

Trade consultation eu
policies and
regulations of organic
products from the us.



Trade consultation: EU policies and regulations of organic products from the US. In order to develop a successful trading partnership with the European Union, it is crucial for a company to keep informed about the market development and changes in trade regulations and standards. As the export consultant for Organics Specialties, my goal is to guarantee the company's success in this foreign market, thus I have conducted an export review evaluating the EU policies and regulations on imported organic products from the U.

S. This report will allow Organic Specialties to formulate its export-oriented development strategy to penetrate the EU organic products market. Some of the sources utilized to complete this report include: - EU-27 FAIRS (Food and Agriculture Import Regulations and Standards) report. - Articles from the EU most recent regulations on trade with third countries.

- FAO/WHO food standards. Codex Alimentarius. - Foreign Agricultural Services: U. S mission to the European Union.

- Buyusa. gov - DEFRA (Department of Environment Food and Rural Affairs)The following is an overview of the organic product market in the EU and general specifications the EU mandates regarding organic products' production, authorization, and import licenses. Certified organic products are a small but growing niche market within the European Union. And according to the Foreign Agricultural Service USDA, The United States and EU are discussing the possibility of allowing the U. S to market organic products in the EU as long as U. S. certifying associations certify the products. Until an

agreement is reached, exporters and importers must work through individual countries to submit technical information on a shipment-by-shipment basis.

The EU currently has general policies regarding what constitutes organic products and its production, and what is prohibited in this industry. - Organic production is an overall system of farm management and food production that combines best environmental practices, a high level of biodiversity, the preservation of natural resources, the application of high animal welfare standards and a production method in line for products produced using natural substances and processes. - The European Commission authorizes the use of products and substances and decides on methods to be used in organic farming and in the processing of organic food. - Organic products imported into the European Community should be marketed as organic in the community where they have been produced.

Their standards should be in accordance with production rules and subject to control arrangements that are equivalent to those laid down in the European Community legislation. - Genetically modified organisms (GMOs) and products produced from or by GMOs are incompatible with the concept of organic production and consumers perception of organic products. They are not be used in organic farming or in the processing of organic products. - The use of ionizing radiation for the treatment of organic food or of raw materials used in organic food is prohibited.

Import Licenses: Applications for import licenses must be submitted to the relevant department of the Member States and be accompanied by an original export document provided by the supplier and a copy of an invoice.

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The licensing authorities have to issue an import authorization within a maximum of five working days of the presentation by the importer of the original of the corresponding export license. Import licenses are valid for a period of six months from the date of their issue. The EU maintains around 90 tariff quotas for protection of around 38% of its agricultural production. Import licenses are required, for quota management purposes, on all agricultural products. There are no specific import tariffs for organic products to the EU. Each shipment has to be accompanied by an organic certificate and an import certificate. Organic Specialties plan is to obtain import licenses on organic beef, organic cheddar cheese and organic merlot wine.

The following are EU policies on imports on these products sets: 1. Organic beef (No antibiotics,? /hormones)-All beef, pork and horse meat imported into the European Union for human consumption must come from slaughterhouses, cutting plants and cold stores approved by the EU.-U. S. producers of beef from animals not treated with hormones may export to the European Union. The cattle must come from an EU-approved source and must be slaughtered in a slaughterhouse that has been approved by the Union for handling untreated beef. (Export Coordination Division Food Safety and Inspection Service U. S.

Department of Agriculture)-The EU grants tariff-free access for annual imports of up to 10, 000 tons of beef from the United States and Canada under a high-quality beef (HQB) quota. To qualify for entry under HQB quotas, a certificate of authenticity must accompany the product from USDA's Food Safety and Inspection Service (FSIS) attesting that the meat satisfies the EU's definition of high-quality beef.-FSIS can certify only meat that has been <https://assignbuster.com/trade-consultation-eu-policies-and-regulations-of-organic-products-from-the-us/>

graded USDA “ choice” or “ prime” or that has come from cattle not over 30 months of age that have been fed a high-energy ration for at least 100 days.- Importers must provide copies of shipping documents, including the certificate of authenticity, and must pay a security deposit of 10 European Currency Units (ECU) per 100 kilograms. Import licenses under the HQB quota are valid for 90 days from the date of issuance.

2. Organic Cheddar Cheese (From No antibiotics/hormones)-U. S. cheese exporters will see improved market access as the variable tariff is replaced by a fixed tariff equivalent. Tariff rate quotas will gradually be established for cheddar and mozzarella cheese at 15, 000 and 5, 000 tons, respectively, with an in-quota duty of 210 and 130 ECU per ton, respectively.-Legislation recently adopted by the EU will limit milk-based imports to countries and establishments that have sanitary controls equivalent to those required of the EU member states. Until this legislation is implemented, member nations will retain authority over health standards for imports of milk-based products. 3.

Organic Merlot wine - no pesticides or sulfite additives.-Organic processed products should be produced by the use of processing methods, which guarantee that the organic integrity and vital qualities of the product are maintained through all stages of the production chain.-Fermented grape beverages with an actual alcohol content of not less than 7 percent and not more than 22 percent by volume.-Certification: All U. S. wine imports must be accompanied by certification and analysis documentation using the format specified in Annex III (a) to the Agreement.-Labeling: “ labels shall not

contain false or misleading information in particular as to character, composition or origin.

" ? More specifically, the Protocol on Wine Labeling, sets specific conditions for the use of names of vines, vintage characteristics, production methods, product types and variety names. There are also country level policies on the same set of organic products depending on which member of the Union Organic Specialties will be importing. United KingdomAs mentioned above, imported organic food into the UK should follow the same standards as that from the EU. Importers should prove that their organic products follow rules to those laid down by the Council Regulation 834/2007 and Commission Regulation 889/2008. Importers from the U. S should be authorized by one of UK certifying authorities. In 2002 the US Government introduced a National Organic Program.? A reciprocal agreement was reached between the UK and US which was: For US exporters to continue exporting to the UK, the US control bodies inspecting and certifying the products would need to satisfy Defra that they would be working to Council Regulation 834/2007.

France: Organic Beef:-Imports into France of beef and bison meats are possible provided the slaughterhouse is EU-certified and the meat is hormone-free. The U. S.

has several EU-certified establishments for beef and two for bison meat.- Import and export transactions exceeding 12, 500 Euros (around \$19, 400) in value must be conducted through an approved banking intermediary. Goods must be imported no later than six months after all financial and customs arrangements have been completed.-The following shipping documents are

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required for import into France:- Commercial invoice.- Bill of lading or air waybill.- Certificate of origin.

- Sanitary/health certificate if need be (depending on the products)-U. S. exporters should make sure their products comply with French regulations and verify customs clearance requirements with local authorities through their contacts before shipping products to France. The Office of Agricultural Affairs of the American Embassy in Paris can provide assistance and information on these matters.-France applies EU Regulation 2092/91, which regulates the production and labeling of organic foods from vegetable origin, and EU Regulation 1804/99 of July 19, 1999, for animal organic production and labeling (called REPAB). As REPAB permits, France established specifications completing this regulation, called CC REPAB F, which contains stricter regulations than the European level.-To facilitate identification of organic products for French consumers, the words **Agriculture Biologique** (organic agriculture) and the **AB** logo are applied on the product label. The **AB** logo signifies that the producer, the importer or the distributor has been duly registered with the EU Member State's organic food trade association.

Wine:-French wine imports from non-EU countries are subject to EU import duties, which vary depending on the percentage of alcohol contained in the wine and the type of container. Other taxes, such as a transportation tax, which is the equivalent of an excise duty, and value added tax (VAT), apply to both domestically and foreign-produced wines. For any import above 30 hectoliters, an import certificate is required and can be obtained from the wine department of France.-A VI. 1 document is necessary.

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The document certifies that the Alcohol and Tobacco Tax and Trade Bureau (TTB) has approved the U. S. wine exporter. This document is issued in the U. S. by the producer. Italy To import organic products in Italy, the importer is obliged to apply to the Ministry of Agricultural, Food and Forestry Policies - Mi. P.

A. A. F, in order to obtain authorization for such activities. The following is also needed:??? Demonstration that producers/processors/exporters are subject to control standards by the local or foreign CB (organic conformity certificate)??? CB certificate of ISO65 accreditation Germany-Until the EU and the U. S. negotiate an organic equivalency agreement, importers must work through German authorities to submit oversight information on certified organic products on a case-by-case basis. After the in-depth analysis done on the EU organic product markets, the following are advantages and challenges that Organic Specialties will have as a organic product supplier of the European market: Advantages:-US regulations on organic products are very high which makes us offer high quality organic products to other markets.-The organic product is a booming industry in the EU and they cannot supply the entire internal demand without importing from third countries.

-When buying products, consumers take into account health, variety, and sustainability as their deciding factors. As U. S suppliers our organic products meet the consumers??™ preferences.-Most European markets carry organic foods and beverages which not only supports consumer preferences but it will also boosts our sales.-Not all of the organic products that consumers

demand are grown in the EU.-EU import regulations are less complicated for unprocessed products.

Challenges:-EU import and trade barriers.-The variable exchange rate.- Higher transport costs than other third countries that are closer to the EU market.-Consumers that prefer locally grown foods versus imports. Although the EU and the U. S have not yet reached an equivalency agreement for organic products, I strongly believed that as far as our products meet the U. S organic food regulations, get properly inspected, each shipment has organic certificate and an import certificate, and Organic Specialties is granted authorization by Member States in the EU; our success in the EU market is guaranteed. Not only will we be able to supply EU consumers??™ increasing demand for organic products but we will also be providing them with confidence about the quality of the organic products that they are purchasing.

The following third countries: Argentina, Australia, Cost Rica, India, Israel, New Zealand, and Switzerland have equivalent standards on organic production as the EU, so they can freely import organic products. Some of the areas in which the U. S is different are:-Antibiotics: In the EU, It is allowed to give antibiotics to a sick animal up to three times during a 12-month period, while in the U. S. an animal that has received an antibiotic treatment can no longer be considered organic.-Equivalence and Third country recognition: The EU system recognizes systems in third countries to be equivalent to the EU system and allows products from those countries only to be exported to the EU. Under the U.

S. determination of equivalence, the program recognizes products that are certified through an equivalent system (currently only Canada) regardless of where they are produced. 3. Genetically Modified Organisms (GMO) In the EU the adventitious presence of GMOs is accepted in organic products as long as it is not more than 0.

9%. The 0.9% limit is set because this is the EU limit for when a product has to be labeled as ??? contains GMO???. In the U. S. there is no level set for the adventitious presence of GMO in a product. In both the EU and the U. S.

the principle is that an organic product cannot contain any GMO. The key is to prove that our products satisfy identical or equivalent requirements as organic products throughout the European Union. This way we can gain market share and boost our consumers??™ confidence towards our products.

Sources [http://www. food. gov.](http://www.food.gov)

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