

Exporting Horticultural Products from AGOA Countries: Challenges & Considerations

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Value of U.S. Agriculture Imports from AGOA Countries

- 10 years after signing, AGOA exports to U.S. are significant, but not for horticultural products
- The value of U.S. agriculture imports from AGOA countries increased from a \$508 million in 2000, to \$770 million in 2009
- 14 AGOA countries exported agriculture products to the U.S. valued at less than \$1 million in 2009
- AGOA horticultural product exports to U.S. imports valued at \$210 million

What are Horticultural Products?

- Fresh fruits and vegetables
- Tree nuts
- Cut flowers
- Nursery products
- Essential oils
- Wine & beer
- Fruit juices are not horticultural products, since they have been processed

Horticultural Product Import Players

- Animal and Plant Health Inspection Service (APHIS) – USDA's regulatory agency with mission to protect U.S. plant health from diseases and pests
- Food and Drug Administration (FDA) – regulatory agency charged with protecting U.S. food safety
- Agricultural Marketing Service (AMS) – USDA agency administering U.S. grades standards on the shape and size of certain fruits and vegetables
- Foreign Agricultural Service (FAS) – leads USDA's trade capacity building efforts in developing countries
- U.S. Agency of International Development (USAID) – the main on-the-ground implementer of trade capacity activities in sub-Saharan Africa and the agency responsible for development programming

APHIS Regulations

- “Q56 regulations” governing imports of fresh fruits and vegetables, cut flowers – all imports are prohibited unless they are on a list of approved products (7 CFR 319.56)
- “Q37 regulations” governing imports of live plants, including nursery stock – all such products are eligible for import into U.S. unless they are prohibited (7 CFR 319.37)

APHIS Procedure on Imports of Horticultural Products

- APHIS must complete an analysis of pest and disease risks associated with imports and determine if risks can be mitigated
- APHIS first conducts a Pest Risk Analysis (PRA) with input from exporting country
- APHIS then determines which risk mitigation measures can be put into place to allow imports of the product
- APHIS publishes a proposed regulation for public comment, followed by a final rule, which takes a minimum of two years to complete
- Since July 2007, APHIS has offered a “notice-based” alternative, if risks can be addressed by certain mitigation measures

Horticultural Import Approvals

- Baby squash and courgettes from Zambia were some of the first vegetables considered for APHIS import approval (in June 2001) after enactment of AGOA
- U.S. import approval access was granted by APHIS though the rulemaking process over 7 years later (i.e. December 2008)
- Under the notice-based process, baby carrots and corn from Kenya were granted access after 2 years and 7 months

FDA Regulations

- Foreign facilities that process, pack, or hold food for human consumption in the U.S. must register with FDA under U.S. Bioterrorism Act
- Legislation is pending before Congress that expands regulation of food imports
- H.R. 2749 requires FDA to “establish a tracing system for food” that is imported into the U.S.
- S. 510 has a foreign supplier verification program, which may include lot-by-lot certification of compliance
- S. 510 also provides building capacity for foreign governments to meet U.S. food safety requirements

Recipe for Obtaining Sustainable U.S. Market Access

- Develop business plan, including marketing feasibility study to determine whether there is demand in the U.S. for the product
- Assess infrastructure – electricity, roads, air/sea transportation, cold storage facilities, etc.
- Confirm private sector & government support
- Evaluate capacity for compliance with U.S. phytosanitary rules (conduct pest assessment)
- Develop marketing plan for U.S. consumers (promotion program/seasonal sales opportunity)

Other AGOA Country Recommendations

- AGOA countries should strengthen their phytosanitary capacity, including regulatory framework & staff expertise
- AGOA country officials should follow up with APHIS to keep import approval requests moving forward
- AGOA countries should pursue FTA negotiations to enhance the priority of their import requests

APHIS Findings

- APHIS has limited resources in terms of available staff hours
- APHIS has improved its import approval process, by allowing a notice-based alternative
- As of July 8, 2010, APHIS was evaluating the PRAs for 113 import requests, with 23 involving AGOA countries

APHIS Recommendations

- APHIS could devote more of its resources and staff to processing import approval requests and USDA to rule writing
- APHIS priority could be given to import approval requests from U.S. trade preference beneficiary countries
- APHIS could enhance transparency of its approval process by implementing a tracking system

Findings on Capacity Building

- In 2003, USDA & USAID announced a joint program to place USDA advisors in East, West & Southern Africa
- These advisors provided guidance on the PRA process for countries seeking to export horticultural products to the U.S.
- In 2006, USAID & USDA agreed to expand the program to strengthen African SPS systems, so PRA advisors became SPS advisors
- Current program has provided technical assistance on a government-to-government basis to initiate fruit fly surveillance programs, train officials in fruit fly taxonomy, train laboratory officials in plant disease diagnostics, and developed pest reporting data bases

Findings on Capacity Building - continued

- Under USAID – USDA SPS capacity building program – USDA has also coordinated training for potential exporters of processed foods to strengthen capacity to comply with U.S. food safety requirements
- SPS advisors also provide guidance to potential African exporters on navigating complex U.S. food safety system
- Despite these efforts – there is a perception that AGOA benefits remain concentrated in a few countries and there is the reality that horticultural product exports to the U.S. are limited
- These efforts have contributed to regional trade in horticultural products

Recommendations for Capacity Building

- USAID – continue and expand efforts for improving phytosanitary systems through collaboration with APHIS & FAS
- These programs should reflect plans developed by African governments and regional economic organizations, and be coordinated with other donor program to improve phytosanitary capacity
- To enhance the outreach of existing African Trade Hubs, USAID could fund a mobile team of phytosanitary experts associated with regional African entities
- AGOA law could be amended to name USAID and USDA as key agencies for AGOA implementation