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Cross-border Trade in Spices

Updates & Trends Impacting US & Global Supply Chains

13 October 2020



Why Trade Matters

US imports and consumes more spices than any other country

>\$2.2 B of spices cross US borders annually

US IMPORTS >\$1.9 B

Source Markets	US imports in millions of USD (5-year average)	Overall trend (last 5 years)
GSP Countries (Madagascar, Indonesia, Sri Lanka, Pakistan, Egypt)	735.0	↑
India (GSP until mid-2019)	279.3	↓
Vietnam	259.8	↓
China	227.1	↓
Canada + Mexico	135.8	↑
EU-27 + UK	110.4	↑
Brazil (GSP)	81.9	↓

US EXPORTS >\$330 M

Destination Markets	US exports in millions of USD (5-year average)	Overall trend (last 5 years)
Canada + Mexico	116.3	↑
EU-27 + UK	53.3	↓
Japan	41.7	↑
Indonesia	15.2	↔
Australia	8.6	↑
Costa Rica	4.5	↔
Thailand	4.4	↔

Evolving Trade Landscape

Tough talk & uncertainty

2016 through mid-2019

Focus on limiting imports & disruptive trade policy

"I'm going to issue a notification of intent to withdraw from the Trans-Pacific Partnership... a potential disaster for our country." November 2016

"China has been taking out massive amounts of money & wealth from the U.S. in totally one-sided trade..." January 2017

"...trade wars are good, and easy to win." March 2018

"Tariffs are the greatest! Either a country which has treated the United States unfairly on Trade negotiates a fair deal, or it gets hit with Tariffs." July 2018

"...NAFTA was one of the worst trade deals ever made."
September 2018

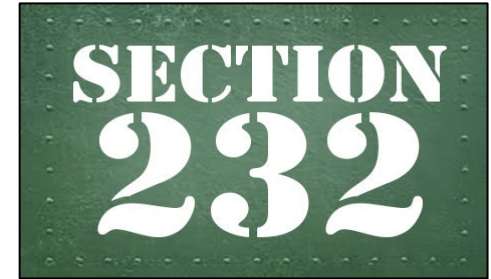
Challenges & Risks in the Supply Chain

Increased tariffs & enforcement measures

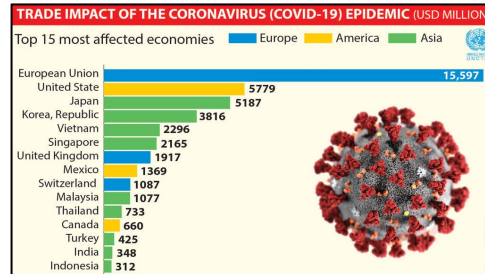
Loss / potential
loss of tariff
preferences



Tariff actions and
counteractions



Trade facilitation
vs. trade
restrictions



GSP for imports from developing countries

Prospects for renewal and possible changes

Background & Implications

GSP expires 31 December

- Historically strong bipartisan Congressional support
- USTR has not yet indicated its support for renewal

Renewal vote during lame duck session possible

- Discord from election and Supreme Court appointment could delay vote

Administration scrutinizing non-reciprocal preferences and interested in possible GSP reform

- Other Administrations have considered GSP reform, but considered reform difficult

~30% of tariff lines for spices & dried/processed vegetables currently GSP-eligible



What could changes look like?

FTAs: Follow lead of EU in converting GSP to EPAs

- US-India bilateral negotiations ongoing
- US-Kenya bilateral negotiations ongoing
- US-Brazil bilateral discussions in process

GSP for least developed countries only

- Limit to only 44 out of 119 currently GSP-beneficiaries

Modifications in requirements & criteria

- Mandatory graduation for middle income countries
- Graduation for specific industry sectors
- Increase ROO to >35% processing requirements

Let GSP program lapse

- Will require notification and possible consultation with other WTO members

US Section 301 Tariffs

National security concerns target imports from China

Additional tariffs in place

- Additional tariffs applied on China-origin spices & dried/processed vegetables of 7.5% or 25%
- No clear-cut timing or criteria for removal of Section 301 tariffs

US CIT court case:

- Tariffs on Chinese goods unlawful as imposed after a 12-month deadline after USTR's Section 301 investigation
- Violated Administrative Procedure Act given stakeholders were not given sufficient time to participate.
- 3,500+ "me too" suits filed
- Considered a long shot, but necessary

WTO case against the United States

- China won its case against the US citing Section 301 tariffs not in compliance
- China already retaliating, so do not expect US to take any compliance action

Actions under consideration

- Impose Section 301 tariffs on de minimis shipments
- Review and potentially revoke US MFN rates for China
- America LEADS Act to support more US funding and initiatives to counter China



Potential for import bans & risks to brand/company reputation

- Section 307 of the Tariff Act of 1930 prohibits importation of goods produced with forced labor
 - 2015 TFTEA removed "consumptive demand" loophole
- WRO issued if information *"reasonably but not conclusively indicates"* that imports may be product of forced labor
 - *"Every reasonable effort"* must be made to determine source and type of labor
- No WTO provisions related to forced labor
- Majority of WRO cases
 - Since 1990
 - Since 2000
- CBP and legislative efforts to address forced labor in regions within countries
- CBP's 21 CCF initiative to collect more data to help increase visibility into supply chains

Thursday, 7/26
 ASTA webinar
 Legal requirements
 due diligence

Save the Date!

Thursday, 3 December
ASTA webinar on forced labor:
Legal requirements &
due diligence practices

Product	Countries
Chile pepper	
Ginger	
Lentils	
Mangoes	
Peanut butter	
Rice	
Soybeans	
Tomatoes	Afghanistan, Mexico Afghanistan, Bangladesh, Cambodia, Niger
Tomato products	Argentina, Dominican Republic, Mexico, Paraguay
Vanilla	China
	Madagascar, Uganda

Expectation by CBP that importers undertake supply chain due diligence beyond Tier 1 suppliers

Evolving Trade Landscape

Focus on new trade deals

Mid-2019 through 2020

Shift from trade disruption to quick wins & deals.

"Big Trade Deal just agreed to with Prime Minister Abe of Japan. Will be great for our Farmers, Ranchers and more." August 2019

"America's great USMCA Trade Bill is looking good. It will be the best and most important trade deal ever made by the USA." December 2019

"I will be signing our very large and comprehensive Phase One Trade Deal with China on January 15." December 2019

"This deal (with the UK) has the potential to be far bigger and more lucrative than any deal that could be made with the EU." December 2019

"(We are in) early stages of discussion for an incredible trade agreement (with India). It has to be reciprocal." February 2020

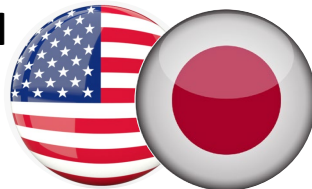
Opportunities in the Supply Chain?

New & Future Trade Agreements to Support US Imports

In Force

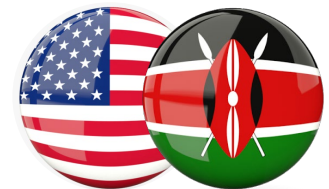
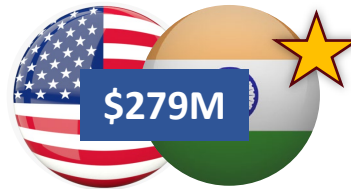


Phase I Deal



Initial Deal

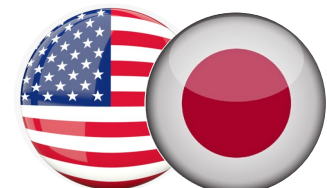
Priority



Prospective



Phase 2



Phase 2

US-Mexico-Canada Agreement

Stability for North American Supply Chains

Continuity & Improvements

- Maintains duty-free treatment for spices, and dried & processed vegetables
- Nine minimum data elements, but COO form no longer required
- Origin certification may be completed by the importer, producer, or exporter; signed and submitted electronically
- Minimal changes to ROO for our sector
- De minimis provisions for ROO increased to 10%
- Removed prohibition on use of non-originating goods in FTZs; USTR supports reverting to NAFTA provision



New Provisions & Transitional Issues

- NAFTA-related rulings no longer valid
- Prohibits importation of goods sourced from forced labor
- MPF currently not refundable; technical fix in the works



Evolving Trade Landscape

Shifts in US Trade Policy?

November 2020 & beyond



Continue to “rebalance” with trading partners

Enforce Phase 1 China trade deal and USMCA

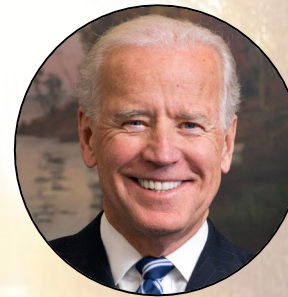
Finalize new trade deals with the UK, Kenya, and India; pursue Phase 2 trade deals with China and Japan

Continue to aggressively enforce US trade laws and take other unilateral actions

Continue assessments of GSP countries compliance with criteria; possible reform

No change in enforcing against imports made with forced or child labor

Push for significant WTO reforms to limit the WTO, rethink tariff commitments, review WTO budget, pivot from DSB



“Reset” with trading partners but not full 180’

No immediate end to Section 301 tariffs on China;

Focus on comprehensive FTAs, rather than phased deals; possible re-visit of CPTPP to counter China in Asia; unclear on UK & EU

Hardline on Chinese IP theft and “unfair” trade practices; partner with allies

Support for GSP renewal without major reform of program

No change in enforcing against imports made with forced or child labor

Strengthen & reinvigorate WTO without major reforms; work with allies on over-capacity issues

Thank You!



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Resources & Guidance

Helpful links on cross-border trade issues

Forced Labor / Supply Chain Due Diligence

- [CBP's Responsible Business Practices on Forced Labor Risk in the Global Supply Chain Guide](#)
- [CBP's Supply Chain Due Diligence Factsheet](#)
- [DOL's List of Goods Produced by Child Labor or Forced Labor](#)
- [DOL's "Comply Chain": Developing a Social Compliance System](#)
- [CBPs' Withhold Release Orders \(WROs\)](#)

USMCA

- [USMCA text](#)
- [USMCA rules of origin](#)

Generalized System of Preferences

- [GSP Beneficiaries](#)
- [USTR's GSP Guidebook](#)
- [GSP Coalition](#)

Section 301 Tariffs on Imports from China

- [USTR's Section 301 Exclusions Portal](#)
- [WTO Report on Section 301 case](#)

Annex:

US Import Data

	Country	Tariff treatment into the United States	Total
1	Madagascar	GSP	\$338,219,262
2	India	MFN (GSP until mid-2019) Bilateral agreement in negotiation	\$279,296,685
3	Vietnam	MFN	\$259,774,720
4	China	MFN + Section 301	\$227,052,279
5	Indonesia	GSP	\$210,903,230
6	EU27 + UK	MFN Bilateral agreements under negotiation	\$110,400,000
7	Mexico	NAFTA/USMCA	\$79,055,142
8	Peru	US-Peru FTA	\$54,504,236
9	Canada	NAFTA/USMCA	\$56,738,531
10	Turkey	MFN	\$33,987,775
11	Brazil	GSP Bilateral agreement under consideration	\$81,910,565
12	Sri Lanka	GSP	\$32,383,365
13	Guatemala	DR-CAFTA	\$24,114,919
14	Pakistan	GSP	\$15,810,371
15	Egypt	GSP	\$16,804,445

\$1,927,791,581

Annex:

Section 301 Tariffs on US Imports from China

US Section 301 Tariffs on ASTA products

US Codes	Product	Additional Section 301 Tariff in place
0712.20.40 – 0712.90.65	Dried onions, garlic, fennel, marjoram, parsley, savory and tarragon, parsley	25.0%
0910.99.60	Other spices, nesoi	
1207.40.00 – 1207.50.00	Sesame seeds and mustard seeds	
2005.99.xx	Prepared vegetables	
0712.90.70 , 0904 - 0910	All other spices and dried vegetables	7.5%

Annex:

Forced Labor/Supply Chain Due Diligence

INTEGRITY OF THE SUPPLY CHAIN: *If contacted by CBP to investigate possibility of forced or child labor in the supply chain, CBP will likely focus its questions on the systems and processes companies have in place to ensure the integrity and transparency of its supply chain to comply with Tariff Act of 1930.*

1. Outline **actions taken thus far** to prevent use of forced or child labor in the company's supply chain.
2. Can the importer **guarantee** that goods were not "manufactured wholly or in part in any foreign country by convict labor or/and forced labor or/and indentured labor"?
3. Are there any **known court cases or petitions against the importer** related to forced or child labor?
4. How does the importer obtain information on/**monitor activities at the farm level**?
5. How does the importer **work with its suppliers** to ensure that goods were not harvested by forced or child labor?
 - a) Does the importer ensure that goods were not harvested by forced or child labor **beyond Tier 1 suppliers**? If so, does the importer have **established written process** covering every level of the product supply chain?
 - b) Does the importer have a **Supplier Code of Conduct**? Is the code of conduct shared with all suppliers? Is it a stand-alone document or included as an addendum to purchase orders and contracts?
 - c) Does the **code of conduct address minimum labor standards** as specified by the United Nations International Labor Organization or other intergovernmental organizations?
 - d) Is there a program in place to **detect instances of non-compliance** with the code of conduct? How does the importer address any detected non-compliance with the code of conduct?
 - e) What **information is provided by suppliers** to ensure that goods were not harvested or processed by forced or child labor?
 - f) Does the importer **conduct risk assessments of suppliers** for forced or child labor?
 - g) Does the importer conduct regular or **unscheduled supplier audits** of its suppliers? Are these audits onsite? Are audits conducted by in-house personnel or external audit professionals?
7. Does the importer have **adequate corrective action plans** to address noncompliance and deter weak business practices?
8. What are the **steps/actions the importer takes if it encounters reasonable information** that there is forced or child labor in its supply chain?
9. Outline any **industry specific multi-stakeholder initiatives** to prevent forced labor where the importer is engaged and active.

Annex:

USMCA Origin Certification Data Elements

1. Importer, Exporter, or Producer Certification of Origin
2. Certifier
3. Exporter
4. Producer
5. Importer
6. Description and HS Classification of the Good
7. Origin Criteria
8. Blanket Period (if applicable)
9. Authorized Signature and Date

Annex:

US – Japan Trade Agreement

Market Access Achieved for ASTA products under US-Japan Trade Agreement (Effective 1 January 2020)

Tariff code	Product	Japan's MFN rate	Preferential tariffs for US Goods
0904.11.100	Pepper of the genus Piper, Neither crushed nor ground; Put up in containers for retail sale	3%	Free
0904.12.100	Pepper of the genus Piper; Crushed or ground; Put up in containers for retail sale	3%	Free
0910.12.299	Ginger; Crushed or ground; Other; Other	2.5%	Free
0910.91.210	Other spices; Mixtures of spices; Put up in containers for retail sale	3.6%	Free
2005.99.919	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06; Other; In airtight containers not more than 10kg each including container; Other	12%	Free
2005.99.991	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06; Other; Other; Garlic powder	10.5%	Free
2005.99.999	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06; Other; Other; Other	9%	Free



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Navigating Trade Requirements: Focus on Organic and Pesticide MRLs

ASTA Regulatory Workshop

Maile Gradison Hermida, Partner


October 13, 2020

AGENDA

- National Organic Program Overview
- Organic Equivalency Programs
- Pesticides and Dehydration Factors
- When Laws Conflict
- Case Studies and Hypotheticals

Overview

- Organic space is growing rapidly - consumers are increasingly interested in sustainable practices
- Organic products have numerous requirements, e.g., labeling, growing, certification
- The organic program incorporates various international arrangements that allow for import of organic products into the US
- Domestic and international pesticide regulations make some of these arrangements (and importing generally) tricky to understand and comply with
- At the end of the day, adulteration provisions under the FFDCA trump labeling
 - i.e., it doesn't matter if the organic program lets you call the imported product “organic” in the US – it's still considered adulterated

An aerial photograph of a farm. The left side of the image shows a large green field with distinct diagonal furrows. The right side shows a bright yellow field, also with furrows. A red tractor is visible in the yellow field, moving from the top right towards the center. A dark purple trapezoidal shape is overlaid on the bottom left of the image, containing white text.

National Organic Program Overview

Organic – Domestic Overview

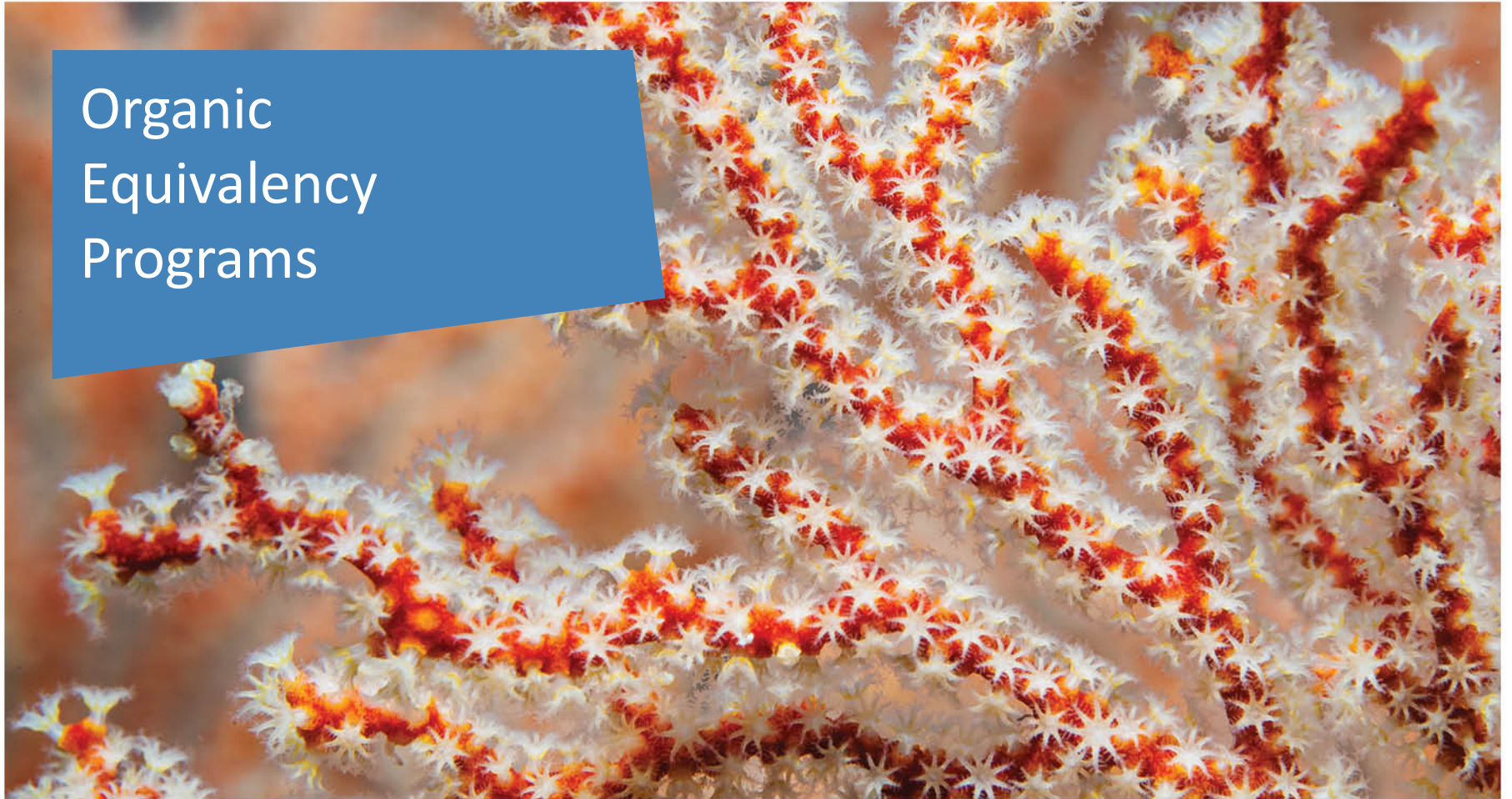
- The National Organic Program (NOP) is a federal regulatory program under the U.S. Department of Agriculture that develops and enforces uniform national standards for organically produced agricultural products sold in the US
- Regulated by NOP under 7 CFR Part 205
 - Certifiers are responsible for making sure USDA products meet all organic standards
- Five steps to organic certification:
 - Selecting USDA-accredited certifying agent and submitting application
 - Certifying agent reviews the application
 - On-site inspection
 - Certifying agent reviews application and inspector's report
 - Certifying agent issues organic certificate

Organic Labeling

- Organic labeling must meet the NOP standards
 - 100% Organic” = 100%
 - May include USDA organic seal
 - “Organic” = 95%
 - May include USDA organic seal
 - “Made with” organic ingredients = 70%
 - “Organic” ingredients in the ingredients statement



Organic Equivalency Programs



Organic Equivalency & Recognition Programs

- In addition to NOP, there are multiple global organic standards and certifications
- USDA establishes international trade agreements for organic products
- Two types of programs
 - Equivalency arrangements
 - Recognition agreements

International Organic Logos



United States



Canada



European Union



Japan



Korea

*There is no Swiss
organic seal*

Switzerland

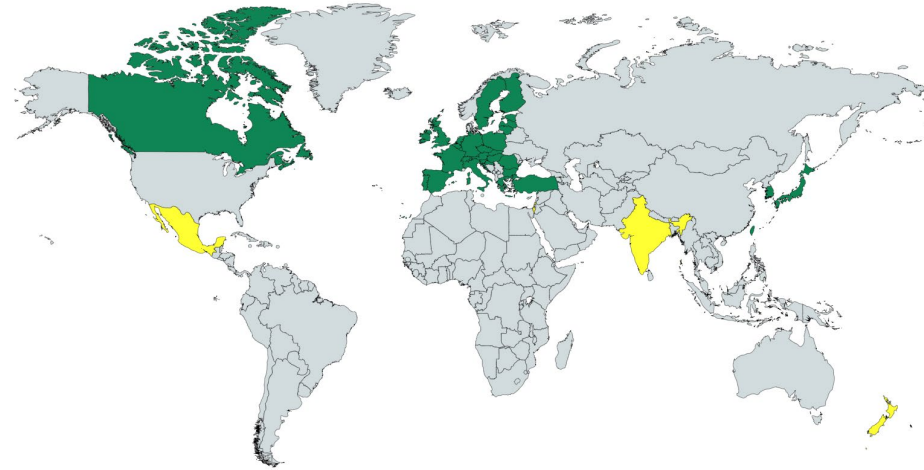
Importing Organic Products

1. Equivalency Program: An agent certifying to the organic standards of another country with which the U.S. has an equivalency agreement

- Canada, EU, Taiwan, Japan, South Korea, Switzerland, and the UK

2. Recognition Program: USDA-accredited certifying agents in a foreign country

- India, Israel, New Zealand, Mexico



Equivalency Arrangement - Details

- AMS works with Foreign Ag Service (FAS) and US Trade Representative (USTR) to establish
- Through these arrangements, two countries may recognize each other's organic program as being “equivalent”
 - Products can be sold with just one organic certification
- For US and foreign entities, this reduces the number of certifications they must maintain

Equivalency Arrangement - Details

- How the U.S. enters into an equivalency arrangement:
 - The foreign government provides USDA with information regarding its:
 - organic system (lead organization; organic standards; enforcement, etc.)
 - crops/products for which equivalency is sought
 - If USDA chooses to proceed, the foreign government provides a detailed side-by-side comparison between its organic system and the USDA system
 - If a system is deemed equivalent, a final agreement is reached and posted on USDA's website (including specific products subject to the agreement)
 - USDA conducts onsite audits of foreign programs on a two-year cycle

Importing Organic Products - Details

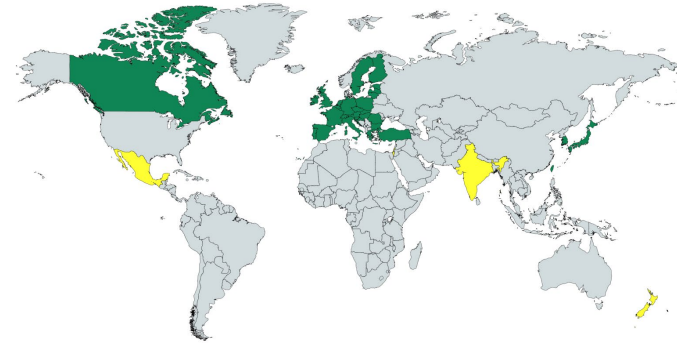
- Product imported under an equivalency agreement must generally:
 1. Be produced or have had final processing or packaging occur in the specific country
 2. Be accompanied by a NOP import certificate and organic certificate issued by the certifying agent
 - Canada instead requires an attestation that the products comply with the terms of the equivalency agreement
 3. Comply with USDA organic labeling requirements
 4. Meet any other restrictions/limitations under the specific equivalency agreement
 - Ex., certain products are excluded under some trade agreements (such as meat, dairy and alcohol from Japan, and pears and onions from Korea)
 - Ex., imports from the EU must meet additional specification for wine
- Equivalency agreements impose similar restrictions on U.S. exports

Recognition Agreement - Details

- Recognition agreements allow a foreign government to accredit certifying agents in that country to the USDA organic standards
- These foreign certifying agents are authorized to certify organic farms and processing facilities, ensuring that USDA organic products meet or exceed all USDA organic standards
 - Organic exports must be accompanied by specific documentation, e.g., transaction certificates
 - Products must meet all USDA organic labeling requirements

Exporting Organic Product

- USDA organic products may be exported and sold in the EU and the six countries with which the USDA has equivalency agreements
- Some restrictions apply, e.g.,:
 - Canada - agricultural products produced with the use of sodium nitrate or hydroponic or aeroponic production not allowed
 - Japan - this equivalence covers only USDA organic products that fall under the scope of the Japan organic regulations.
 - Organic products that are not regulated under the Japan organic regulations, yet are certified by a USDA accredited certifier, can be exported to Japan under certain conditions



Importing Organic Products – Hot Topics

- In July 2016, USDA issued a letter to organic importers reminding them that imported organic products cannot be fumigated with prohibited substances or treated with irradiation
- In August 2020, USDA issued a proposed rule that would require all imported organic products to be “associated with” an NOP import certificate - not just those imported from a country with which the U.S. has an equivalency agreement
 - Shipment could enter the U.S. without the certificate at the time of entry, but it would need to be uploaded into the Customs electronic system within 10 calendar days of the shipment entering the U.S.
 - Comments on the proposed rule were due October 5

Pesticides and Dehydration Factors



Pesticides – U.S. Legal Framework

- The Environmental Protection Agency (EPA) issues tolerances for pesticide residues in food - 40 CFR Part 180
- FDA enforces the tolerances
 - Biggest potential vulnerability is at import
- Under the FFDCA, a food that bears or contains pesticide residues not covered by a tolerance or tolerance exemption, or with residues in excess of the tolerance, is deemed adulterated
- **If there is no tolerance, the tolerance is interpreted as zero, with no allowance for *de minimus* levels, unlike in Canada and the EU**
 - Regardless of the level
 - Even if there is no health or safety concern

FDA Food Safety Modernization Act (FSMA)

- FSMA requires companies to:
 - Consider pesticide residues in the hazard analysis, as a potential chemical hazard; and
 - Implement preventive controls if pesticide residues are determined to be a “hazard requiring a preventive control” as an output of the hazard analysis

Pesticides Internationally

- Countries have highly variable pesticide allowances – and they are constantly changing!
 - Some countries will allow the use of pesticides that are considered safe by Codex Alimentarius, but that are not authorized for use by the U.S., Canada, or the EU
- The U.S./Canada/EU market for a particular agricultural commodity may represent only a small fraction of the worldwide demand for the commodity, making it less likely the farmers will only use pesticides authorized in these countries

Potential Issues with Zero Tolerance

- Small-scale farmers may not be aware of the end product market to which their product will be exported
- Analytical detection capabilities are increasingly sensitive
 - Some crops inherently present pesticide metabolites even if no pesticide was applied
 - Issues can be caused by drift

Dehydration Factors (DFs) – It's Complicated!

- As noted, EPA does not recognize DFs
 - However, FDA has provided guidance on when DFs may be appropriate for a commodity
- FDA - 3 considerations :
 - If there is NOT an MRL for a specific pesticide for a processed food in its concentrated or dehydrated form
 - the processed foods consists primarily of one ingredient, AND
 - the product is sold in a form requiring further preparation prior to consumption
 - e.g., fruit juice concentrates, dehydrated vegetables, and powdered potatoes

Dehydration Factors (DFs) – It's Complicated!

- If a processed commodity meets all three of these considerations, application of a dehydration factor could be considered appropriate
 - i.e., examine the product for residues after reconstituting to the commodity's normal moisture content
- Onus is on the manufacturer/importer to show why DFs are appropriate

A close-up photograph of green leaves with prominent veins, creating a textured background. A dark green, semi-transparent trapezoidal shape is positioned in the lower-left area, serving as a background for the text.

When Laws Conflict

When Laws Conflict

- A potential conflict can arise when, for example:
 - A food can be certified organic in the EU
 - When imported, the food contains a pesticide for which the US does not have an approved tolerance, but which is legal for a certified organic food in the EU
 - The food is considered adulterated in the US
- Under the FFDCA, a food that bears or contains pesticide residues not covered by a tolerance or tolerance exemption, or with residues in excess of the tolerance, is deemed adulterated

When Laws Conflict

- TAKE-AWAY - Adulteration trumps labeling!
- Now some Case Studies and Hypotheticals

Case Study: Carbendazim in Orange Juice

- In 2012, the Food and Drug Administration (FDA) found carbendazim in orange juice concentrates coming from Brazil and refused to allow the entry into the United States of any concentrate with detectable levels of carbendazim
- While the low levels found were well within tolerances established in the EU and Canada, and did not present any health or safety issues, FDA deemed the products adulterated as a matter of law and issued an import alert



Hypothetical 1: Vanilla Beans

Vanilla Beans		
Residue	US Tolerance	EU MRL
LAMBDA-CYHALOTHRIN	no tolerance (40 CFR 180.438)	0.03 (EU 2019/1015)
DELTAMETHRIN	no tolerance (40 CFR 180.435)	15 (EU 2018/832)

- A product could contain EU-compliant levels of either residue but be considered non-compliant for US markets
- Company could argue:
 - There is no health or safety issue
 - In compliance with EU MRL
- FDA would still consider it adulterated



Hypothetical 2 (Basil) – Dehydration Factors (DFs)

Basil

Residue	US Tolerance	EU MRL (ESA dehydration factor of 7)
DIMETHOMORPH	No tolerance (40 CFR 180.493)	10 (70) (EU 2016/1902)
METALAXYL M & S ISOMER	No tolerance (40 CFR 180.408)	3 (21) (EU 2017/1164)

- The European Spice Association (ESA) developed and published a list of proposed “dehydration factors” for herbs
- EPA does not *per se* recognize DFs
- Dehydration factors, applied to already higher MRL levels, can lead to significant disparity between EU and US compliant product

Letter to the editor

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16 September 2008

European Spice Association, ESA, recommends dehydration factors to assess pesticide residues on products of the spice industry¹

Maximum residue levels (MRLs) for products of plant origin have been set at Community level in Regulation (EC) no. 396/2005 of the European Parliament and of the Council of 23 February 2005 on maximum residue levels of pesticides in or on food and feed of plant and animal origin (O.J. L 70 of 16.03.2005). The annexes to this Regulation have been published in several regulations since. They have come into force in September 2008.

Commission Regulation (EC) no. 178/2006 of 1 February 2006 establishes Annex I of Regulation no. 396/2005 listing the food and feed products to which maximum levels for pesticide residues apply. In the Annex to this Regulation, group 2 v), it is defined that MRLs apply to *fresh* herbs. The European spice industry usually trades *dried* herbs.

When assessing the MRLs the pesticide residues found in a dried product have to be put in relation to the fresh product. Article 20 of Regulation 396/2005 permits in the case of dried products (e.g. herbs) the concentration caused by the drying process be taken into account when determining the maximum residue level.

ESA recommends a harmonised pesticide residue assessment

The European Spice Association proposes the application of dehydration factors for dried products (e.g. herbs) in order to

Product name	Dehydration factor
--------------	--------------------

basil	7
celery leaves	10
chervil	5
chives	7
coriander leaves	13
dill tops	7
garlic	3
laurel leaves	7
lovage leaves	7
marjoram	7
onion	9
oregano	6
parsley leaves	6
mint	7
capsicums	10
rosemary	7
sage	7
savory herb	7
tarragon	7
thyme	7

The list is also available at the website of ESA (<http://www.esa-spices.org/documents>).

How dehydration factors were derived

The ESA experts have derived the dehydration factors from literature data (see annex) and data from company labs. The experts calculated the relation of dry matter of the fresh herb to the dried product.

The resulting values were checked with the following formula:

$$\text{dehydration factor} = 1/[1-(\%H_2O/100)]$$

A good correlation could be confirmed. This formula has been used by A. Ambrus for the development of dehydration factors for paprika in the framework of the Codex Alimentarius work

Conclusion

- As organic and pesticide regulations proliferate globally, both companies and regulators are faced with the challenges of conflicting laws
- Compliance in a global market will probably get harder before it gets easier (for a variety of reasons)
- Hogan Lovells can help you navigate these challenges

Discussion and Questions



Contact Information



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USDA Resources on International Trade in Organic Products

- <https://www.ams.usda.gov/services/organic-certification/international-trade>
- <https://www.ams.usda.gov/sites/default/files/media/Importing%20Organic%20Products%20Factsheet.pdf>
- <https://www.ams.usda.gov/content/usda-reminds-organic-importers-requirements>



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