



ASTA Update (Members Only)

Joanna Drake, ASTA General Counsel
Laura Shumow, ASTA Executive Director



ASTA UPDATE

Laura Shumow

Joanna Drake





**WELCOME
JOANNA!**

New ASTA
General Counsel

ASTA Update

- Welcome Joanna Drake
- ASTA BOD Meeting Updates
 - Strategic Planning
 - Committee Restructuring
 - Suitcasing Policy
- Trade and Tariff Update
- Pesticide Updates
- Lead in Spices



ASTA BOD Meeting October 2

- ASTA board met yesterday
- Key discussion items
 - Financial investments
 - Pesticide updates
 - Committee updates
 - Upcoming strategic planning session
 - Upcoming events & “Suitcasing” policy



Strategic Planning

January 2020

Mission:

Ensure the supply of clean, safe spices, shape public policy on behalf of the industry and advance the business interests of members

Vision:

Voice of the U.S. spice industry in the global market



ADVOCACY – REPRESENTING US
INDUSTRY INTERESTS AND SUPPORTING
REGULATORY COMPLIANCE



FOOD SAFETY – FACILITATING FOOD
SAFETY THROUGH RESEARCH AND
EDUCATION



STRONG ASSOCIATION – MAINTAINING A
UNITED INDUSTRY MEMBERSHIP

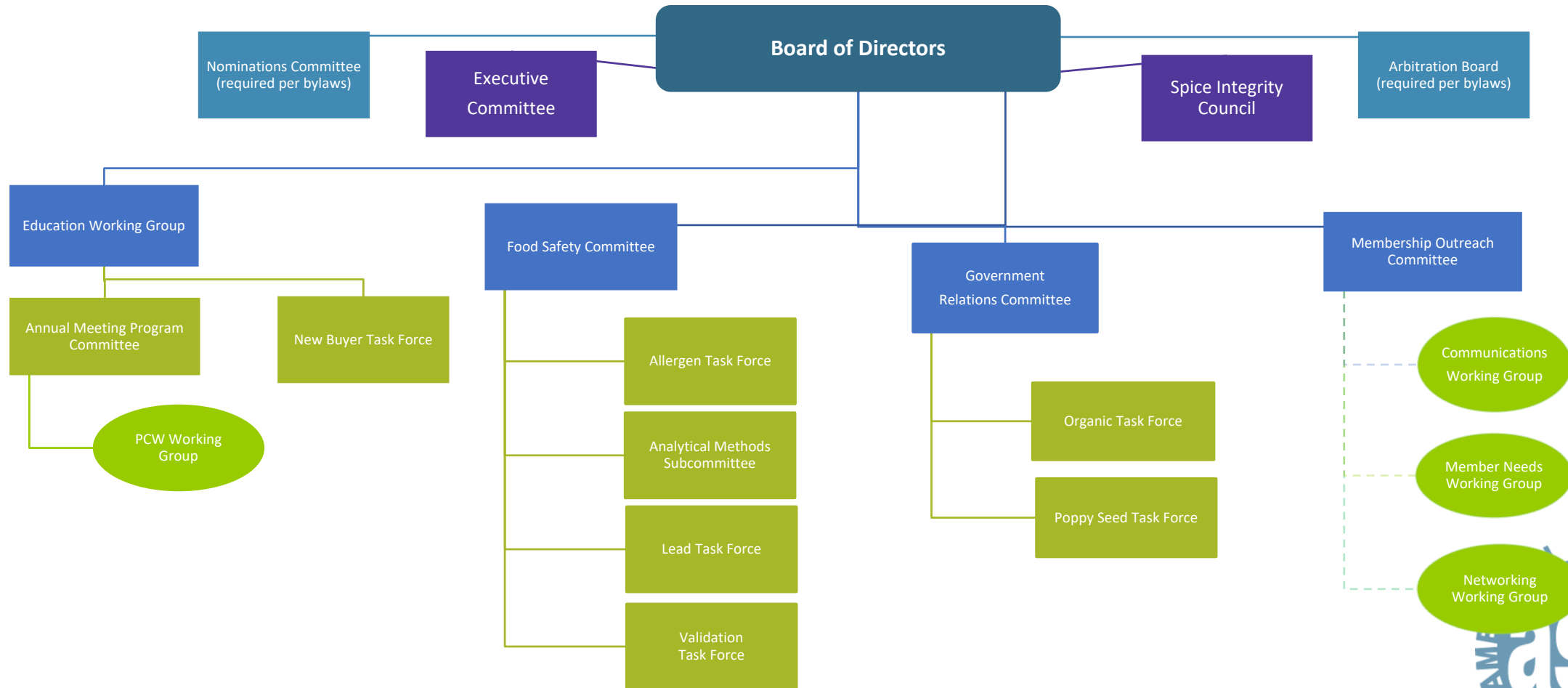


Member Needs Assessment Survey

- We will be launching the member needs assessment survey this fall
- Results will influence strategic planning process
- Please complete the survey!



Current Committee Structure



Task Force Approach

- Fewer standing committees
- More time-limited, goal-oriented task forces and working groups
- Flexible, efficient approach to tackle industry issues as they arise



Get
Involved!



2020 Annual Meeting



- New format!
 - Crop reports split over two days
 - More sessions, more topics, more dynamic speakers
 - Business meeting moved to Tuesday afternoon
- Pre-Conference Workshop: Global Trade and Regulations



ASTA Suitcasing Policy: Rollout and Education

- Good practice for robust trade associations like ASTA to have a suitcasing policy to continue to support ASTA events and industry participants
- What is suitcasing?
 - The practice in which companies gain access to an ASTA event, typically by either registering no company employee for the event or registering only one or some company employees for the event, and then such company representatives hold competing events or conduct business with legitimately registered event attendees at the event venue, whether in reserved venue space such as a hotel room or in other public spaces at the event venue.
- What does the policy detail?
 - Defines suitcasing
 - Establishes zero tolerance
 - Outlines how members and ASTA staff can report suitcasing
 - Communicates potential escalating penalties



ASTA Suitcasing Policy: Rollout and Education

- How does ASTA plan to communicate about the new policy?
 - Introduce the policy to members today!
 - ASTA will continue to work with hotel and event venue locations that will support ASTA's suitcasing policy and work to include anti-suitcasing language in hotel contracts
 - ASTA will include this suitcasing policy or an appropriate reference to this policy within all ASTA event registration form(s) to ensure that registrants are aware of and agree to this suitcasing policy prior to registering for events

ASTA's policy is similar to other trade association suitcasing policies



Trade in Turbulent Times

- Trade update for ASTA Members
 - US Section 301 Action: China
 - US – EU Civil Aircraft Subsidies
 - United States-Mexico-Canada Agreement (USMCA) Update



Section 301 - China

- The Trump administration started a trade dispute with China in early 2018, in an attempt to address certain trade practices
- Both countries have implemented a series of *ad valorem* duties on thousands of products and threatened further escalations, with no clear end in sight



Section 301 – China

A Timeline

March 1,
2018

- President Trump announces tariffs on all imports of steel and aluminum, including metals from China

March -
April, 2018

- President Trump announces proposal to impose 25% tariffs on \$50 billion worth of Chinese Goods.
- China announces tariffs in retaliation to US steel and aluminum duties and establishes a list of more than 100 US goods worth about \$50 billion subject to retaliatory tariffs

April – July,
2018

- High level trade talks between US and China appear to break down and US administration moves forwards with **List 1** tariffs in two tranches: 25% duties on \$34 billion on July 6 (**List 1**) and 25% on \$16 billion in August 23 (**List 2**)
- US administration threatens 10% tariffs on another \$200 billion of Chinese goods (**List 3**)
 - Includes dried garlic (0712.90.40), dried fennel, marjoram, parsley, savory and tarragon (0712.90.60 and 0712.90.70), dried parsley (0712.90.65)



Section 301 – China

A Timeline

August,
2018

- US administration proposes to increase **List 3** tariffs from 10% to 25%
- China announces intention to impose tariffs at various rates on another \$60 billion worth of US goods if Trump moves forward with **List 3**

September,
2018

- US imposes tariffs on **List 3**; tariff rate is scheduled to increase from 10% to 25% on January 1, 2019

December
2018

- President Trump and Chinese President Xi Jinping sit down at the G20 summit in Argentina which leads to 90-day delay in **List 3** duty rate escalation until March 1, 2019



Section 301 – China

A Timeline

May 2019

- Break down in bilateral trade talks again!
- US administration increases **List 3** duties to 25%
- China retaliates against the US by announcing it will raise tariff rates on \$60 billion worth of US products
- US administration proposes 25% tariffs on additional \$300 billion worth of Chinese goods (**List 4**)
 - Includes a number of spice products including black pepper (0904.11.00), crushed or ground paprika and other capsicum (0904.22)

August 2019

- US announces that **List 4** tariffs will be imposed on September 1, except for a subset of goods which will be imposed on December 15

September 2019

- US administration formally imposes 25% tariffs on \$112 worth of goods on **List 4**
- China retaliates with tariffs on thousands of American products including cars
- USTR announces high-level trade talks between US and China in October



ASTA's Position on Section 301 Actions

The ASTA Board of Directors have carefully considered the US administration's actions

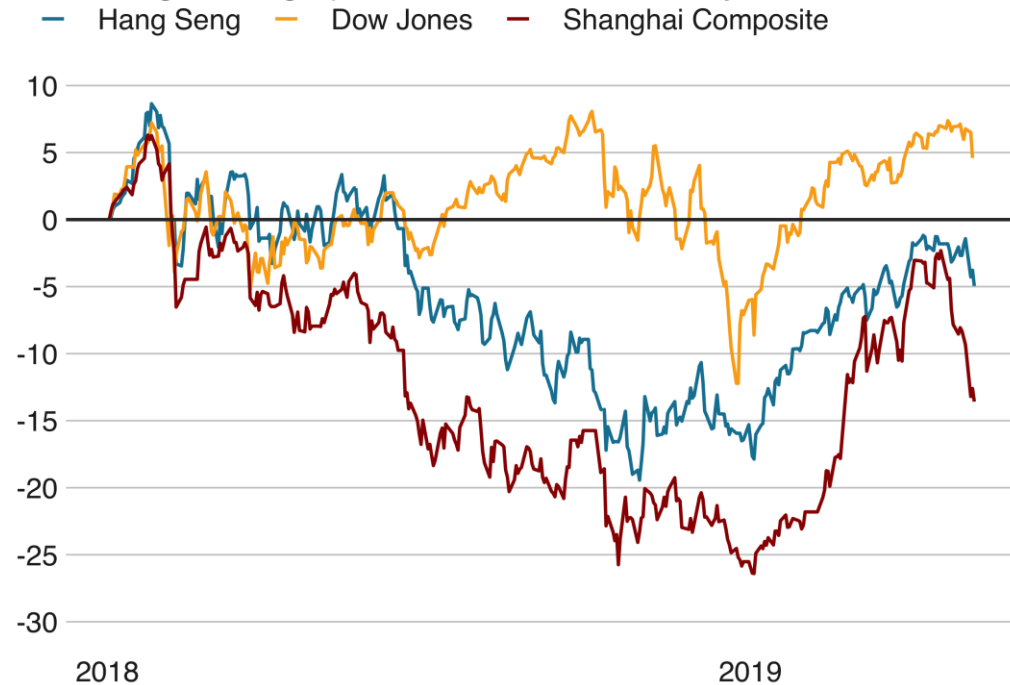
- ASTA diverse membership and interests
- Decision to remain neutral



US – China Trade Tensions: Spillover?

Stock markets since US-China trade war began

Percentage change performance since January 2018

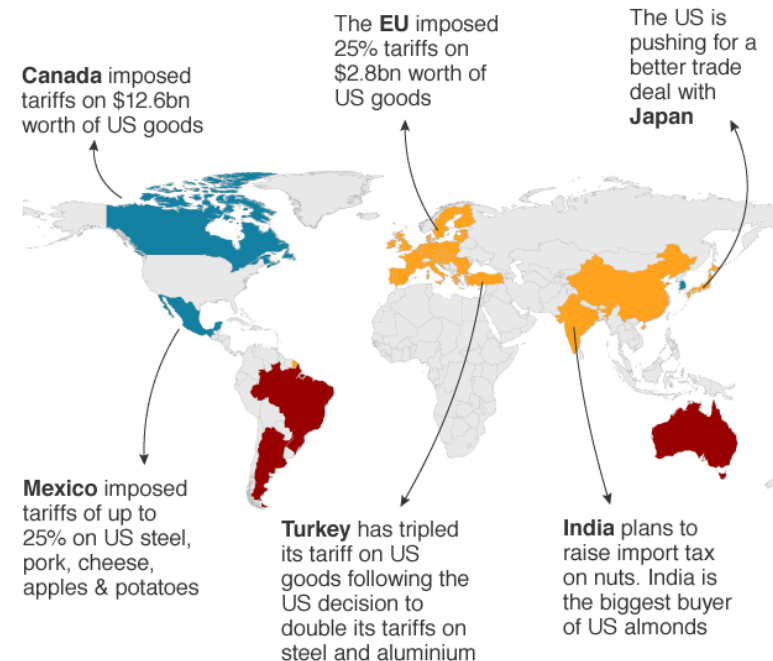


Source: Bloomberg

BBC

Other trade battles since Trump took office

Trade disputes Renegotiated trade deals Trade exemption granted



Source: BBC Research

BBC



US – EU Dispute: Civil Aircraft Subsidies

- Longstanding WTO dispute between the US and the EU over civil aircraft subsidies to Boeing and Airbus
- WTO ruled in May 2019 that the EU illegally subsidized Airbus – now just a question of how much retaliation is permissible
- United States Trade Representative (USTR) has already published lists of products potentially subject to additional duties all with an approximate trade value of \$25 billion
 - USHTS Chapter 33 essential oils and oleoresins included
- WTO will grant the US permission to impose tariffs on EU expected to announce this week the value of EU goods the US can target
 - Expected \$7.5 billion



Generalized System of Preferences (GSP): India & Turkey

- March 2019 US administration announced intention to end GSP benefits for India and Turkey
- India: The US initiated review of India's compliance with GSP market access criteria
 - Indian trade barriers create conflict with GSP criterion
- Turkey: Increasing economic development (rising per capita gross national income, declining poverty rates and export diversification) are evidence that benefits under GSP no longer necessary
- Impact to spice trade:
 - A number of spices imported from India and Turkey that could lose duty-free benefit



USMCA

- Attempt to modernize NAFTA
- Initial tri-party signing ceremony on November 30, 2018
- Ratification necessary
 - Mexico ratified USMCA on June 19, 2019
 - US and Canada still not ratified – political hurdles in both countries
- ASTA joined coalition of allied trade associations as a signatory to a letter in support of the USMCA and Congressional ratification



FDA 2017 Pesticide Monitoring Report

- 2017 Pesticide Monitoring Report
- FDA analyzed 6,069 human food samples (1,799 domestic and 4,270 import samples)

Commodity	Samples (N)	Without Residues N (%)	Violative Samples N (%)	Over Tolerance (N)	No Tolerance (N)
Spices	38	18 (47.4%)	6 (15.8%)	3	5



FDA Office of Imports Meeting

- Meeting with Patrick Bowen of FDA's Import Operations Division on August 4
- FDA is aware that some district offices are testing for pesticide residues
- FDA HQ recognizes that low levels of pesticide residues on spices do not present a food safety risk
 - Equated spices to tea from a risk standpoint
- Indicated that HQ advises district offices not to prioritize the testing of pesticides on spices
 - District offices have the authority to test, technically still a violation



Crop Grouping Proposed Rule

Proposed rule published August 27, with a 60-day comment period

Current Crop Group	Proposed Crop Group
Crop Group 19 Herbs and Spices Group <ul style="list-style-type: none">• 68 commodities• Rep crops: basil (fresh & dried); black pepper; chive; celery seed or dill seed	No equivalent
Herbs Subgroup 19A <ul style="list-style-type: none">• 36 commodities• Rep crops: basil (fresh & dried); chive	Crop Group 25: Herb Crop Group <ul style="list-style-type: none">• 316 commodities• 2 subgroups: dried and fresh• Rep crops: Dried: dried basil and dried mint, Fresh: fresh basil and fresh mint
Spices Subgroup 19B <ul style="list-style-type: none">• 32 commodities• Rep crops: black pepper; celery seed or dill seed	Crop Group 26: Spices Crop Group <ul style="list-style-type: none">• 167 commodities• Rep crops: dill seed or celery seed



Crop Grouping Proposed Rule

- Proposed rule acknowledges monitoring data may be used to petition for an import tolerance for spices
- ASTA formed a task force to inform our comments – due Oct 28
- Comments to include:
 - Thank EPA for monitoring data policy
 - Request clarification on if monitoring data can be used for entire crop group
 - Request use of monitoring data for herbs crop group as well
 - Request for expansion of spice crop group to include paprika, chili, ginger, turmeric, and sesame
 - Request for automatic extension of MRLs on dill seed or celery seed to entire crop group



ASTA Seeking Additional MRLs for Spices

- Exploring various paths to pursue new MRLs for spices
 - Monitoring data
 - Pilot study – global harmonization
 - IR-4
- Multi-year process, ASTA investing \$\$\$



30 Month Timeline



Project Initiation

0-month



Field Phase

2nd month



Analytic Phase

10th month

Quality
Assurance
Review
GLP



Petition Prep

22nd month

Expert
fees \$20-
40K



Submission to EPA

30th month

PRIA fees
\$16K min

EPA has 18
months to
review petition
before making a
determination

IR-4

- Governmental program that subsidizes pesticide petitions for minor crops
- ASTA submitted nominations for dill seed tolerances to IR-4
 - Acetamiprid (insecticide)
 - Propamocarb (fungicide)
 - Pendimethalin (herbicide)
- Attended IR-4 Food Use workshop on Sep 24
- Acetamiprid prioritized for development of efficacy data (pre-residue trial data collection)



Import Tolerance Petitions

- New EPA policy – spice petitions may be based on monitoring data
- First petition completed
 - Requests that EPA establish an import tolerance for metalaxyl on black pepper of 0.1ppm
 - First EPA petition ever based on monitoring data – will serve as template for future petitions
- Next in the queue: azoxystrobin and difenoconazole
 - Seeking additional information on regulatory status in Vietnam
- EPA has 15 months to review petition before making a determination



Farmer Intervention Programs

- Ongoing Vietnam collaboration with IDH, ESA, and VPA
 - Provides training to Vietnamese black pepper farmers on agrochemicals
- Ramping up farmer education?
 - Some chemicals are not viable candidates for the development of an import tolerance in the United States
 - Significant challenges



Lead in Spices

Import Alert 28-13



(Note: This import alert represents the Agency's current guidance to FDA field personnel regarding the manufacturer(s) and/or product not create or confer any rights for or on any person, and does not operate to bind FDA or the public).

Import Alert # 28-13

Published Date: 08/23/2019

Type: DWPE

Import Alert Name:

DETENTION WITHOUT PHYSICAL EXAMINATION OF ***Spices and Spice Products*** DUE TO LEAD CONTAMINATION



FDA Detention



COMPANY ANNOUNCEMENT

Makzemo LLC Recalls Balquis Yemeni Spice Because of Possible Health Risk

When a company announces a recall, market withdrawal, or safety alert, the FDA posts the company's announcement as a public service. FDA does not endorse either the product or the company.

[Read Announcement](#)



ASTA Task Force on Lead in Spices

- Monitoring emerging regulatory developments
- Evaluating publicly available data in WHO GEMS Database
 - Encourage submission of additional data
- Developing comments on Codex MLs
- Future projects
 - Exposure assessment
 - FDA advocacy



Recent Publication

- High levels of lead found in Bengali turmeric up to 1152 ug/g
- Evidence of adulteration with lead chromate



Media Attention

MEDICAL

Stanford study describes spice makers adding lead to turmeric

By Nick Lavars
September 24, 2019



VIEW 1 IMAGE



A new study has found that some spice makers in Bangladesh are using lead as part of their turmeric production. [SPH/Depositphotos](#)

SEPTEMBER 24, 2019

Researchers find lead in turmeric

by Stanford University



A merchant displays pow...
Development Bank

HEALTH

People Are Adding Disturbing Levels of Lead to Turmeric, Study Shows

CARLY CASSELLA 26 SEP 2019

A yellow pigment used to enhance the bright colour of turmeric is posing a direct threat to public health, according to a new study.

For years, it's been clear that lead exposure among women and children in rural Bangladesh is dangerously high. In some regions, up to half of all residents have shown elevated levels of this neurotoxin in their blood.

meric in the Karwan Bazar of Dhaka, Ban...



Bengali Study - ASTA Response

- Shared article with members via FYI ASTA
- Has a media statement available, but ASTA has not been contacted by media about the study
- Committee Actions
 - ASTA's Spice Integrity Council will discuss this article during their meeting tomorrow
 - Task Force on Lead in Spices will discuss the article during their call next week



Allergen Webinar: Oct 23

Allergens in Spices: Risk Assessments and Regulatory Risks

Join food safety experts Martin Hahn of Hogan Lovells and Joe Baumert and Steve Taylor with Food Allergy Research and Resource Program (FARRP) for the latest ASTA Webinar scheduled for Wednesday, October 23, 2019 at 1pm EST for this 90 minute presentation.

This webinar will include an overview of the history of past incidents involving allergens in spices and a deep dive into conducting quantitative risk assessments for allergens in spices. Speakers will address safety risks due to the presence of allergens in spices for food allergic consumers, as well as business and regulatory implications. Additionally, the webinar will cover when products need to be reported or recalled, how to work with government agencies if an allergen is detected, an update on FDA thresholds, as well as other FDA and USDA policy and regulatory updates related to allergens.



Registration now open!



Please Join Us at Upcoming ASTA Events

Chicago IFT Supplier Night

November 6, 2020

ASTA Annual Meeting 2021

April 25 - 27, 2021

Renaissance Hotel, Nashville, TN



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The U.S. Spice Industry in the Global Market



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Please Remember to Fill Out the Workshop Survey



Your feedback is important to us!



Feedback

2020

Annual Meeting & Exhibits



SAN DIEGO BAYFRONT HILTON

APRIL 19-21 | SAN DIEGO, CA

A large, circular wooden bowl filled with a variety of dried spices, including red chili peppers, green herbs, and brown seeds, is positioned on the left side of the image. The bowl is set against a dark blue background with several gold-colored starburst patterns.

2019 ASTA Regulatory Workshop

Thank you for coming!

Hyatt Regency Crystal City
At Reagan National Airport
Arlington, VA | October 2-3, 2019