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SPECIFIC ISSUES INVOLVING APPLES AND PEARS:

Expected Results of US-Israel Free Trade Agreement Negotiations

- This fall the US and Israel reached a tentative agreement in the ongoing renegotiations of the agricultural section of the US-Israel Free Trade Agreement.
- For **apples**, according to USDA, Israel currently plans to increase the US apple tariff rate quota from 1855 metric tons to 2700 metric tons. Imports within this quota will enter duty free. For the next four years, the quota will increase 3% a year. Apples beyond the quota will enter at the higher MFN duty, minus the 10% discount for the US. USDA is confirming the MFN rate.
- USDA expects this agreement to be implemented on January 1, 2004 if everything goes according to schedule. In 2002, the US exported 2234 metric tons of apples to Israel worth \$1.7 million.

Label Innovation Indicates Ripeness of Fruit

- Scientists in New Zealand have launched a new label that indicates the ripeness of a piece of fruit. The label, called ripeSense, works by detecting aroma compounds given off the fruit as it ripens, changing the label through a range of colors. Its designers say it will help shoppers choose fruit that best appeals to their tastes or needs. To date, ripeSense is only being used on Green Anjou **pears**, but additional research is underway to develop sensor labels for kiwifruit, avocados and melons.

FAS Report

- The Foreign Agricultural Service released the following revised production estimates for fresh **apples** and **pears** in Germany:
<http://www.fas.usda.gov/gainfiles/200311/145986850.pdf>

South African Fruit Producers Join FairTrade

- Several grape farms in South Africa have begun participating in the FairTrade Program, which guarantees increased revenue for producers in the developing world by providing them with a stable price to cover their production costs, as well as a premium that they can reinvest. Thus, South African grapes sold in foreign markets bearing the FairTrade mark will carry an extra premium equal to about 15% of the total price, which will go back to the workers. South African **pears**, plums, **apples** and citrus fruits also are expected to eventually participate in the program.
- The production and marketing of South African fruits under better pay and working conditions is part of a push by President Thabo Mbeki's government to get more black participation in all sectors of the economy.



**A Report for
Northwest Fruit
Exporters**

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ISSUES OF INTEREST TO NORTHWEST FRUIT EXPORTERS:**Japan Proposes Deletion of Approved Additives**

- Japan's Ministry of Health, Labor and Welfare (MHLW) is in the process of reviewing additives (including wax) that are currently approved for use under the Food Sanitation Law. MHLW is removing those additives that are not commercially used. Any food additive that is removed from the list, and any food or preparation containing that additive, will no longer be permitted for use in Japan
- A complete list of candidate additives to be deleted in early 2004 is available at: <http://www.fas.usda.gov/gainfiles/200311/145986829.pdf>.
- Any parties interested in submitting comments on this issue must do so by December 26, 2003.

GENERAL ISSUES OF INTEREST TO NORTHWEST FRUIT EXPORTERS:**FTAA Talks End with Framework Agreement: US Announces Bilateral FTAs**

- The US and Brazil last week in Miami adopted a draft text for the Free Trade Area of the Americas (FTAA) that commits all 34 countries to adopt a common set of minimum obligations that are yet to be determined, but that allows countries to opt out of parts of the agreement. The "common denominator" approach came after months of stalemate over how comprehensive and ambitious the trade pact should be. In the end, no party got exactly what they wanted, but all sides could claim victory because the meeting ended with a framework document that will allow negotiations to remain on track for the January 2005 deadline for conclusion.
- In the same week, the US announced its intent to pursue bilateral free trade agreements with five new Latin American nations. Negotiations will begin in spring 2004 on FTAs with Panama, Colombia and Peru. Ecuador and Bolivia will either join the Andean negotiations in process or dock onto the Andean agreement whenever they are deemed to be ready. Timeframes have not been set yet for completing these FTA negotiations.

US-Australia FTA May Not be Agreed This Year

- Australian Prime Minister John Howard indicated last week that the planned free trade agreement with the US might not be finalized as soon as had been thought. Mr. Howard said the deal could be signed "within a month or two," whereas previous plans had been to wrap up the deal before Christmas, 2003.
- Australian farmers have feared a flood of US imports if the deal goes ahead, particularly with Washington pressing Canberra to relax its tight quarantine restrictions.
- A fifth and final round of negotiations is due to be held in Washington in December.

New EU Legislation on GMOs Enters into Effect

- New European legislation on genetically modified organisms entered into effect on November 7. The three main legal texts that now constitute the EU framework on GMOs are:
 - (1) The Directive regarding the deliberate release of GMOs into the environment (Directive 2001/18/EC, which replaces Directive 90/220/EEC). This Directive has been in place since October 17, 2002. Eighteen GMOs have been approved under the Directive for a variety of uses, including cultivation, importing and processing, and for feed and food consumption. These GMOs include maize, oilseed rape, soybean and chicory.
 - (2) The Directive regarding the approval of new GM products as food and feed (Regulation (EC) No 1829/2003, which replaces the GM part of Regulation (EC) No 258/97 of the European Parliament and of the Council of January 27, 1997 concerning novel foods and novel food ingredients). The Directive has been in place since November 7 2003, and will be applied after a transitional period starting in April 2004. Already, products from 16 GMOs can legally be marketed in the EU, including one GM soybean, one GM corn product, seven GM oilseed rape processed products, four GM corn processed products, and two GM cottonseed products.
 - (3) The Directive regarding traceability and labeling of GMOs and traceability of food and feed produced from GMOs (Regulation (EC) No 1830/2003) laying down comprehensive traceability requirements for GMOs as well as food and feed produced from GMOs. This Directive entered into force on November 7, 2003.