

# **CHINESE FRESH APPLE IMPORTS**

## **Background**

The People's Republic of China has requested access to the U.S. fresh apple market. Should Chinese apples be permitted to enter, the United States apple industry would be confronted with one of its greatest economic challenges.

China produces over 50 percent of the world's apples and exported 54 million bushels of apples as compared to U.S. exports of 40 million bushels in the 2008-09 crop year. China's capacity to produce and to market government-encouraged agricultural commodities suggests it may have the ability to displace a significant quantity of American apple production, jeopardizing the economic viability of U.S. apple growers.

Under U.S. law, apple imports must be certified to be free of damaging pests and diseases before allowed into the United States. This is to prevent introduction of potentially devastating insect and plant disease threats to the U.S. apple industry. This sanitary-phytosanitary (SPS) mandate to protect public health, safety and domestic production is recognized and accepted as a standard of the World Trade Organization.

Consequently, before Chinese apples can be imported into the United States, the U.S. Department of Agriculture (USDA) must approve an SPS import protocol to ensure this standard is met. USDA's Animal and Plant Health Inspection Service (APHIS) is responsible for rigorous scientific assessment to ensure that any imported produce, including apples, is free of harmful pests and diseases.

## **Chinese apples: pests and diseases**

In December of 2003, APHIS sent a list of over 300 pests and diseases of concern to the quarantine inspection agency of the Chinese government. The Chinese government responded in April of 2004, and in December 2004 APHIS requested additional information on 52 of the pests and diseases from its Chinese counterparts. The Chinese government submitted additional information on the 52 pests to APHIS in July 2005. APHIS is in the process of updating the pest list.

Insect and plant diseases, that would threaten the U.S. apple industry, should not be allowed to enter the United States under any circumstances.

Congress is urged to closely monitor the broad threat posed by Chinese apple imports. As developments occur in APHIS' review process, the U.S. apple industry will continue to communicate and develop input. Coordinated action, with a science-based approach, can enable interested Members of Congress and the industry to effectively work together to address this issue.

Key policy-makers at USDA are aware of the concerns of the U.S. apple industry. However, the future is far from certain. USApple will continue to stay abreast of this issue with APHIS and looks forward to working with interested Members of Congress.

## **Why U.S. Apple Growers are Concerned**

- China is the world's leading apple producing country, growing over 50% of the world's apples.
- China has the capacity and ability to supply a large amount of apples into the U.S. market at prices below the U.S. cost of production.
- The U.S. apple industry is gravely concerned about China's potential entry into the U.S. market based on the apple industry's experience with imports of apple juice concentrate, which has significantly diminished the market for juice apples.
- China's entry into the U.S. market could cause depressed apple prices which would force a significant number of apple growers and marketers into bankruptcy.
- APHIS suspended imports of Chinese Ya pears in 2004, which were contaminated with Alternaria, an exotic disease causing fruit rot on pears with potential to infect apples and cherries. APHIS recently re-allowed Ya pear imports that comply with an APHIS designed work plan.

## **Political Considerations**

- APHIS is working on the request but it could abruptly accelerate for political reasons.
- The apple industry seeks to inform Members of Congress about our concern and the political uncertainty surrounding this issue.

USApple plans to alert interested Members of Congress of any political or regulatory development that would threaten the viability of the U.S. apple industry.