

Access to Chilean grapes could tighten in 2008

by Tad Thompson, The Produce News

11/07/2007

At the annual preseason Chilean fruit meeting, held here Oct. 26, the 90 importers, service suppliers and regulatory people in attendance learned that there is a likelihood of seeing the Chilean table grape access to the U.S. market become more restricted after April 1.

The Chilean fruit meeting was presided over by Tom Mastromarco, Board of Director of the Chilean & American Chamber of Commerce of Greater Philadelphia, which hosted the meeting. Mr. Mastromarco is also director of fruit marketing and customer service for Gloucester Marine Terminal LLC in Gloucester City, NJ.

David Holzworth, general counsel for the Chilean Exporters' Association, said, "We thought before yesterday that there was no possibility of a change" in the U.S. grape market order in 2008. But, he added that on Oct. 25, The Federal Register published a notice that reopens the comment period with the U.S. Department of Agriculture's Agricultural Marketing Service to consider more current data to revisit requirements for late-season Chilean grapes.

Currently, Chilean grapes are allowed to enter the United States until April 20 before undergoing special inspections to meet AMS regulations. This change has been a possibility for the last couple of years, but domestic grape interests in the Coachella Valley of California have been unable to win such changes.

A changed marketing order would require specified varieties of Chilean grapes arriving in the United States after April 1 to be inspected before being shipped from U.S. ports. In those inspections, the grapes would have to meet U.S. No. 1 grade standards for shipping point.

Mr. Holzworth noted that shipping-point standards are high for a product that has been shipped across such a great distance. If these standards are in place by this spring, "it creates uncertainty" for grape exporters. If the grapes have a 10-20 percent chance of rejection, exporters may choose to simply ship to Europe instead of the United States, thereby avoiding the possibility of headaches and the expense of rejection by USDA grading authorities. Mr. Holzworth added that the Chilean season appears to be 10 days late this year, which may translate to a greater need to ship grapes into April. With the new effort reported by the Federal Register, the industry has until Nov. 26 to enter comments on this change.

"We will be in touch with you for us to give you our views" on changes in the marketing order," said Mr. Holzworth.

Mr. Holzworth continued, "As general counsel for the Chilean Exporters Association, I am on the phone" with all concerned parties including Chilean diplomats, Delaware River legislators and others to consider all possibilities for stopping the regulatory change. "The Chilean government is actively involved. The Chilean Exporters' Association expects to fight this at all levels."
A final decision is expected by Dec. 26.

Panelist Bill Madara, assistant officer in charge of the AMS Fresh Produce Branch in Philadelphia, said that the grape varieties that must meet the standards are "in general seedless varieties," such as black, Thompson and red seedless. "So far, Red Globe is exempt."

For Chilean grapes, "size is usually not a problem" passing April inspections, but shatter, scar, decay and all other defects must be below 8 percent. He added, "My guess is that there is an internal fight within the USDA" on whether or not to allow the changes.

As to the coming Chilean fruit season, Mr. Holzworth said that "the devaluation of the dollar vis a vis the euro is expected to bring a slight decrease in volume" to the U.S. this winter.

In other news relating to the USDA and Chile, Mr. Holzworth said that Chilean lemons and oranges are "on track" to receive phytosanitary approval by the end of this year "or a month or two after that."