World Trade Situation and Policy Updates

ITC Rules Imports of Chilean Frozen Raspberry Injure U.S. Industry

On June 20, 2002, the U.S. International Trade Commission (ITC) issued a final determination that the U.S. raspberry industry has been materially injured by imports of individually quick frozen red raspberries (IQF) from Chile. This decision follows the Department of Commerce's final ruling in May that IQF red raspberries from Chile were being sold in the United States at less than fair market value. At that time, final antidumping duties on imported IQF raspberries ranged from 0.50 to 5.98 percent. The Department of Commerce will now instruct its Customs officials to assess the antidumping duties on all imports of this product from Chile. Since the ITC's preliminary affirmative injury ruling on the case last June, U.S. imports of IQF red raspberries from Chile through April were up 22 percent on a volume basis, and increased 12 percent on a value basis, compared to the same period in the preceding year.

Department of Commerce Ordered to Explain Method for Calculating Anti-dumping Duties on Chinese Apple Juice

On June 18, the New York-based U.S. Court of International Trade ruled that the U.S. Department of Commerce must address the method used when calculating anti-dumping duties imposed on Chinese not-frozen apple juice concentrate (AJC) in 2000. The ruling came more than two years after China's apple juice producers filed an appeal on the dumping decision with the U.S. Court of International Trade. The Chinese producers appealed the Commerce Department's use of India as a surrogate country, among other factors, to determine the cost of production of AJC in China. Because China is not a free market economy, Commerce was allowed to use India as a substitute country. The Commerce Department has 90 days from the ruling to address the issues outlined in the Court's decision. The anti-dumping duties, ranging from about 9 percent to 52 percent, will remain in effect during this period. On May 15, 2000, the U.S. International Trade Commission issued a final determination that the U.S. apple juice industry was materially injured by imports of AJC from China. Commerce instructed U.S. Customs officials to assess the antidumping duties on all imports of Chinese non-frozen apple juice concentrate (including semi-frozen or chilled). The dumping duties are to be in effect for five years.

Argentina's Apple and Pear Exports Running at Record Pace

Boosted by the devaluation of the Argentine peso, combined shipments of Argentine apples and pears have exceeded 400,000 tons in the first five months (January-May) of the 2002 season, up 15 percent from the same period last year. The sharp devaluation of Argentina's peso has helped exports and improved peso returns to the main apple and pear growing regions of the Rio Negro and Neuquen. However, in U.S. dollars, returns to shipments are down 8 per cent from last season, due to the weakness of the Argentine peso vis-à-vis the U.S. dollar. Reportedly, the Argentine peso has fallen 270 percent in value against the U.S. dollar since January 2002. Argentina plays a major role in world apple and pear exports. In 2001, Argentine pear exports reached about 315,000 tons, valued at $165 million. Shipments of apples during the same year totaled nearly 200,000 tons, valued at $97 million. The lower-priced fruit from Argentina, however, is not expected to adversely affect U.S. fruit shipments this season. Although marketed year round, the bulk of Argentina's fresh apples and pears are exported in the months of February through April. Major export markets for Argentina's fruits are Brazil, the EU, particularly Italy, and the United States.

Outlook Positive for U.S. Apple and Pear Shipments to Cuba

After several days of meetings and site visits to packing houses and orchards in Washington state and New York, U.S. apples and pears may soon find their way to Cuba, ending a 40-year absence. On June 16, 2002, representatives from APHIS and Cuba's Centro Nacional Sanidad Vegetal (CNSV) signed a document that details the phytosanitary requirements for the exportation of Washington State apples and pears to Cuba. Likewise, New York apple growers received phytosanitary clearance on June 19. New York and Washington are the only states that now have clearance to ship apples to Cuba. Shipments from both states will require a Federal Phytosanitary Certificate (PC), along with an additional declaration indicating that they are free of certain pests, such as *Rhagoletis pomonella* (apple maggot). In the near term, potential sales of apples to Cuba could total $500,000 annually. The first export sale, which will be made on a cash basis, is expected to take place in the summer of 2002.

Potential New Market Opportunities for U.S. Fruits in Colombia

Representatives from the Washington Apple Commission (WAC) reported on June 14 that Colombia has banned fruit from Chile until at least September 2002. The ban was imposed after Colombian Customs officials at the port of Buenaventura detected *Cydia pomonella* (Codling moth) in four shipments of Chilean fruit. The ban on Chile could likely bring new market opportunities for U.S. fruit exports to Colombia. In August 2001, Colombian inspectors are tentatively scheduled to participate in an apple tour in the Pacific Northwest and Michigan to perform technical inspections of field orchards and laboratories. In calendar year 2001, Chile's fruit shipments to Colombia were valued at $37 million. Colombia was Chile's seventh largest fruit market in 2001, accounting for about 3 percent of its exports. The leading Chilean fruits exported in 2001 to Colombia included table grapes, apples, and pears. Meanwhile, U.S. fruit exports, primarily apples, to Colombia reached $7 million in 2001.

Mexican Tomato Growers Withdraw from the Suspension Agreement on Imports of Fresh Tomatoes

On May 31, 2002, the Confederation of the Agricultural Associations of Sinaloa (CAADES), a Mexican tomato grower's organization, sent a letter to the Department of Commerce (DOC), announcing its decision to withdraw from the agreement established in 1996 suspending the anti-dumping investigation into fresh tomatoes from Mexico, effective July 30, 2002. With this decision, the DOC will reactivate the anti-dumping investigation from the time of the preliminary determination, originally published on November 1, 1996. Customs will require deposits based on the preliminary anti-dumping margins ranging from 4.16 percent to 188.45 percent. This unexpected announcement came as the DOC was in the midst of a "sunset review" of the agreement to determine whether it should be continued. The review began last October and was expected to be completed by October 2002. The original suspension agreement, which ran from November 1, 1996, through November 1, 2001, established a reference price of $0.172 per pound (equivalent to $4.30 for a 25-pound box) for the July 1 to October 23 period; and $0.2108 per pound (equivalent to $5.27 per pound box) for the October 22 to June 30 period).

Canadian Tribunal Rules No Injury in Dumping Case Against Fresh Tomatoes from the United States

On June 26, the Canadian International Trade Tribunal (CITT) issued its finding that the dumping of fresh tomatoes from the United States has not caused material injury and is not threatening to cause material injury to the domestic industry. This negative determination brings this case to a close. On June 24, the Canadian Customs and Revenue Agency (CCRA) had confirmed that fresh tomatoes from the United States, excluding tomatoes for processing, were dumped into Canada at, on average, 33 percent below normal price levels. A U.S. dumping investigation against Canadian greenhouse tomatoes was effectively terminated on April 2, when the U.S. International Trade Commission (ITC) issued a final negative injury determination in the case. Two-way tomato trade remains critical to both industries' stability and long-term health. According to Census Bureau data, U.S. exports of tomatoes to Canada in CY 2001 were valued at $115 million, while U.S. imports of tomatoes from Canada in that same year reached $167 million.