

World Trade Situation and Policy Updates

Mexico Requires Import Permit for U.S. High-Fructose Corn Syrup (HFCS)

On December 31, 2001, The Secretariat of Economy (SE) announced that HFCS imports from the United States must now include an import permit to have access to NAFTA tariff rates (1.5 percent ad valorem). This import permit will be issued automatically by the Secretariat in accordance with Mexico's international rights and obligations. The products affected are: HTS 1702.4099, 1702.5001, 1702.6001, 1702.6002, and 1702.6099. If HFCS is imported without the import permit, SE will apply the general import tariff rate ranging from 156 percent to 210 percent ad-valorem. Despite the fact that the effective date of this requirement is January 15, 2002, SE contacts have indicated that they are not to issue import permits until SE publishes an additional announcement in the *Diario Oficial* regarding more specific procedures on the administration of these import permits. U.S. exports of HFCS to Mexico during CY 2000 totaled 250,000 tons dry basis.

United Kingdom's (UK) Food Standards Agency Calls for Ban on Iranian Pistachios

The UK Food Standards Agency (FSA) is calling for a ban on pistachio imports from Iran following a survey that found high levels of cancer-causing mycotoxins in 10 percent of pistachio samples. The offending products have been removed from sale and the FSA wants the European Commission (EC) to consider re-instating a 1997 ban on Iranian pistachios. The EC has issued Rapid Alert warnings across the European Union. Despite a temporary suspension of Iranian imports in 1997 and a more rigorous testing regime since then, all of the samples over the limits in the survey were imported from Iran. In calendar year 2000, the UK imported 366 metric tons (MT) of pistachios from Iran with a value of \$1.4 million. During that same time period, the UK imported 58 MT of pistachios from the United States with a value of \$339,000. In calendar year 2000, the European Union (EU) imported 37,000 MT of pistachios from Iran worth \$135 million. During that same time period, the EU imported 6,437 MT of pistachios from the United States with a value of \$28 million.

USDA Lifts Some Restrictions On Imports of Japanese Unshu Oranges

On January 31, 2002, USDA announced that it would lift some import restrictions on Japanese oranges, which were banned because of concerns of citrus canker. USDA said unshu oranges grown on Japan's Honshu Island and Kyushu Island would be allowed into the United States under certain conditions. Unshu oranges from Honshu Island must first be treated with methyl bromide before shipment to the United States. Kyushu Island oranges may only be imported into non-citrus producing areas of the United States. USDA also said it removed the requirement for individually wrapping unshu oranges imported from Japan and Korea.

Hungarian Market for U.S. Tree Nuts and Grapefruit Set to Improve Due to New Concessions

On January 30, 2002, the United States and Hungary agreed to a package of trade concessions in which Hungary agreed to reduce or suspend tariffs on some key U.S. agricultural (including almonds, pecans and grapefruit) and industrial imports totaling \$180 million annually. The Hungarian government will make tariff reductions and tariff rate quota (TRQ) increases that will enter into force by April 1, 2002. This package will improve access to the Hungarian market for

U.S. almonds, pecans and grapefruit. For in-shell almonds, the tariff rate will be lowered from 6.2 percent to 5.6 percent. For shelled almonds, the tariff rate will drop from 6.2 percent to 3.5 percent. The tariff rate for U.S. pecans will decline from 15.5 percent to zero. According to the FAS office in Budapest, Hungary imported \$1.3 million worth of U.S. shelled almonds in CY 2000 (80 percent of total). Although Hungary is currently a small market for U.S. tree nuts, there is potential for growth in the near future. For grapefruit, a TRQ was established for 200 tons. The in-quota rate is 2.4 percent; the out-of-quota rate is 28.8 percent, the same as the previous tariff rate.

U.S. Apples Under Food for Progress Arrive in the Russian Far East

On January 29, 2002, a press conference was held in Vladivostok, Russia to inaugurate the distribution of 2,000 metric tons of fresh U.S. apples to needy children in Russia. The ceremony marked the first time that U.S. apples have been successfully programmed under the Food for Progress program. Over the next eight weeks, the Global Jewish Assistance and Relief Network (GJARN) plans to distribute Gala, Red Delicious and Golden Delicious apples to 400,000 needy children in schools, hospitals, and orphanages. Although GJARN encountered many delays with shipping and customs, GJARN and the U.S. apple industry are confident that the apples will arrive in optimal condition to be consumed by the targeted recipients. The press conference received extensive coverage on local television, national television and in local newspapers.

Canada Extends Its Deadline for Making Preliminary Decision on Antidumping Margins Against U.S. Tomato Exports to Canada; U.S. Commerce Department Issues Final Dumping Margins on Canadian Hothouse Tomatoes

On February 1, 2002, the Canadian Customs and Revenue Agency (CCRA) announced that it extended its deadline for deciding whether to establish preliminary dumping margins on U.S. tomatoes from February 7 until March 25, 2002. On this date, CCRA will issue a preliminary determination or terminate all or part of its investigation. On February 20, the Commerce Department's International Trade Administration (ITA) issued its final determination on dumping margins in the case against Canadian hothouse tomatoes. Final dumping margins ranged from 1.53 percent to 18.21 percent, a decrease from the preliminary duties that had ranged from zero to 33.95 percent. The U.S. International Trade Commission is scheduled to release its final determination on the issue of injury on April 5. In November 2001, the Canadian industry filed a complaint alleging that fresh field tomatoes from the United States had been dumped in Canada, causing harm to Canadian production. In its original complaint, the CTTA estimated that the margins of dumping of U.S. tomatoes ranged from 14 percent to 76 percent of normal value. U.S. imports of greenhouse tomatoes from Canada in 2001 were valued at \$96 million, up 23 percent from 2000. U.S. exports of fresh tomatoes, mostly field grown, to Canada in 2001 were valued at \$108 million, down 5 percent from 2000.

Japan Increases Monitoring for U.S. Genetically Modified Papaya

On January 30, the Japanese Ministry of Health Labor and Welfare (MHLW) announced a positive finding of unauthorized U.S. genetically modified papaya. The Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) has approved this U.S. papaya variety; however, Japan requires a second-tier approval through the MHLW. The Papaya Administrative Committee (PAC) has been

working closely with the MHLW to fulfill their extensive data requirements. Due to the finding, MHLW has increased monitoring levels of U.S. papaya imports from five percent to 50 percent. However, if more U.S. unauthorized papayas are found, the MHLW will order 100 percent testing at the costs of importers. U.S. papaya exports to Japan totaled \$8 million in CY 2000.