

APHIS in the Global Trade Arena



Protecting American agriculture is the basic charge of the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS). APHIS has employees stationed across the country and around the world to accomplish this mission.

APHIS works to safeguard American agriculture by keeping destructive foreign pests and diseases out of the United States. Should an exotic disease threaten U.S. borders, it's APHIS' role to combat the threat and prevent an outbreak. By ensuring the health and well-being of animals and plants nationwide, APHIS helps improve agricultural productivity and competitiveness and contributes to the national economy and the public health.

APHIS' dedicated workforce strives to meet the needs of an ever-expanding customer base. We use state-of-the-art technology to keep up with trends in agriculture and international trade as well as other pertinent issues. All of our work enhances the United States' ability to buy and sell agricultural products in the international marketplace, fortifies our abundant, safe, and diverse food supply, and contributes to the health of U.S. public and private lands.

Global Trade Agreements

Several global trade agreements help APHIS to carry out its mission, the most important of which are the North American Free Trade Agreement (NAFTA) and the World Trade Organization (WTO) Sanitary and Phytosanitary (SPS) Agreement, the successor to the General Agreement on Tariffs and Trade (GATT). Both have helped the United States become more competitive in the international trade arena, especially in the area of agriculture.

This growing interest in agricultural trade has created a more visible role for APHIS and expanded our mission to ensure that new trade opportunities benefit the United States without creating new threats from harmful exotic pests and diseases. APHIS is delegated as the primary negotiator for SPS-related trade issues. In that role, APHIS has the responsibility for regulating the importation of food and agricultural commodities into the United States as well as establishing SPS requirements that set the boundaries for safe international agricultural trade. The need for such SPS requirements is fully recognized by NAFTA and the WTO.

NAFTA, a trilateral trade pact between the United States, Canada, and Mexico, went into effect in January 1994. The GATT was established in the wake of World War II, and its successor organization, the WTO, was created in 1995 after a series of trade negotiations known as the Uruguay Round. Collectively, the WTO's more than 140 member countries account for more than 90 percent of world trade. Decisions are made based on the consensus of the entire WTO membership.

During NAFTA and WTO negotiations, countries embarked on a historic effort to reform agricultural trade. Under both agreements, countries are required to base their SPS measures on scientific evidence. In short, countries are now required to scientifically justify their reasons for impeding the free

flow of trade. With the reductions in quotas and tariffs that are a result of WTO and NAFTA, there is a greater potential for countries to use pests and diseases as artificial barriers to trade. In order to exclude agricultural products presented for importation, a country must be able to scientifically document that allowing such importation would create an unacceptable risk of introducing foreign pests or disease. To be designated as quarantine significant, a pest or disease must not exist in the importing country or be present only in a limited area that is under official control.

NAFTA and WTO requirements for risk assessments are intended to make countries' SPS regulations more transparent and scientifically based. Countries also are required to be consistent in their risk management practices. Agricultural officials cannot treat one country different from another when the importation of their goods would result in the same pest risk. It is important to note, however, that NAFTA and WTO clearly recognize the rights of countries to set their own levels of protection.

Regionalization

In addition, the WTO and NAFTA commit countries to recognizing disease- and pest-free areas *within* a country even if a particular pest or disease exists elsewhere in the nation. This concept is perhaps the most significant policy and regulatory issue facing APHIS and our trade partners. It has, however, created new opportunities for the United States, as well as other countries that may have a pest in one region but be free of it elsewhere.

The concept of regionalization is founded on the longstanding idea that import requirements should be based on geography and science rather than on politics. The political borders between countries and delimiting states within a country are invisible; geographic boundaries, such as mountains and

rivers, are not. Pests and diseases must be able to travel in order to spread. If the path is blocked by a mountain range down the middle of a country, then the disease is naturally confined to one side of that country.

The states of Sonora and Yucatan in Mexico are prime examples. While other regions in Mexico still have outbreaks of classical swine fever (CSF), the prevalence of the disease in Sonora and Yucatan is low. Based on the principle of regionalization and a risk analysis, the United States accepts imports of fresh (chilled or frozen) pork from Sonora and Yucatan even though other regions of the country are not allowed to export pork to the United States because of the presence of CSF.

Plant health officials refer to regionalization as "area freedom." The name is different, but the results are the same. When Pennsylvania officials discovered an outbreak of plum pox in October 1999, area freedom kept the entire State, and perhaps the entire Nation, from being quarantined. Under area freedom, the disease, which infects stone fruit, resulted in a quarantine only in the Adams County, PA, area where plum pox was detected. Other major U.S. stonefruit-producing areas, such as Washington, can continue to export peaches, apricots, plums, and almonds.

Should one nation disagree with another's trade requirements, the requirements can be challenged through NAFTA and the WTO's dispute settlement processes. A disagreement arising between Mexico, Canada, or the United States could be first addressed through NAFTA. In both NAFTA and the WTO, a panel is appointed to review the situation and make a ruling. If a country fails to recognize the panel's ruling, the WTO provides a mechanism for proceeding.

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International Standards

The WTO and NAFTA encourage countries to base their SPS regulations on international standards. Countries are required to publish proposed regulations in order to give other nations a chance to comment before the regulations go into effect. This process is intended to reduce unnecessary variance between countries' technical health standards—differences that are often the cause of trade disputes. It is a top priority of APHIS to work with our trading partners to develop internationally acceptable standards. We've already made great progress in this area with some nations, especially Canada and Mexico.

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APHIS works with and recognizes a number of standards-setting organizations that help determine the rules for international trade.

L'Office International des Epizooties (OIE) and Animal Health

One of the most important standards-setting organizations, Paris-based OIE has more than 150 member countries. It was started in the 1920's in response to the appearance of rinderpest in Europe from Pakistan. Each member country has one vote and one delegate. Its major functions are to collect and disseminate information on the distribution and control of animal diseases, coordinate research on contagious animal diseases, and standardize rules for international trade in animals and animal products.

OIE aims to ensure that scientifically justified measures are used to govern international trade in animals and animal products. The WTO has designated the OIE as the international forum for setting animal health standards, reporting global animal health situations and status, and presenting guidelines and recommendations on animal health issues.

International and North American Organizations for Plant Health

The WTO recognizes the International Plant Protection Convention (IPPC) when it comes to setting plant health standards. In effect since 1952, the IPPC is a multilateral treaty that promotes “. . . common and effective action to prevent the spread and introduction of pests of plants and plant products and to promote measures for their control.” The treaty is administered by the Food and Agriculture Organization (FAO) of the United Nations. Currently, more than 100 countries adhere to the IPPC.

In 1989, an IPPC Secretariat was created to coordinate activities for the IPPC and to support the development and administration of international phytosanitary standards. Given the importance of international standards to future agricultural trade, the technical and regulatory nature of plant health issues covered by the IPPC, and APHIS' scientific expertise in this area, APHIS has assumed the role of lead U.S. agency participating in activities of the IPPC.

The IPPC objectives are to develop international plant health standards, promote the harmonization of plant quarantine activities with emerging standards, facilitate the dissemination of phytosanitary information, support plant health assistance to developing countries, and resolve disputes.

The North American Plant Protection Organization (NAPPO)—a regional plant protection organization of the IPPC created in 1976—coordinates the efforts among Canada, the United States, and Mexico to protect their plant resources from the entry, establishment, and spread of plant pests while ensuring the free flow of trade between the three nations. APHIS employees are frequently assigned to NAPPO committees charged with reviewing technical standards or reviewing new methods for pest control.

For example, APHIS employees worked with NAPPO to develop guidelines for the release of nonnative organisms to control weeds.

In addition to establishing plant quarantine standards, NAPPO also has developed a pest risk analysis (PRA) standard. PRAs are generally done for every agricultural commodity entering the United States. The PRA identifies foreign pests that could harm U.S. agriculture and the level of risk related to a particular commodity. By adhering to the PRA standard developed by NAPPO, the United States, Mexico, and Canada can all be assured they're using the same approach to evaluate pest risks.

Codex and Free Trade Areas for the Americas

The Codex Alimentarius Commission for food safety standards is the third international standards-setting organization recognized by the WTO. Jointly managed by the World Health Organization and the FAO, Codex, established in 1963, facilitates world food trade by establishing international standards based on accepted scientific knowledge. Codex deals with subjects such as food additives, pesticide residues, and food labeling. Codex expert committees are composed of representatives from government regulatory agencies, such as USDA's Food Safety and Inspection Service, the international scientific community, and industry.

The OIE, IPPC, NAPPO, and Codex have earned prominent roles in determining the substance, direction, priorities, and outcomes of SPS requirements. Domestic groups have grown increasingly aware of these organizations and the importance of their activities, resulting in increased interest and expectations concerning the development, establishment, and amendment of international standards, particularly from the standpoint of dispute resolution.

In addition to working with such standards-setting organizations as the OIE, IPPC, and Codex, the United States is also involved in the proposed negotiation of Free Trade Areas for the Americas (FTAA). In January 1995, the United States and 33 governments from Central and South America and the Caribbean established the foundation for the FTAA, making a joint declaration of their commitment to the hemispheric integration of economics and trade by 2005. FTAA has the potential of accelerating greater intra-hemispheric trade, particularly in agriculture, given the significant role that agriculture plays in the economies of most Latin American and Caribbean countries. The FTAA initiative reflects current U.S. trade policy aimed at deepening our trade relations with newly emerging or developing economies of our hemisphere.

As a result of WTO and the pending FTAA, Latin America has evolved into an important region in terms of new markets for U.S. agricultural goods. APHIS has played an instrumental role in establishing trade relationships with these countries.

Asia–Pacific Economic Cooperation

Another example of U.S. efforts to broaden commercial relations beyond Europe and Canada is APHIS' participation in the Asia–Pacific Economic Cooperation (APEC). APEC was established in 1989 to promote cooperation in trade and other economic issues. What started out as an organization with 12 member countries has nearly doubled in size to encompass countries as diverse as Australia, Brunei, and China. As a member of APEC, the United States attends regular meetings to discuss such issues as trade liberalization, technology transfer, investment, energy, and other topics of mutual interest. It was not until 1995, however, that APEC members agreed to address agricultural trade. At this time, a group of agricultural technical experts was formed to discuss issues, including biotechnology and quarantine and pest management.

APHIS recognizes the countries in the Pacific Rim region as strategically important agricultural markets and plays a key role in meetings of the APEC agricultural technical experts. In recent years, APHIS has worked hard to develop technical working relationships with such nations as Japan, South Korea, and China. These relationships have been instrumental in creating new markets for U.S. agricultural commodities. APHIS was successful in March 2000 with helping to open up the Chinese market to U.S. citrus. Besides being economically significant, this agreement also helps pave the way for future market opportunities.

Without the creation of the WTO and NAFTA, such trade relationships would not be possible. It's a principal role of APHIS to make sure the United States and our trading partners adhere to the SPS rules set forth by the WTO and NAFTA as well as the other relevant standards-setting organizations. While trade agreements have helped to open up new markets for the United States and other countries, APHIS must ensure that U.S. agriculture is protected in all endeavors and that agricultural imports from foreign countries do not create new pathways for pests. APHIS' role in the global marketplace will continue to increase as the United States expands current trade relationships and establishes new partnerships with developing countries.

For more information about APHIS programs, visit the APHIS homepage at <http://www.aphis.usda.gov>

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**United States
Department of
Agriculture**
Animal and Plant
Health Inspection
Service

Miscellaneous
Publication No. 1572
Issued September 2001