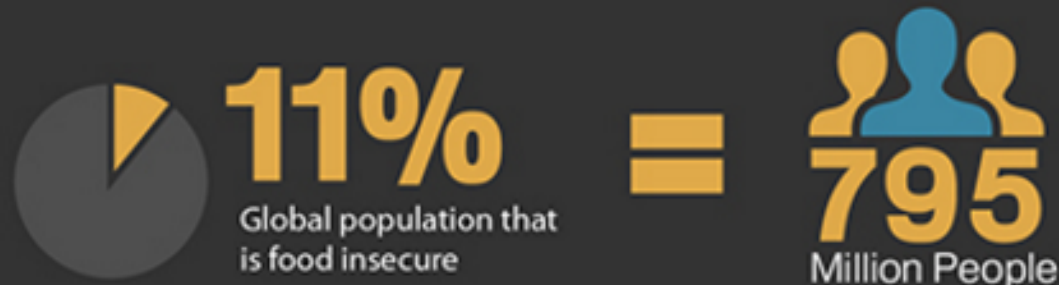
1,000,000+ Jobs

Every \$1 Billion in Farm Exports Supports 8,000 jobs

The U.S. is the world's top exporter of food and agricultural products.

Source: USDA FAS





Source: USDA FAS

Agricultural trade is critical to achieving global food security.





Given the importance of agricultural trade to
economic growth and global food security,
how do we:

Grow more?

Waste less?

Move it around better?





Overview

- Trade Update: U.S. Specialty Crop Exports
- Challenges that the U.S. agricultural industry faces related to MRLs
- FAS efforts to address MRL-related trade issues





Top U.S. Specialty Crop Export Markets

Market	Value
Canada	\$6.13 billion
European Union	\$3.62 billion
Japan	\$1.67 billion
Hong Kong	\$1.61 billion
Mexico	\$1.57 billion
South Korea	\$1.01 billion
China	\$674 million
Taiwan	\$526 million

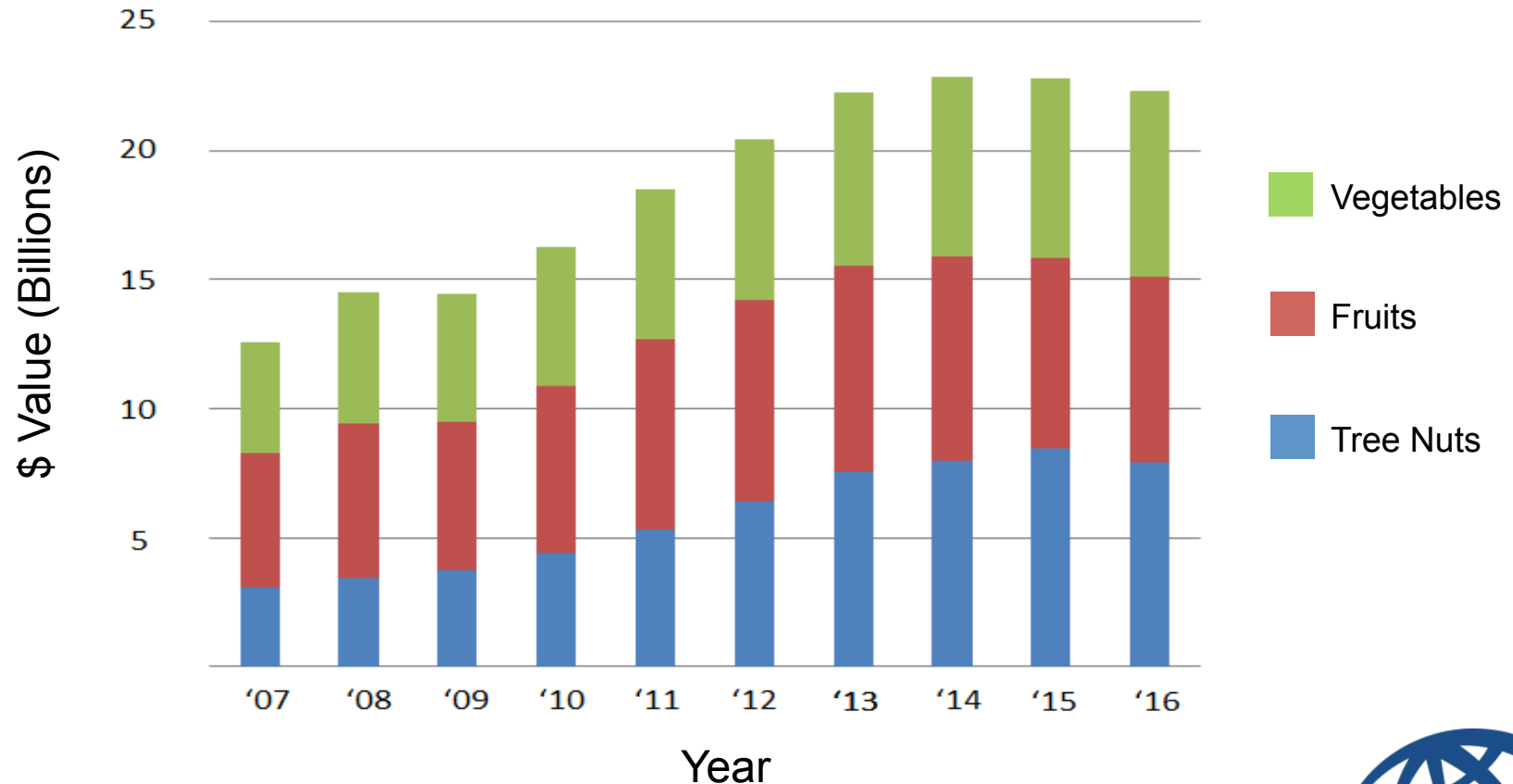
Source: USDA GATS





U.S. Specialty Crop Exports

U.S. exports of tree nuts, fruits, vegetables were ~\$22 billion in 2016

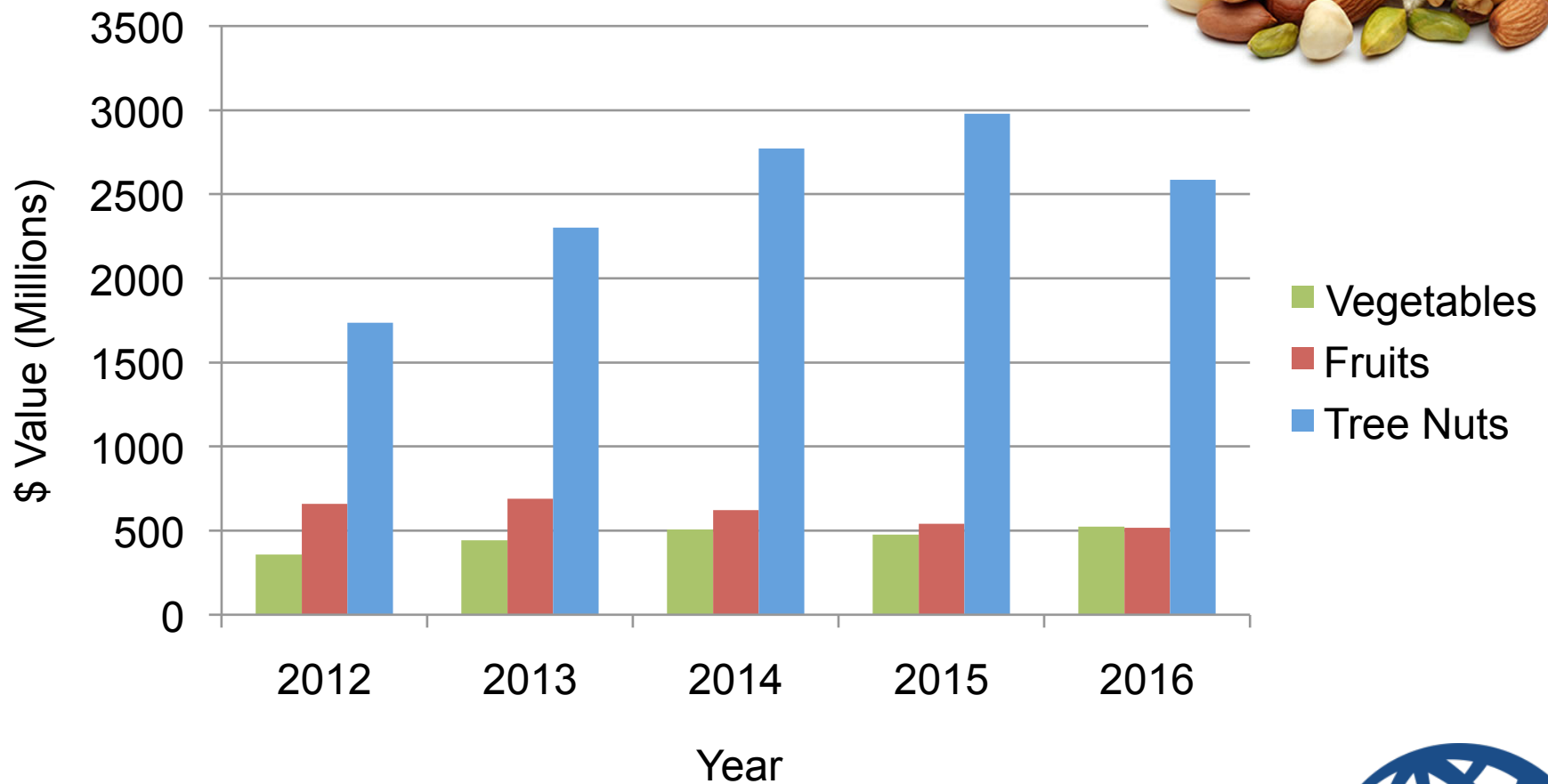


Source: USDA GATS





European Union



Source: USDA GATS





Japan

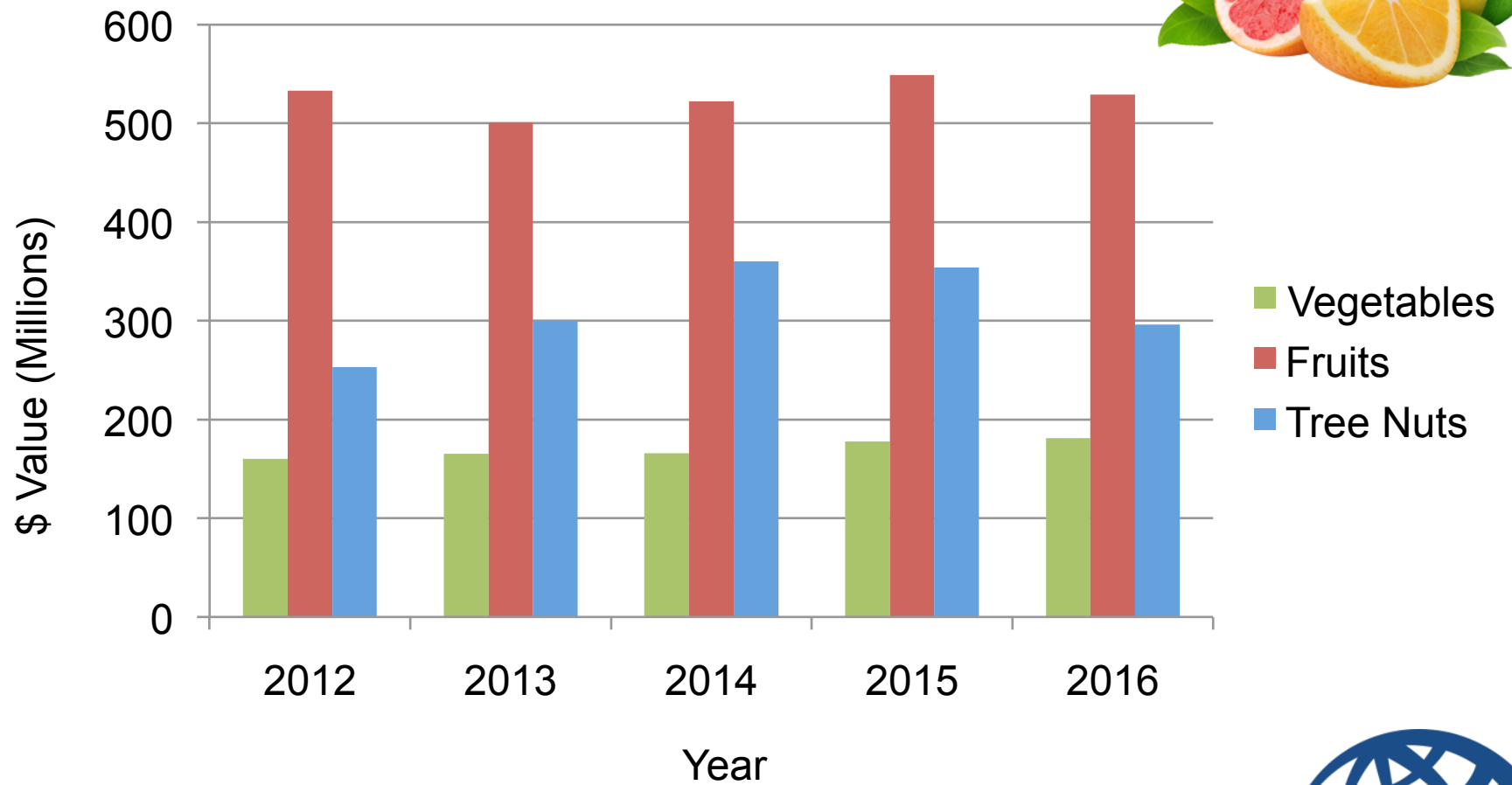


Source: USDA GATS





Korea

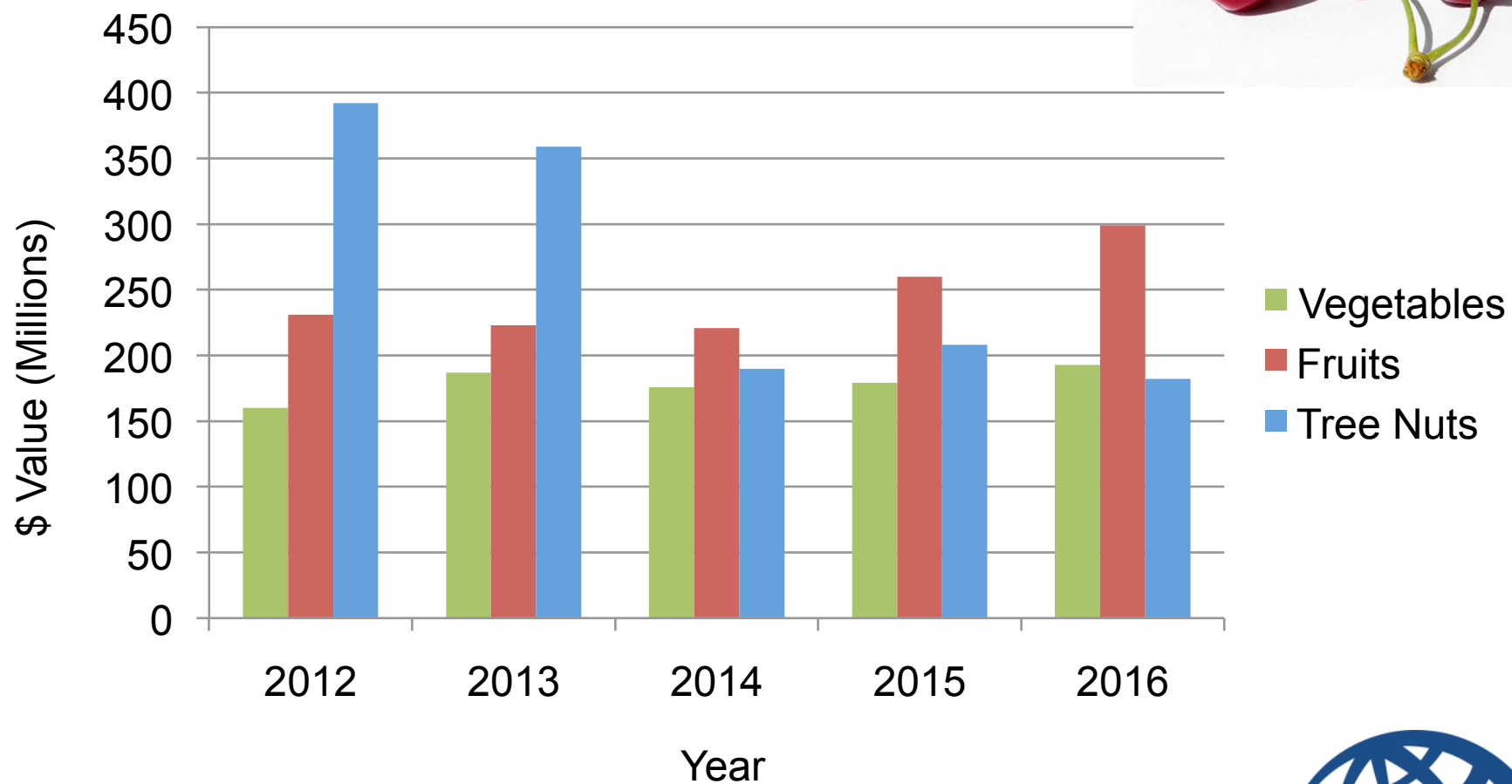


Source: USDA GATS





China

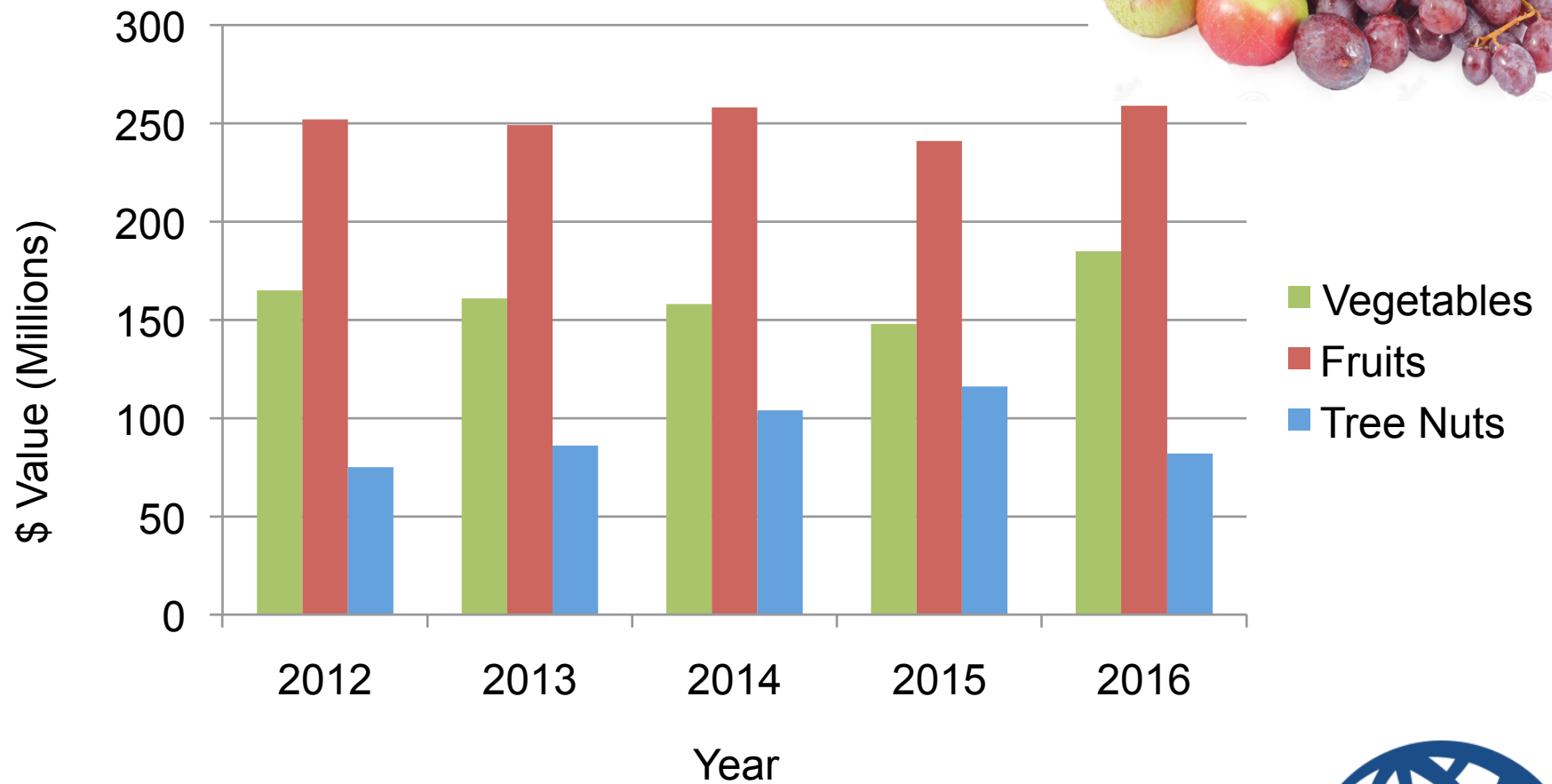


Source: USDA GATS





Taiwan



Source: USDA GATS





MRLs and Trade

- Increased awareness/concern about food safety issues among consumers and regulators
- Many countries are taking a greater interest in establishing and monitoring pesticide residues
- Regulatory frameworks are evolving around the world: national MRLs, Codex MRLs, default MRLs, deferrals
- The MRL landscape is becoming increasingly complex, making it challenging to produce food for the export market





MRL “Disharmonization”

- Different methods for evaluating data and assessing risk
- Different residue definitions
- Range in crop protection/pest control practices (GAPs)
- Lack of incentives to establish MRLs in export markets
- High costs of developing data to support MRLs





MRL Violations and Commercial Risk

- MRL violations can trigger sanctions for an entire industry
- Potential losses can be a deterrent to trade
- Compliance plans require significant resources
- Risks may limit use/adoption of crop protection tools





Agricultural Production



Exports

s

10 ppm

5 ppm

3 ppm

2 ppm

Disharmonized MRLs are like uneven staves on a barrel. The lowest MRL is the limiting factor for exports.

Lost export potential





Foreign Agricultural Service

- Lead agricultural trade agency within the USDA, representing the interests of U.S. agriculture overseas
- Three Pillars: Trade Policy; Capacity Building and Food Security; and Trade Promotion
- We work with U.S. growers and other industry stakeholders to resolve sanitary, phytosanitary, and technical barriers to trade





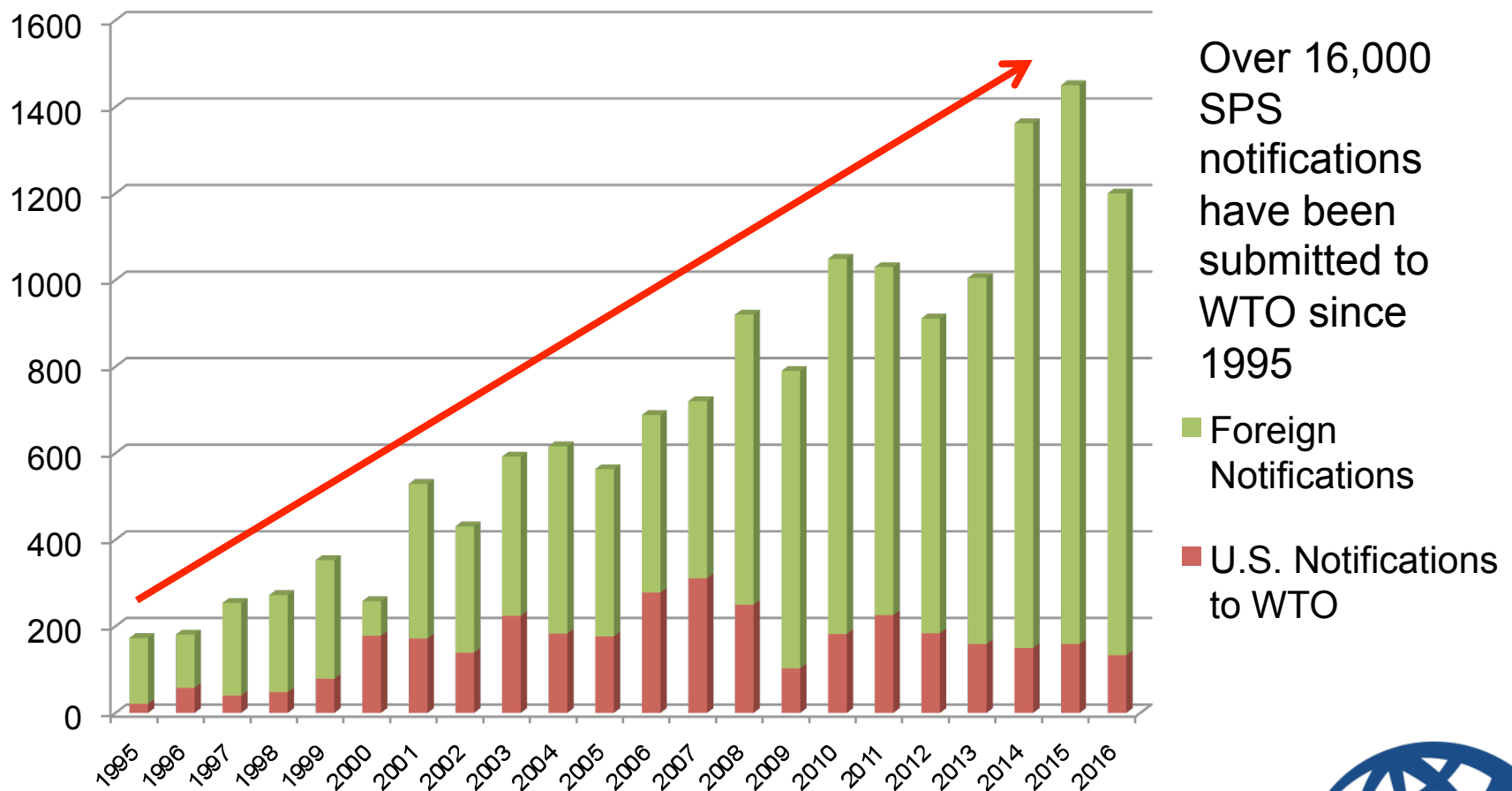
Interagency Partners

- Environmental Protection Agency (EPA)
- Food and Drug Administration (FDA)
- United States Trade Representative (USTR)
- U.S. Department of Agriculture Agencies
 - Agricultural Marketing Service (AMS)
 - Grain Inspection, Packers, and Stockyards Administration (GIPSA)





WTO Notifications



Source: USDA STAR System





Tools and Outreach

- Global MRL Database (www.globalmrl.com)
- Grower MRL Priority Database (www.mrlpriority.com)
- USDA AMS Pesticide Data Program (www.ams.usda.gov/datasets/pdp)
- Global Agricultural Information Network (GAIN) Reports (gain.fas.usda.gov)





TASC Program

(Technical Assistance for Specialty Crops)

- Funding for projects that address sanitary, phytosanitary and technical barriers affecting the export of U.S. specialty crops
- Eligible activities include seminars and workshops, study tours, field surveys, pest and disease research, and pre-clearance programs
- Applications accepted on a rolling basis, with maximum of \$500,000 per year for up to 5 years

More information at: <https://www.fas.usda.gov/programs/technical-assistance-specialty-crops-tasc>





Bilateral and Multilateral Engagement

- Trade policy forums and technical dialogue
- Asia-Pacific Economic Cooperation (APEC)
 - Import MRL Guideline for Pesticides
- World Trade Organization SPS and TBT Committees





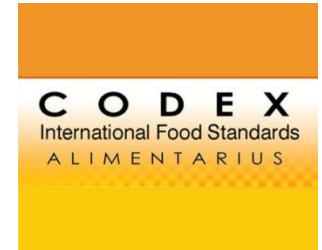
Capacity Building

- Some emerging/transition economies are developing their pesticide regulatory structures
- FAS works with government partners to:
 - Encourage use of international/Codex standards
 - Provide guidance and training that promotes alignment of MRL policies and analytical procedures
 - Support residue research to reduce U.S. cost burden for generating data and remove MRL trade barriers





Codex

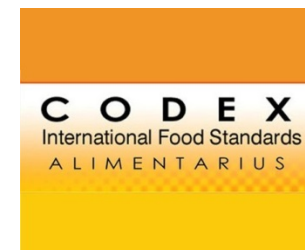


- USDA contributes to WHO and FAO to support:
 - CCPR work carried out by JMPR
 - Harmonization of methodologies for risk assessment of chemicals
 - Improved dissemination of international risk assessment information

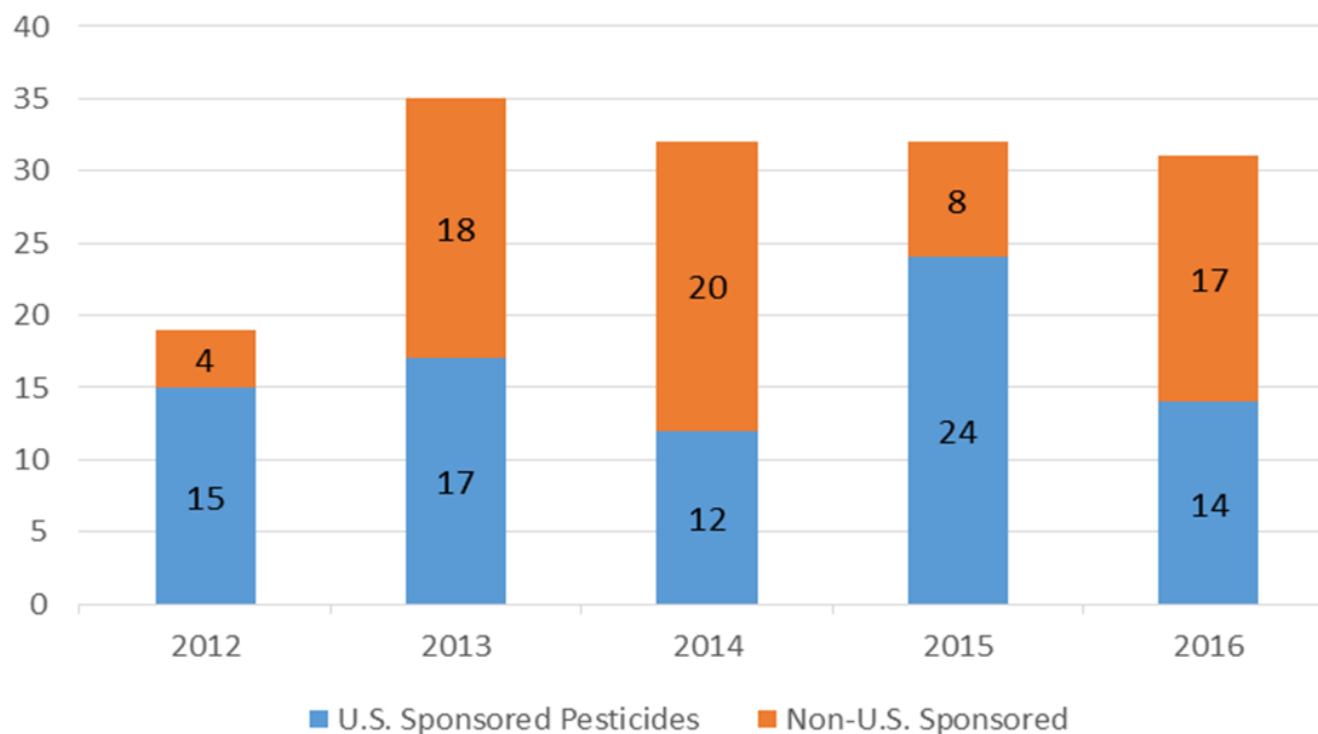




Codex



Over half of Codex-approved pesticides are sponsored by the United States

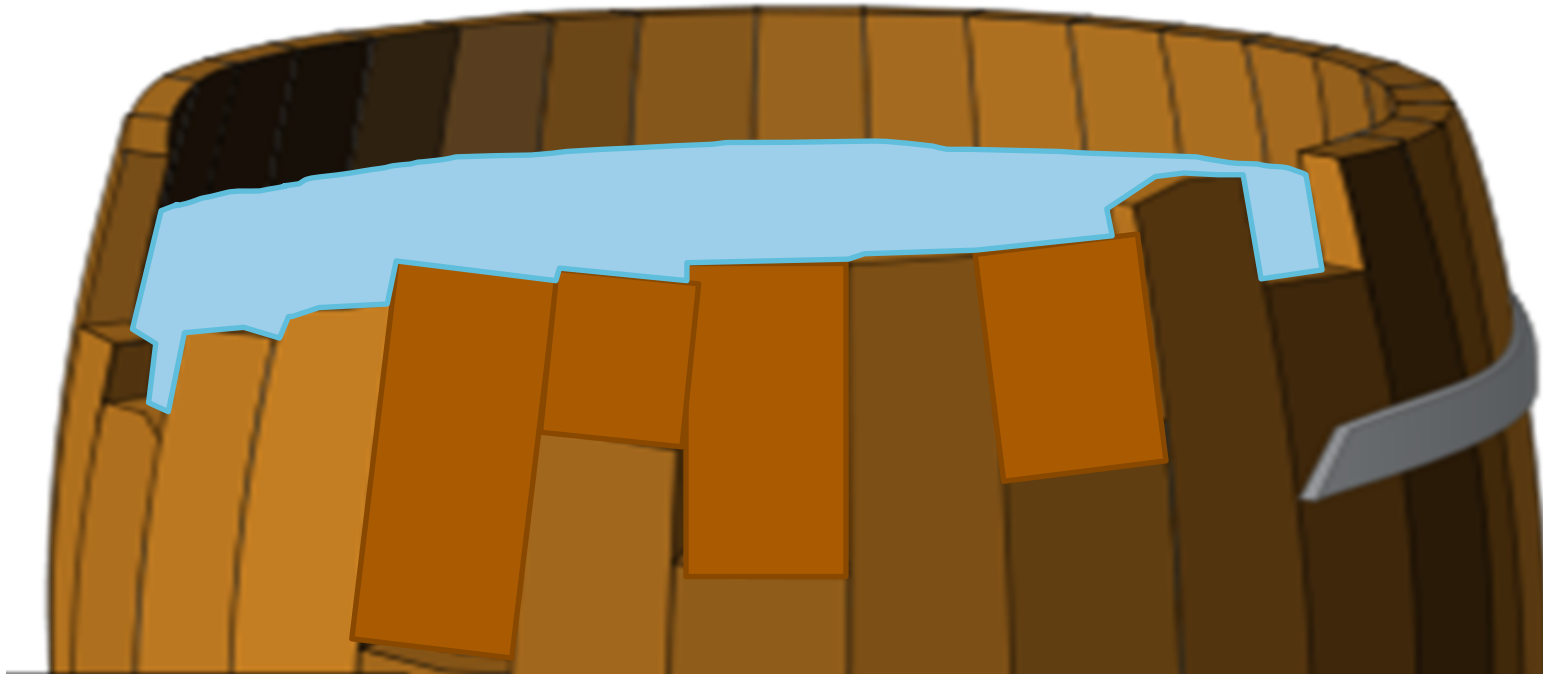


Source: USDA FAS





FAS: Linking U.S. agriculture to the world to enhance export opportunities and promote global food security



**Interagency
and Industry
Cooperation**

**Trade
Policy**

**Capacity
Building and
Food Security**

**Trade
Promotion**





Questions?

Contact our team at:

plantdivision@fas.usda.gov

Thank you!

