



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
United
Nations

Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

COMMITTEE ON COMMODITY PROBLEMS

INTERGOVERNMENTAL GROUP ON CITRUS FRUIT

Fourteenth Session

Rome, 27-28 March 2007

TRENDS IN SANITARY AND PHYTOSANITARY POLICIES AFFECTING CITRUS TRADE OVER THE PERIOD 1995-2005

I. INTRODUCTION

1. As multilateral trade negotiations have generally resulted in lower tariffs on agricultural products, sanitary and phytosanitary (SPS) measures have attracted increasing attention in agricultural trade debates. SPS measures aim to protect plant (phytosanitary measures) and animal and human health (sanitary measures). However, they can also act as barriers to trade by either increasing the costs of imports or prohibiting imports entirely. During the Uruguay Round of Trade Negotiations, governments voiced concerns regarding SPS measures. As a result, the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) was adopted under the general agreement that established the World Trade Organization (WTO) in 1995. The SPS Agreement established disciplines for imposing SPS measures.

1. Fresh horticultural products are particularly sensitive to the requirements of SPS measures. In the case of fresh horticultural products, there is a perception that plant health measures are more trade restrictive than food safety measures. Analysis of citrus related SPS measures suggests that citrus conforms to this pattern.

2. This document reviews notifications of changes in SPS measures relevant to citrus over the period 1995-2005. It goes on to describe past and current import bans on citrus fruits and the trade concerns that have arisen at the SPS Committee.

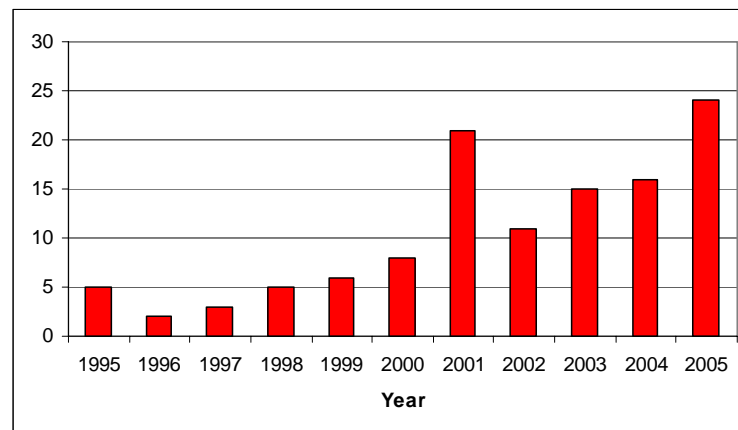
II. NOTIFICATIONS OF CHANGES IN SPS MEASURES AFFECTING CITRUS TRADE

3. National governments continually modify SPS measures and adopt new ones. Under the requirements of the SPS Agreement, governments must notify others of new or changed SPS measures which affect trade. This requirement covers measures that restrict trade as well as trade facilitating measures. All SPS measures that have been adopted must be published promptly, so that interested members can be acquainted with them. Except in urgent situations, members must allow a reasonable period of time between the publication of a measure and its entry into force. Ideally, notification should occur when a draft with the complete text of a proposed regulation is complete and when amendments can still be made and comments taken into account. From 1995 to 2005 (November) in total 5 970 SPS notifications were submitted to the WTO.

A. FRESH CITRUS NOTIFICATIONS

4. Over the period 1995-2005, a total of 116 notifications related to fresh citrus were recorded, and there appears to be an increasing trend in the number of notifications over time (Figure 1). The highest number of notifications was in 2005, but a large number was recorded in 2001. There does not seem to be any specific policy changes that occurred in 2001 to account for the increased number of notifications, other than most were submitted by the United States.

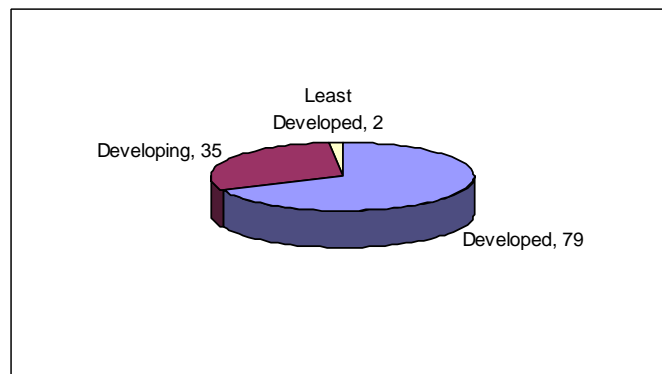
Figure 1 - Number of citrus-related notifications, 1995-2005



Source: WTO notifications G/SPS/N series and authors calculations

5. As shown in Figure 2, developed countries accounted for the majority (68 percent) of the citrus-related notifications. Developing countries were responsible for 30 percent of the notifications and least developed member countries provided only 2 percent.

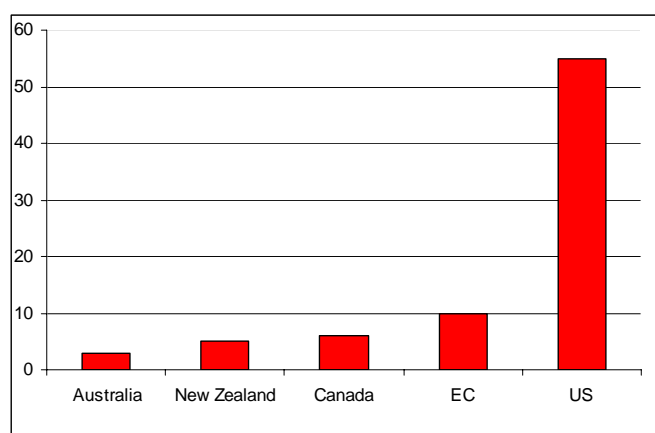
Figure 2 - Number of citrus-related SPS notifications by country type, 1995-2005



Source: WTO notifications G/SPS/N series and authors calculations

6. Among the developed country notifications, the United States provided by far the most notifications (70 percent) followed at a distance by the European Community (EC) (13 percent) (Figure 3). It is worthwhile to note that Japan provided no notifications specifically related to citrus but did provide notifications that related to fruit in general. This may be an indication that countries approach the notification procedure differently. Some countries, such as the United States provide detailed and product-specific notifications while others, such as the EC and Japan tend to submit more general notifications. Mexico and Chile accounted for half of the citrus-related notifications (17 of 35) submitted by developing countries.

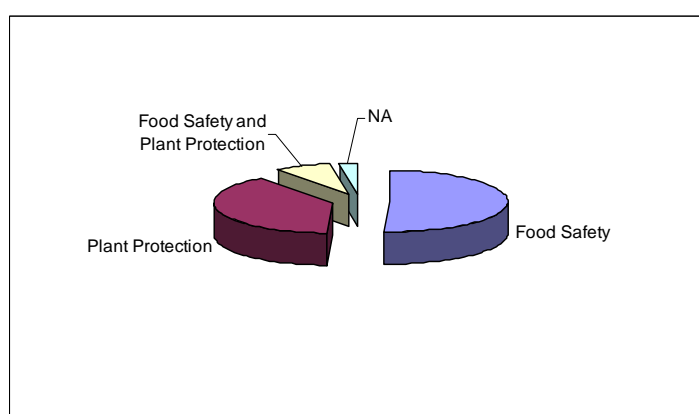
Figure 3 – Number of citrus-related SPS notifications, by developed country, 1995-2005



Source: WTO notifications G/SPS/N series and authors calculations

7. The objectives of the citrus specific notifications are presented in Figure 4. Slightly more than half of the notifications cited “food safety” as the objective of the changes (51 percent), with the United States, Canada and the EC accounting for most of the food safety-related measures for citrus fruit. Generally, these notifications proposed changes in the maximum residue limits (MRLs) or tolerances for particular pesticides on citrus. Plant protection accounted for 39 percent of the citrus-related notifications. The reasons for plant protection varied, including such items as changes in quarantine protocols, cold treatments, and the removal of import bans for specific geographical areas.

Figure 4 – Citrus-related SPS notifications by objective, 1995-2005

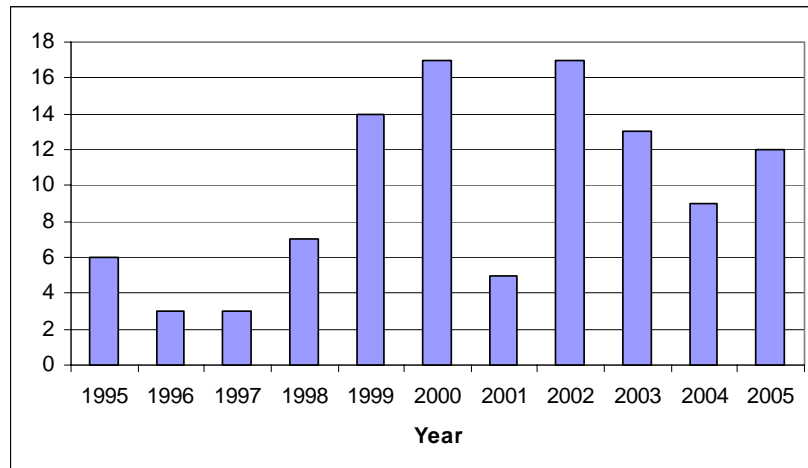


Source: WTO notifications G/SPS/N series and authors calculations

B. FRUIT NOTIFICATIONS

8. In addition to those that specifically refer to fresh citrus products, many notifications apply to fruit in general and may have an impact on trade in fresh citrus products. The number of general fruit notifications showed an increasing trend until 2002 and has since decreased (Figure 5).

Figure 5 – Number of fruit notifications, 1995-2005



Source: WTO notifications G/SPS/N series and authors calculations

9. The majority of notifications (61 percent) were submitted by developed countries. However, developing countries accounted for a significant amount of the notifications (39 percent). The EC accounted for half of the notifications by developed countries. The United States and Japan respectively accounted for 28 percent and 12 percent of the fruit-related notifications by developed countries.¹ Mexico was the largest contributor to the fruit-related notifications by developing countries (29 percent) with a wide variety of other developing countries contributing the remaining 71 percent.²

III. SPS NOTIFICATIONS AND INTERNATIONAL STANDARDS

10. The SPS Agreement urges countries to adopt measures that are consistent with international standards. In Article 3 of the SPS Agreement members are encouraged to base measures on international standards, guidelines and recommendations, where they exist. The SPS Agreement recognizes in particular three international standard-setting bodies. The Codex Alimentarius Commission (Codex) is responsible for food safety measures and standards. Correspondingly, the Office International des Epizooties handles animal health measures, and the Secretariat of the International Plant Protection Convention (IPPC) sets the standards for plant health measures. Countries are not obliged to adopt the international standards set by these organizations, but doing so ensures compliance with WTO obligations under the SPS Agreement.

¹ Australia, Canada, and Czech Republic accounted for remaining 5 percent of the fruit related notifications by developed countries.

² Chile, China, Colombia, Costa Rica, Cuba, El Salvador, Guatemala, Honduras, Indonesia, Mauritius, Peru, Philippines, Republic of Korea, South Africa and Taiwan Province of China.

11. Harmonization of standards is viewed as a tool to decrease the trade distorting effects of SPS measures. Despite the potential advantages of harmonization, its impact appears to be constrained by operational limitations. Member countries are asked within the format of the notification system whether a measure is based on an international standard. This information can provide information on international harmonization. When examining notifications relevant for fresh citrus, in more than half the cases the international standard to facilitate harmonization did not exist.

12. Specifically, 73 percent of the food safety notifications reported that no international standards existed for the referenced measures (Table 1). Only 9 of the 84 food safety notifications indicated that the Codex standard existed and reported full adoption. In some cases (13) the international food safety standards were disregarded or only partially adopted. In contrast, 56 percent of the plant health notifications reported that the international standard did not exist. However, in all cases where international plant health standards existed countries reported full adoption (Table 1).

13. It is important to consider the nature of international standards. More plant health than food safety notifications reported the existence and adoption of international standards. This is because most of IPPC's resources have historically been allocated to the development of "meta-standards" – which identify common approaches to risk identification, assessment, and management – rather than specific standards. This means that even in cases where an importing country has used the IPPC's endorsed methodologies, its phytosanitary measures may differ from those of other importers.

Table 1 - Adoption of international standards relating to citrus as reported in notifications, 1995 -2005

Regulatory goal	Adopted international standard or less restrictive measure	Did not adopt international standard	Partially adopted international standard	International standard does not exist	Unknown ¹	Total notifications
Food safety	9	6	7	61	1	84
Plant health	35	0	0	53	6	94
Food safety and plant health	5	2	17	11	6	41
N/A	0	0	0	3	0	3
Total	49	8	24	128	13	222

¹ The member did not respond to the question regarding adoption of an international standard, guideline or recommendation

Source: WTO and the authors' calculations

N/A – the member did not state the objective of the measure

IV. IMPORT BANS

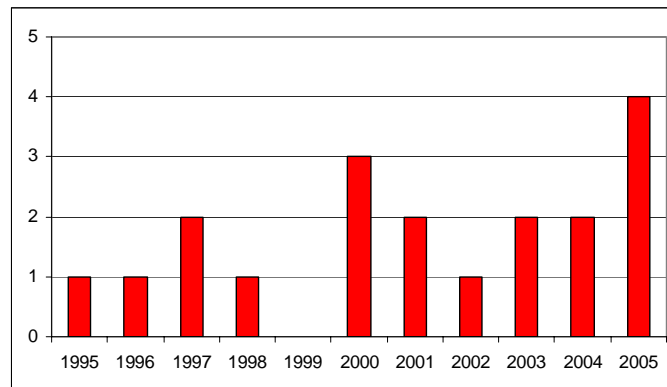
A. RESOLVED BANS

14. Import bans are visible SPS measures and in general can be divided into two types – total and partial bans. The use of partial (regional) bans is increasing due to requirements under the SPS Agreement.

15. Data are lacking for a comprehensive analysis of import bans on horticultural products. Import bans are not always reported to the SPS notification scheme. Media sources often report on import bans of economic importance but lack details for quality analysis. Many citrus-related import bans, some of which were long standing, were resolved over the past ten years. In many cases both governments involved cooperated to solve the import ban and resume trade. Once borders close, the opening process is often burdened by administrative and procedural delays. Even in cases where the problem can be quickly solved through treatment methods and science, the process to remove the ban may take considerable time and result in lost revenue for producers and exporters.

16. Details on citrus-related import bans were collected from various media sources. Figure 6 shows no clear trend in the resolution of the citrus import bans during the studied time period (1995-2005). It may appear that more bans have been lifted in the past five years, but the data set may not be complete and it is difficult to draw any conclusions. In total the analysis of media reports found that 19 import bans on citrus were removed during the selected time period. All the import bans were in place on phytosanitary grounds and none were related to food safety.

Figure 6 – Number of citrus import bans reported resolved, 1995-2005



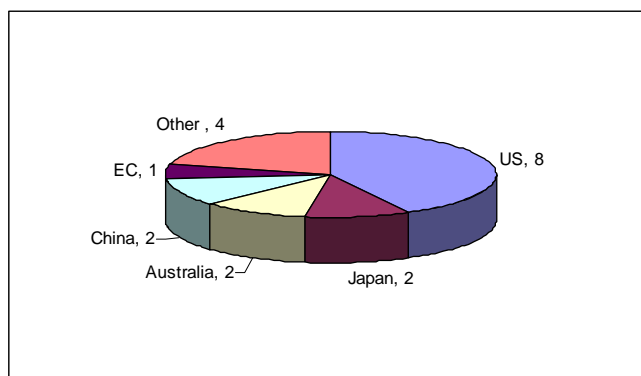
Source: APHIS press releases, USDA Foreign Agriculture Service press releases, Reefer Trends, FruitNet Partners.

Note: 2005-inclusive until August 2005

17. The length of the import ban is important to gauge how long trade was disrupted. Unfortunately, the durations of the import bans were reported in less than half of the cases. Among the nine bans whose duration was specified, six were resolved through bilateral consultation in less than a year, while the other three bans were in place for at least five years.

18. The United States accounted for the majority (42 percent) of the resolved import bans (Figure 7). This could be a biased indicator, as information on the United States was the most readily available. During the examined time period, the United States had resolved citrus import bans from all the following countries: Argentina, Australia, Chile, Mexico, Republic of Korea, South Africa and Spain. There was only one reported case of an import ban on citrus products into the EC. Japan resolved two citrus-related import bans, one with Argentina and another with Italy. Australia also resolved two citrus import bans during the surveyed period.

Figure 7 – Citrus-related import bans resolved by importing country, 1995-2005



Source: APHIS press releases, USDA Foreign Agriculture Service press releases, Reefer Trends, FruitNet Partners.

Note: Other includes- Philippines, Peru, Russian Federation, Argentina 2005-inclusive until August 2005.

B. ACTIVE IMPORT BANS

19. The United States, Japan and the EC are major importers of fresh citrus and import bans in these markets can significantly disrupt world trade flows.

United States

20. Currently, the United States has 46 import bans in place for fresh citrus products. Not all countries are completely banned, since 3 of the 46 bans contain exceptions. The majority (52 percent) of the United States citrus import bans involve Asian countries. Almost all (98 percent) the countries that are banned are developing countries. Among the banned countries only China and Argentina export significant amounts of citrus. The citrus import bans in the United States aim to protect against the spread of and/or introduction of harmful plant diseases, namely citrus canker, sweet orange scab, and Cancrosis B. All imports of citrus must be accompanied by an import permit and are subject to inspection.

Japan

21. Japan prohibits citrus imports from 140 countries, mostly due to exotic fruit flies. Japan prohibits citrus imports from all of Africa. Developing countries account for 89 percent of the current Japanese import bans on citrus fruit. Some countries have been granted varietal and regional exceptions to import bans of citrus into Japan (Argentina, Australia, Italy, South Africa and Spain). Countries that are not prohibited can export citrus to Japan provided the shipment is accompanied by a phytosanitary certificate, other required documents and can be subject to inspection and treatments. The largest percentage (83 percent) of the bans is in place to prevent the spread of the Mediterranean fruit fly.

European Community

22. In contrast to the United States and Japan, at the time of writing this report the EC had no citrus-related import bans in place. Citrus fruit imports are permitted into the EC when accompanied by a phytosanitary certificate and are free of leaves and peduncles and can be subject to inspection at the border. However, restrictive measures can be applied in cases where a specific problem was detected. For example, specific measures are required for citrus from Brazil and Argentina. Their shipments have to be certified as free of given pathogens known to be harmful to citrus production (certification done by national plant health organizations of Brazil and Argentina).

V. THE SPS DISPUTES

23. Dispute settlement is a central pillar of the WTO. As of December 2005, over 330 trade disputes have been formally raised under the WTO's dispute settlement system. Of these, 29 are alleged violations of the SPS agreement, accounting for 9 percent of cases brought to the Dispute Settlement Body (DSB), although in four cases SPS violations were not the main point of contention. Seven of the SPS related disputes are relevant to the fruits and vegetable sector (Table 2). Of these seven disputes, two gave rise to panels, one was solved mutually through bilateral consultations, and four are still pending.

Table 2 - Fruit and vegetable SPS disputes (1995-2005)

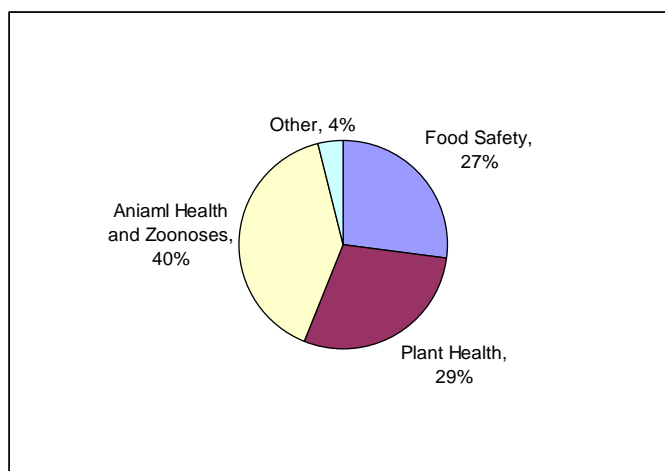
DS Number	Title	Complainant	Respondent	Year	Status
DS3	Rep. of Korea - measures concerning the testing and inspection of agricultural products	USA	Rep. of Korea	1995	Consultations requested-no solution reported
DS41	Rep. of Korea - measures concerning inspection of agricultural products	USA	Rep. of Korea	1996	Consultations requested-no solution reported
DS76	Japan - measures affecting agricultural products "varietal testing" requirement for fresh fruits	USA	Japan	1997	Appellate Body and Panel Reports Adopted 1999
DS237	Turkey - certain import procedures for fresh fruit	Ecuador	Turkey	2001	Mutually Agreed Solution 2002
DS245	Japan - measures affecting the importation of apples	USA	Japan	2002	Appellate Body and Panel Reports and Mutually Agreed Solution 2005
DS270	Australia - certain measures affecting the importation of fresh fruit and vegetables	Philippines	Australia	2002	Consultations requested-no solution reported
DS271	Australia - certain measures affecting the importation of fresh pineapple	Philippines	Australia	2002	Consultations requested-no solution reported

VI. CITRUS-RELATED TRADE CONCERNS

24. Although the seven cases presented above are related to fruits and vegetables, no formal WTO SPS disputes related specifically to citrus were raised under the WTO disputes settlement system. This is by no means an indication that SPS trade issues related to citrus fruits do not exist. Many trade concerns are raised in a less formal manner at the meetings of the SPS committee. The SPS Agreement has established a SPS committee to provide an environment to discuss measures that may affect trade. This committee meets about three times per year and members can raise specific trade concerns.

25. Altogether, 204 specific trade concerns were raised between 1995 and 2005 at SPS committee meetings. Of the 204 trade concerns, 27 percent related to food safety, 29 percent to plant health, and the majority (40 percent) of concerns related to animal health and zoonoses.

Figure 8 – Trade concern by subject 1995-2005



Source: WTO, Specific Trade Concerns. G/SPS/GEN/204/Rev.5

26. There were 11 citrus related trade concerns raised during the past ten years (1995-2005) at SPS committee meetings (Table 3). Many of the citrus related trade concerns were raised by developing country members. Only three of the eleven citrus concerns were raised by developed countries. The respondents in all but two of the concerns were developed countries. This may indicate that developing countries do not hesitate to raise concerns regarding the SPS policies of developed countries. The majority of the trade concerns raised were related to plant health (8 of 11). This is another indication that plant health measures are important in fresh citrus trade. All three food safety concerns were associated with Maximum Residue Limits (MRL) for juices and pulp. Most of the cases were discussed more than once at SPS committee meetings and some cases were discussed over several years.

Table 3 - Complaints in the WTO SPS Committee against measures regulating imports of citrus and citrus products, 1995-2005

Respondent	Complaint	Raised by	Supported by	Issue first raised	Status (if reported)
EC	Elimination of protected zones within EC leading to more restrictive phytosanitary requirements for citrus imports	Uruguay	Chile, Mexico, South Africa	Mar. 1997	
EC	New restrictive measures for imports of citrus from third countries where citrus is present	Argentina	Brazil, Chile, South Africa, Uruguay	Jul. 1997	Resolved
EC	MRL for dioxins in citrus pulp	Brazil		Sep. 1998	Resolved
USA	Imports of citrus fruit	Argentina		Nov. 1999	Resolved
Australia	Restrictions on imports of tropical fresh fruit	Philippines, ASEAN	Brazil, EC, India, Rep. of Korea, Malaysia, Thailand, USA	Mar. 2000	Panel established and bilateral consultation continue
EC	MRL for the thiabendazole in fruit juices	Israel		Jul. 2001	
China	Import requirements for apples, pears and citrus	Argentina		Mar. 2002	
USA	Import conditions for clementines	EC		Mar. 2002	
Japan	Required fumigations for non-quarantine pests on citrus	New Zealand	USA, EC, Australia	Jun. 2002	
EC	MRLs for pesticides dimethoate on fruits in fruit juices	Brazil	Argentina, Uruguay, Bolivia, Dominican Rep., Jamaica, Mexico, Cuba	Nov. 2002	
Barbados	Restrictions on import of citrus	Venezuela		Oct. 2004	

Source: WTO. 2005. Specific Trade Concerns – Committee on Sanitary and Phytosanitary Measures. Note by the Secretariat. Parts 1-4 G/SPS/GEN/204