



September 28, 2004

The Honorable Anita Thomas
Secretary, Office of Europe and the Mediterranean
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Via email to: FR0443@ustr.eop.gov

Dear Ms. Thomas:

I am writing on behalf of the American Spice Trade Association (ASTA), to object to the proposed inclusion of three product categories on the list of goods for which tariff concessions may be withdrawn and duties may be increased in the event the United States cannot reach agreement with the European Union (EU) for adequate compensation owed under World Trade Organization (WTO) rules as a result of EU enlargement and EU changes to its rice import regime.

ASTA objects to the inclusion of the following items:

HTS 07129074 - Tomatoes, dried in powder
HTS 09042020 - Paprika, dried or crushed or ground
HTS 09102000 - Saffron

ASTA was founded in 1907 and represents the interests of approximately 300 members including companies that grow, dehydrate, and process spices in the United States for domestic consumption and for export. ASTA's members include U.S.-based agents, brokers, and importers, companies based outside of the U.S. that grow spices and ship them to the U.S., and other companies associated with the U.S. spice industry. ASTA's members manufacture and market the vast majority of spices sold in the U.S. at retail, and to food processors. ASTA is active in research and education on spices, government relations, and trade relations.

Spanish tomato powder has a unique, sweet, ripe tomato flavor with few substitutes. The unique flavor of Spanish tomato powder is used in hundreds of consumer products, including but not limited to chips, snack, soups, sauces and meat seasonings. There is little tomato powder produced in the United States. The non-European sources of tomato powder do not have the capacity or the suitable product to fill U.S. requirements. Much of the non-European product is committed to other markets.

Paprika is the dried ground pod of capsicum annum, a sweet red pepper. It is mildly flavored and used for its brilliant red color. Paprika imported into the U.S. comes

from Spain, the leading growing area, Chile, Israel, Mexico, Morocco, South Africa and Zimbabwe. U.S. growers supply about 50% of the U.S. market for paprika.

Paprika is widely used by industrial food manufacturers for chips, snacks, soups, sauces, cheese dishes and meat seasonings. Replacement for industrial use requires extensive testing for flavor and color ranges.

Saffron consists of the dried stigmas of a particular type of crocus flower and production of this spice requires extraordinary amounts of labor. Saffron is used as a colorant and flavoring for cheeses, pastry, rice, and seafood dishes. Saffron is native to the Mediterranean and is grown in Spain, France, Portugal, India, and Italy. Spain is considered the premium source of Saffron. Its flavor is distinctive and agreeable in character.

Without adequate supplies of European tomato powder, paprika and saffron, a whole range of commercial products would have to be reformulated, with profound impact on costs, market share and consumer preference.

For all of the above reasons, we strongly urge you to remove these items from the proposed list. We are of course available to discuss these comments and answer any questions you may have.

Sincerely,
Cheryl Deem
Executive Director
American Spice Trade Association
202-367-1207