World Trade Situation and Policy Updates

Mexico and the United States Continue Dialog on Protocol for U.S. Potato Access

On August 15, Mexico officially closed the border to U.S. table stock potato exports citing alleged nematode detections. As a result of technical discussions with APHIS, SAGAR reopened the border to the select few U.S. states still eligible to export table stock potatoes to Mexico. APHIS and SAGAR are still negotiating a protocol. APHIS is seeking a systems approach which would include surveys and documentation demonstrating production area freedom, washing, treatment with sprout inhibitor, phytosanitary inspection at point of origin, and sealing of conveyances. The August 28, APHIS proposal provides new phytosanitary assurances for Mexico, while at the same time offering new opportunities for previously banned states to qualify to export. U.S. potato exports fell from approximately $21 million in 1999 to less than $16 million in 2000.

Greek Peach Canners Benefit from Low Costs; Maintain Pressure on U.S. Industry

Greek processors are paying 15 percent less for raw fruit than last year and production may well exceed last year's level of 397,000 tons canned net weight. These factors coupled with an appreciating dollar exchange rate will continue to make the U.S. market attractive for Greek exports. Last year, U.S. imports from Greece increased 77 percent from the previous year, totaling a record 1.7 million cases and equaling 10 percent of U.S. production. Greek growers will receive a price of $216 per metric ton for 300,000 tons of raw fruit delivered to processors. Processors will only have to pay $174 per metric tons while a direct subsidy to growers will provide the remaining $42. Growers will receive an additional $103 per metric ton for 90,000 tons of fruit delivered to withdrawal. By comparison U.S. processors will pay $261 per metric ton, which about $86 per metric ton more than Greek processors are paying.

Commerce Extends Antidumping Review of Thai Canned Pineapple

On August 9, the Department of Commerce's International Trade Administration (ITA), announced that the final results of the antidumping review on canned pineapple from Thailand would be extended until October 9, 2001. This is the fifth review since the original investigation in 1995 determined that Thai producers and exporters were selling canned pineapple below fair market value. Earlier this year, a sunset review by the ITA determined that the threat of injury to the U.S. pineapple industry still existed and that another five yearly reviews will take place following the October 9 decision. Last year, the United States imported 316,852 metric tons (MT) of preserved pineapples, of which Thailand supplied 32 percent.

Mexico Announces the Financing Program for the 2000/2001 Sugar Crop

The Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food, (SARGARPA), announced a one-time program to help the sugar industry obtain funds to pay outstanding debts for the 2000/2001 marketing year. The Mexican Federal Government will provide 1.2 billion pesos ($131 million) to sugar millers to pay outstanding debts to sugarcane producers. Sugar mills will warrant the funds through their sugar inventories with sugar deposit certificates. Bancomexico, Mexico's EXIMBANK will manage the funds. The program is necessary because of Mexico's over-production of sugar, which depressed prices to processors, reducing their cash flow and hence monies available to pay sugarcane producers. The Government's program will address only about 25 percent of the problem, as the outstanding debt of sugar millers is estimated at 4.5 billion pesos.

Spanish Producers Push for Extension of EU Tree Nut Improvement Program

Under EU regulation 2145/91, a tree nut varietal improvement program for Spain, and other member states, has been in effect since 1991. Due to expire last year, the Commission approved a one-year extension in the face of extensive pressure from Spain. Under the program, Spanish almond and hazelnut growers have been eligible to receive payments of up to 475 Ecu/hectare. Spain's government has noted that as many as 140,000 families derive income from nut farming; with many of these living in some of Spain's poorest areas. At a recent EU Agriculture Council meeting, Spain's Minister of Agriculture argued for yet another extension of the program. In response, Commissioner Fischler stated that the Commission will study social, economic and environmental problems that could be caused by the suspension of the aid and will bring forth proposals to address them, if necessary. Spain is the world's second largest producer and exporter of almonds after the United States. Spain is also a significant market for U.S. almonds, with U.S. shipments valued at $65 million in CY2000.

Chile Approves Imports of Apples and Pears from Oregon and Idaho

Chile recently agreed to allow imports of apples and pears from Oregon and Idaho. Before this decision, Chile only allowed apples and pears from the state of Washington. Access for the three states is limited to approved production areas with no apple maggot quarantines in place. This new market opportunity is expected to eventually result in combined Oregon and Idaho apple and pear sales of $2 million annually. USDA continues to work with Chile's Ministry of Agriculture for access for apples and pears from California. In marketing year 1999/2000 (July-June), Washington state apple shipments to Chile totaled 129 tons, valued at nearly $50,000. A lower Washington state apple crop, higher prices, and a stronger U.S. dollar vis-a-vis the Chilean peso limited shipments to Chile last season.