



Trade with China One Step Closer

By Ken Melban

Vice President of Industry Affairs

The California Avocado Commission (CAC) began the process for gaining trade access to China in 2005 by submitting an access request with the United States Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS). During the first 10 years, the effort remained significantly stalled due to trade politics, but the Commission's ongoing pressure generated some positive movement in early 2015 with a visit from Director General Li of the Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) of the People's Republic of China. Following that visit, the process began to move forward and an AQSIQ technical visit was scheduled.

The Commission hosted three AQSIQ officials for one week in early May. Funds for the visit were secured through a USDA Technical Assistance for Specialty Crops grant. The visit was an official government-to-government func-

tion and the next significant step toward gaining access to China. AQSIQ personnel included the lead official for the Shanghai Port, an official from the Dalian Port and an entomologist. The purpose of this visit was to provide the AQSIQ officials with the opportunity to conduct a technical audit of a handful of groves and packing facilities, representative of the industry, for sanitary and phytosanitary risk. The AQSIQ officials spent hours inspecting groves and packing facilities for insects and disease. No stone, or in this case, leaf, was left unturned.

Overall, the visit was very positive and we anticipate the next step will be the development of a "draft work plan." The next bilateral meeting between APHIS and AQSIQ is planned for late this fall in California, and our goal is for the two government agencies to complete the initial work plan by then. The best-case scenario for finalization of a trade agreement is sometime next season. But, as we've ex-

perienced during the last 11 years, it's impossible to fully anticipate issues that may arise surrounding international trade, so there are no guarantees.

On the last day of the technical visit, an exit meeting was held. From this debrief with AQSIQ, it appears the following items will be part of their review and determination before the work plan is developed:

1. A few pest samples were collected during the technical audit in both the field and in facilities. APHIS is conducting analyses to identify the pests. Once those identifications are completed, AQSIQ will discuss the findings with their pest risk analysis experts and determine if they believe those pests should be included in the final pest list.
2. Once the pest list is agreed on by both AQSIQ and APHIS, the work plan will identify appropriate risk management actions to be taken in groves and/or packing-houses.
3. During the technical visit AQSIQ keyed in on the variation of length of stem on packed fruit. They are going to "scientifically" determine the acceptable range and include that range in the draft work plan.
4. AQSIQ was also puzzled that there were no permanent inspection stations at packing facilities for individual companies' quality control and APHIS inspectors to use. It is likely that the work plan will address the need for each facility to house a work station. Stations would consist of a table, adequate lighting, and a hand lens for inspecting fruit.

It's important to stress that the California avocado industry will have an opportunity to provide input on the draft work plan prior to its adoption. Once the work plan is finalized, a pre-certification audit of those packing facilities interested in shipping to China will be necessary.

The Commission continues to focus our marketing resources on the western United States, long considered our core market. Forecasts for U.S. avocado consumption suggest demand will continue to keep pace with supply, a reality we've seen over the last few years as U.S. annual consumption now exceeds 2.5 billion pounds. However, as evidenced this season, as offshore supplies increase some U.S. market instability can occur and cause a drop in pricing. We know that California growers must have a premium return for their supply in order to compete with the low offshore production costs. It's imperative that all possible premium markets are pursued and, if necessary, developed. In addition, when the California crop is heavy, additional market options would be a positive outlet to relieve some of the pressure on the U.S. market.

As the U.S. market continues to be very competitive, nor dare I say "under siege," the Commission remains determined to find markets for California avocados that provide the best return to growers. 🥑

