



United States Senate

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Senators Urge Vilsack to Extend Chilean Grape Importation Time Period

Devastating Earthquake in Chile delays harvest period and imports to Delaware River ports; restrictions on grape imports could result in millions in lost revenue for region

WASHINGTON - Today four U.S. Senators urged Tom Vilsack, Secretary of Agriculture, to extend the time period in which Chilean table grapes may be imported to the United States. In a letter to the Secretary, Senators Tom Carper (D-Del.), Ted Kaufman (D-Del.), Arlen Specter (D-Pa.), and Bob Casey (D-Pa.), along with Congressman Bob Brady (D-PA-1st), noted that one of unfortunate effects of the devastating earthquake that struck Chile on February 27th was substantial delay in the importation of grapes which typically enter U.S. markets through the Philadelphia, Delaware and New Jersey ports.

Under current USDA regulations, the importation of Chilean table grapes will be greatly restricted after April 10, 2010, an interruption which could cause an estimated \$15 million in lost economic activity for the Delaware River Basin Region. Secretary Vilsack has the authority to suspend the importation regulations which would lessen grape price volatility for consumers and maintain the vital import/export market that the ports and Chilean farmers rely on.

"I urge Secretary Vilsack to temporarily suspend the regulations restricting the importation of Chilean grapes through April 30, 2010," said Sen. Carper. "Allowing the continued importation of Chilean grapes is a common sense measure that will provide key relief to the people of Chile in their time of need, save good paying jobs at the Port of Wilmington, and protect consumers from

significant price increases."

"The Port of Wilmington is the top importer of fresh fruit in North America and its day-to-day business is integral to Delaware's economy," said Sen. Ted Kaufman. "The earthquake in Chile last month greatly disrupted the country's grape harvest, whose exports to the United States, in large part through the Port of Wilmington, have now been delayed. Allowing Chilean grapes into the United States for an additional twenty days would not only help Chilean farmers find their feet again, but also preserve American jobs and keep fresh fruit affordable for consumers in Delaware and across the region."

"Extending the time period for the importation of table grapes from Chile is of vital importance to our ports," said Sen. Specter. "Not only will it help generate economic activity in the greater Philadelphia region but it will provide for much needed humanitarian relief to Chile's farmers."

"The earthquake and its aftermath in Chile is a tragic situation that threatens further economic damage in that country," said Sen. Casey. "There is also a potential negative impact on jobs in Pennsylvania. These combined factors make a temporary suspension appropriate."

The three ports in the Delaware River Basin - Gloucester in New Jersey, Philadelphia and Wilmington - receive approximately 65 percent of Chilean fruit shipments to the United States. The interruption of Chilean imports, combined with delays in Californian and Mexican grape imports due to inclement weather - has more than doubled the price of grapes for consumers.

The letter to Secretary Vilsack is attached and pasted below:

The Honorable Thomas Vilsack
Secretary of Agriculture
United States Department of Agriculture
1400 Independence Avenue, S.W.
Washington, DC

Dear Secretary Vilsack:

In light of the historic earthquake that has struck Chile, and the pressing need to preserve and create jobs in the United States, we write to request that you exercise your authority to suspend Table Grape Import Regulation No. 4 for up to twenty days from April 10, 2010 to April 30,

2010. Under this current regulation, the importation of Chilean table grapes will be greatly restricted after April 10th, 2010.

On February 27th, 2010, Chile suffered an earthquake measuring 8.8 on the Richter scale. The area of Chile that is at the peak of the fruit harvest, home to approximately 145,000 small growers and harvesters, has been severely affected. These growers and harvesters depend on the export market for their livelihood. Despite the destruction, the opportunity exists for the continued harvest and shipment of certain commodities that were not destroyed, including table grapes, albeit with a ten to twenty day delay.

Consumer prices for table grapes are moving to levels far above those of a normal year. Wholesale spot prices on 18lb boxes are currently at \$32, more than double the price of a year ago. Furthermore, we are advised that the Californian and Mexican table grape harvests are expected to be 6 to 12 days later than normal this year. The disruption in shipments combined with a late California harvest will likely lead to still higher prices.

The three ports in the Delaware River Basin, Gloucester in New Jersey, Philadelphia in Pennsylvania and Wilmington in Delaware, receive about 65 percent of Chilean fruit shipments to the United States. The current interruption of Chilean imports could cost the Delaware River Basin Region more than \$15,000,000 in lost economic activity.

The Agricultural Marketing Agreement Act grants the Secretary of Agriculture the authority to suspend marketing orders. The purpose of the act is "to establish and maintain such orderly marketing conditions for any agricultural commodity as will provide, in the interests of producers and consumers, an orderly flow of supply..to avoid unreasonable fluctuations in supplies and prices." President Obama and Secretary of State Clinton have appropriately offered any and all assistance to the people of Chile. For purposes of providing humanitarian relief, preserving American jobs, and protecting consumers from historic price volatility, we ask that you exercise your authority under the Agricultural Marketing Agreement Act, to "suspend operation" of Import Regulation 4.

Shipping times from Chile to the United States vary from 10 to 14 days. Therefore, shipping firms must make logistical decisions in the coming days regarding shipments of Chilean fruit to the United States for mid-April delivery. Due to the perishable nature of fruit, and the advanced notice needed to secure transportation and delivery, we ask for your timely consideration of this request.

Sincerely,

Sen. Tom Carper
Sen. Ted Kaufman
Sen. Arlen Specter
Sen. Bob Casey
Rep. Bob Brady

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