Expanding Berry Exports to Asia

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What I Hope You’ll Come Away With

- Efforts to Open new Markets for Washington Blueberries
- Relevant MRL Work Undertaken on Behalf of the Blueberry and Raspberry Industries
- Findings of Recent Studies on Prospects in Three Markets
What We All Want to Avoid…
II. For Each Asian Market

• Quick history of Market Access Efforts
• General MRL policies
• Additional Information
Korea Market Access

- $16 million frozen blueberries/$5 million dried/$4 million fresh
- Oregon Has Fresh Access
- Effort for Washington
- Korean Resources
- Petitioning for access similar to Oregon.
- Raise next week in DC talks.
Korea MRLs

• Currently use National MRLs and a deferral path.
• December 2018, National MRLs for all others.
• REQUIRES IMMEDIATE ATTENTION
Korea MRL Situation

Case Study: Korea MRL Violation

- California cherries
- Increased testing *FOR FIVE YEARS*
- Currently test for 400 chemicals. Will increase testing after new system.
- Worse: Philippine Bananas
- CAUTION ADVISED
Korea BCI Study – June 2016

• **Competition** – local (fresh), Chile and Canada

• **Fresh** – consumption 1/3 of US per capita; opportunity for WA State w/ market access

• **Frozen** – developed and fairly saturated market. Wild blueberries preferred by manufacturers; retailers prefer highbush (incl. WA State)

• **Dried** – little used but US dominates supply

• **Ingredients** – increasing awareness and interest

• **Primary growth opportunity appears to be for**
KOREAN BLUEBERRY IMPORTS 2011-2015

<table>
<thead>
<tr>
<th>Year</th>
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Japan Market Access

- $10 million frozen blueberries
- $5 million dried
- $5 million fresh

- Fresh market access exists
- TPP delays will hurt
Japan MRLs

- Huge national MRL list established in 2006
- 0.01 ppm default tolerance
- Current focus: New active ingredients and monitor proposed changes
- Extensive testing
- Strict violation policies
Japan

- Case Study: Japan MRL Violation
- Potato (and Raspberry, Lettuce, Almond, Celery)
- Work with US Embassy on Report
- Sixty Clean Samples
- Two Strikes and industry has serious issue.
- Take Japan Seriously
China Market Access

- $2 million frozen blueberries
- $1 million dried
- $0 fresh

- Blueberry Market Access high on USDA Agenda
- All relevant states
- Nine pests of concern
- APHIS response in December
China MRLs

- Limited MRL list but expanding
- 10,000 total MRLs by 2020
- No system for import MRLs, in the works
- Limited testing to date. Few violations. Glass Houses
China BCI Study – May 2015

• Strong demand for blueberries not met by increasing local production

• **Fresh** - Chile dominant and increasing exports (~28,000 MT in 2016); Canada, Peru in as well

• **Frozen** – US competes but Canada and Chile ahead; retail IQF sales a potential opportunity

• **Dried** – US leading supplier; modest growth

• **Ingredients** – Limited awareness

• **Fresh market access and retail IQF sales appear to be key for growth**
CHINESE BLUEBERRY IMPORTS 2010-2013

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<th>Year</th>
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Hong Kong Market Access:

- $1 million frozen blueberries
- $2 million dried
- $5 million fresh
- Fresh access allowed
Hong Kong:

• New national MRL list August 1, 2014
• Need additional MRLs
• Testing and enforcement: Only apparently test against existing MRLs
Taiwan Market Access

- $1 million frozen blueberries
- $500,000 dried
- $2 million fresh
- Fresh access allowed
Taiwan MRLs

- Maintains national MRL list. No deferral to Codex - no default tolerances
- Significant progress
- Food safety important issue in Taiwan
- Regular testing – regular violations
- Media attention occurs
- Multiple Violations = Increased Testing
- BE CAREFUL
Vietnam Market Access/MRL

• 89 million consumers/ Pro US
• Minimal Exports to Date
• Efforts underway for fresh access
• Several Exchanges in 2016. Pests of concern identified
• Interest from Vietnam government/APHIS response needed
• No significant MRL issues to date
The Philippines Market Access/MRL

- 98 million consumers
- Pro US
- Minimal Exports to Date
- Efforts underway for fresh access
- Interest from Philippines
- Limited Pest List, APHIS response needed
- No significant MRL issues.
Australia/New Zealand Market Access/MRLs

- $2.5 million frozen blueberries
  - Australia
  - $1.6 million New Zealand
- Fresh Access Request
  - Underway in both: Delays due to Resource Issues
- Aus. Maintains national MRL list. No deferral to Codex - no default tolerances;
- NZ: Codex
India BCI Study – December 2015

• National MRL list. No Codex deferral - no default
• Essentially no local production
• Minimal imports (~100 MT combined for fresh/frozen/dried); Increasing interest but slow
• Fresh - US has access (Chile, Australia compete)
• Dried - US preferred supplier
• Frozen - Canada, Europe, and China preferred
INDIAN BLUEBERRY IMPORTS 2011-2014

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Legend:
- **EU-28**: European Union
- **US**: United States
- **Chile**: Chile
- **Canada**: Canada
Conclusion

• Well Positioned in Washington State and with Product
• Growing demand and Interest: Increased Middle Class
• TPP Failure will Hurt in Japan and Vietnam, possibly in Philippines
• Efforts to open Markets: Vietnam/Philippines, Korea, China first: Australia/NZ second
• Know MRLs
Thank You!

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