



WORLD MARKETS AND TRADE

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WTO Fire Blight Ruling Remains Vital to Apple Trade

Summary

The United States exported almost 65 billion apples worldwide during a period spanning over 40 years, including over 28 billion apples to its top 10 fire blight-free markets without a single instance of an interception of fire blight on exports of U.S. apples. Fire blight is the result of infection from the bacteria *Erwinia amylovora*. It is a disease unique to certain fruit trees, causing flowers, shoots, twigs and sometimes the host plant itself to wither and die. In 2005, The WTO panel and Appellate Body agreed with the United States that mature symptomless apples are not a vector for transmission of the bacterium that causes fire blight and that Japan's measures were not justified under the World Trade Organization (WTO) SPS Agreement. Although this ruling has not been a cure-all and some countries continue to resist importing apples from the United States, it is an important precedent that continues to support trade objectives.

U.S. Global Apple Exports Combined Shipments from Calendar Year 1967 through 2007				
Rank # Apples	Markets	Exporting Since	Total Metric Tons	Estimated Number of Apples Exported
	<i>World</i>	<i>n/a</i>	<i>14,054,516</i>	<i>64,917,810,956</i>
1	Taiwan	1970	2,037,514	9,411,278,025
2	Hong Kong	1967	1,135,570	5,245,199,082
3	Indonesia	1967	576,277	2,661,823,204
4	Saudi Arabia	1969	569,695	2,631,419,025
5	Thailand	1967	340,617	1,573,310,075
6	United Arab Emirates	1978	389,053	1,797,035,969
7	Malaysia	1967	402,818	1,860,617,672
8	Venezuela	1967	293,131	1,353,974,306
9	Philippines	1967	201,098	928,873,380
10	Colombia	1967	176,332	814,477,799
11	Brazil	1967	87,300	403,236,695
12	Costa Rica	1967	107,813	497,987,508
13	Dominican Republic	1967	107,138	494,871,965
14	China	1995	72,230	333,630,125
Total 14			6,496,587	30,007,734,831

Fire blight-free Nations Import Large Amounts of Apples from the United States

The United States exported 14 million metric tons of apples from calendar year 1967 to 2007. Assuming that an average size apple is an 88, there are approximately 4,619 pieces of fruit in one metric ton. Therefore, U.S. exports during the 41-year period are estimated at 64.9 billion apples. Nearly half of these exports went to 14 countries, which are identified as being either fire blight free or where no fire blight is reported.

WTO Rules in Favor of the United States over Japan

U.S. apple access to Japan was seriously impeded by Japan's unscientific fire blight restrictions. In 2005, The WTO panel and Appellate Body agreed with the United States that mature symptomless apples are not a vector for transmission of the bacterium that causes fire blight and that Japan's measures were not justified under the World Trade Organization (WTO) SPS Agreement. The same year, Japan published the 'Detailed Rules' for U.S. apple imports, which fully complies with the WTO fire blight ruling. However, Japan's fumigation and cold treatment requirement on U.S. apples as mitigation for codling moth has deterred U.S. apple exporters from shipping product to Japan.

WTO Ruling has Implications for New Zealand and Australian Apple Trade

The United States is a third party to the WTO dispute New Zealand has brought against Australian apple import restrictions, supporting New Zealand. The United States and New Zealand have sought market access for apples into Australia since the late 1980s. Australia has moved very slowly in addressing market access issues but has indicated that the market access protocol for New Zealand apples would be used as a basis for granting access to U.S. apples.

Despite intensive technical bilateral discussions with New Zealand, Australia has maintained an import ban due to concerns about several plant pests and diseases, including fire blight. In March 2007, Australia published its final policy for the import of New Zealand apples, which maintains restrictions on apples as a result of fire blight. These restrictions appear to contradict the WTO ruling against Japan for maintaining an overly restrictive measure on U.S. apples due to fire blight.

Australia and New Zealand held WTO consultations in October 2007 in which the United States and the European Commission (EC) were third party participants. However, there was no progress made on this issue during those consultations. As a result, New Zealand requested a WTO dispute settlement panel which was established in January 2008. A panel has been composed, and the case is now in litigation. The U.S. will participate as a third party. Japan, Taiwan, Chile and the European Union have also reserved their third party rights.

China Continues to Restrict Trade to Two U.S. Apple Varieties

China has authorized the importation of two varieties of U.S.-origin apples since the 1992-93 shipping season because the fruit trees of these particular varieties are resistant to fire blight. In 1999, the United States requested authorization to export additional varieties of U.S.-origin apples. However, China has maintained an import restriction on additional apple varieties from the United States due to concerns about fire blight. The United States has been safely exporting apples to China for over 15 years with no reported fire blight-related problems. And again, based on the WTO ruling, fire blight-related import restrictions on fresh apples are not scientifically justified. China already imports apples from other countries where fire blight is known to occur, without any varietal restrictions.

The United States Maintains Solid Trade with Its Top 15 Markets

Nearly 90 percent, or over half a million tons of current apple exports are destined for 15 countries. The U.S. apple industry is actively promoting in nearly all these top markets.

Top U.S. Export Markets 2007		
Rank	Markets	Total Metric Tons
1	Mexico	172,452
2	Canada	132,453
3	Taiwan	48,003
4	United Kingdom	35,820
5	Hong Kong	33,250
6	India	29,895
7	Indonesia	25,951
8	United Arab Emirates	19,574
9	Malaysia	13,084
10	Thailand	12,397
11	Russian Federation	11,251
12	China; Peoples Republic c	9,977
13	Saudi Arabia	9,436
14	Guatemala	8,539
15	Dominican Republic	8,013
Total 14		570,096

The FAS Attaché Report search engine contains reports on apples and other deciduous fruit and can be found on the FAS home page at <http://www.fas.usda.gov>. (Author: Heather Velthuis)