



# Compliance News

## Administrative Letter for Marketing Order Administration Branch Compliance Programs

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### Greetings & News

The second edition of *Compliance News* for fiscal year 2002 covers compliance activities from April through June 2002.

#### *New Senior Marketing Specialist for Compliance Team:*

Compliance team member Rick Lower was recently selected as the Senior Marketing Specialist for the Team. Rick has been with the USDA for 16 years and 11 years with MOAB. Prior to coming to MOAB, Rick worked for 5 years as an investigator with FV's Perishable Agricultural Commodities Act Branch.

#### *Committee Personnel Updates*

California Tree Fruit – In our last issue we reported that Jonathan Field, California Tree Fruit Agreement (CTFA) Manager for 20 years, had resigned. We now welcome Mr. Blair Richardson as the new CTFA Manager. A former executive of an online commerce company, and a native of Texas, Mr. Richardson has experience in the domestic and international marketplace. We look forward to working with Mr. Richardson.

California Almonds – The CEO of the Almond Board, Rodger Wasson, left the Board to become the President of the California Strawberry Commission on May 15. Wasson had been President and

CEO of the Almond Board since 1992.

The Almond Board has appointed a search committee to fill the position.

#### *MOAB Compliance Team Receives Department Honor Award:*

On July 8, 2002, MOAB's Compliance Team received a Departmental Award for "Implementing improvements to Marketing Order and 8e Import Compliance Programs that greatly reduced the amount of time required to resolve issues of industry non-compliance." I want to thank team members Tammie Bryant, Karen Chaney, Richard Lower, Maureen McPhillips, Karen Scott, and Karla Whalen for their continued support and hard work.

#### *Synopsis of Compliance Team Activity*

During this quarter, the Compliance Team resolved and closed 16 cases, approved one compliance plan, referred two cases to the Office of General Counsel for administrative adjudication proceedings, and negotiated 2 stipulation agreements (reduced penalties). In addition, the team has been auditing FV-6 forms

submitted by importers for exemption from the Section 8e requirements.

*Barbara Schulke*  
*Compliance Program Manager*

## **Marketing Order Compliance**

### ***15A Hearing***

In June 2001, a desert grape handler filed a 15A petition with the Department to modify the marketing order for California grapes or exempt the petitioner from the regulations, which impose packing holidays.

The 15A hearing was held on May 7 before Administrative Law Judge Hunt in California. We are awaiting the Judge's decision.

### ***The 2002 Farm Bill and its impact on Marketing Orders:***

The new Farm Bill terminates the existing Peanut Administrative Committee and requires USDA to appoint a new Peanut Standards Board comprised of members of the peanut industry.

Until the new peanut quality program is implemented, the current regulations under the peanut marketing agreement will apply, as well as the regulations for imported and domestic peanuts not covered under the marketing agreement. Assessments, however, will not be collected from peanut handlers on the 2002 crop.

The new Farm Bill amends the Federal Agriculture Improvement and Reform Act by exempting organic producers from paying assessments under a commodity promotion law. This will affect about 15 marketing orders and the National Research and Promotion Programs.

Lastly, the Farm Bill authorizes Federal marketing orders for Caneberries (Blackberries, Raspberries, and Marionberries) including paid advertising and section 8e import requirements.

### ***Program Reviews***

We conducted a compliance program review of the Walla Walla Onion Committee's compliance program in June.

Additional program reviews to be conducted by the end of the year include:

- 916/917 Tree Fruit
- 925 CA Desert Grapes
- 946 WA Potatoes
- 958 ID/OR Onions
- 981 Almonds
- 984 Walnuts

### ***Fines and Penalties:***

A handler from Wapato, Washington paid reduced civil penalties of \$5,000 for failing to obtain proper inspection for winter pears grown in Oregon and Washington.

Reminder to Committee Managers:

 All compliance plans must be updated and

approved by the Department annually. If your plan has been reviewed and returned with recommendations, please submit the revised plan to the appropriate Marketing Field Office. They will forward the plan to the Compliance Team.

## **Section 8e Compliance**

### ***Canadian Inspection Visit:***

On May 29 and 30, three officials from the Canadian Food Inspection Agency (CFIA) presented an overview of the Canadian Partners In Quality (C-PIQ) program to FV officials in Washington, D.C. Four potato packinghouses are currently participating in the C-PIQ program, which is modeled after FV's Partners In Quality (PIQ) program.

On June 4-6, team member Rick Lower and Federal Supervisor Bob Spann, Fresh Products Branch, traveled to New Brunswick, Canada, and observed the C-PIQ operations and reviewed auditing procedures. FV staff is currently considering the question of recognizing the C-PIQ program for certification of section 8e imports.

### ***Spot Check for Canadian Potatoes***

Random spot checks of Canadian potatoes entering through ports of entry in the Northeastern United States for the 2001-2002 shipping season have been completed. The total number of inspections performed this year at Houlton, Maine, was 438. Only one of

those shipments failed to comply with 8e requirements.

### ***Suspension of Florida and Imported Lime Regulations:***

In our last issue we reported that the Florida Lime program had been suspended effective February 19, 2002, because of citrus canker. The disease has destroyed more than 2,300 acres of limes in Florida, or more than two-thirds of the industry's total acreage.

Efforts have been under way for some time to eradicate the disease. The Florida Lime Administrative Committee recommended the suspension action to give the industry time to evaluate the eradication efforts.

As a result of the suspension of the domestic quality requirements, MOAB has suspended the corresponding regulations for imported limes.

The import regulation is required under section 8e of the Agricultural Marketing Agreement Act of 1937. Section 8e requires that the same or comparable regulations shall be applied to all imported products covered under a domestic marketing order.

Please note that even though we are not regulating imported limes, we have reported the quantities of imported limes in the 8e Import Data Summaries.

### ***Fines and Penalties***

An importer paid a reduced penalty of \$5,000 for failing to

obtain inspection on imported kiwifruit.

### ***8e Import Data Summaries***

We are having the Import Summaries translated into Spanish. They will be available soon on our website and for distribution to interested parties.

The remainder of this newsletter summarizes 8e import data, which are reported for the time period January through March 2002. The data for this analysis comes from two different sources. The first source, MOAB's compliance database, provides data for the country of origin and port of entry percentages. The second source is total metric ton volume and monthly volume figures from the Census Bureau supplied to the USDA, Foreign Agricultural Service.

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For your convenience, our *Compliance News* is available on our website at: <http://www.ams.usda.gov/fv/8e>Welcome.html>

If you have any questions, comments, or suggestions for future editions of *Compliance News*, please e-mail me at [Barbara.Schulke@usda.gov](mailto:Barbara.Schulke@usda.gov)

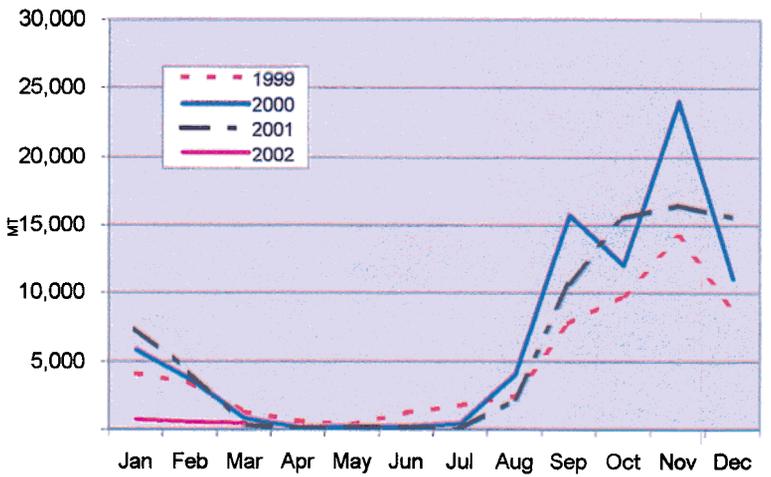
**Avocados**

Port of Entry

	2001 (JAN-MAR)	2002 (JAN-MAR)
LOS ANGELES, CA	28.1%	32.0%
NEWARK, NJ	16.4%	15.1%
CHICAGO, IL	9.3%	13.8%
PHILADELPHIA, PA	17.1%	10.9%

Country of Origin

	2001 (JAN-MAR)	2002 (JAN-MAR)
MEXICO	49.8%	43.4%
CHILE	28.5%	39.6%
DOMINICAN REPUBLIC	20.4%	16.3%
		99.4%



Total Imported

Metric Tons	11,941	1,597
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Marketing Order Period

By Variety

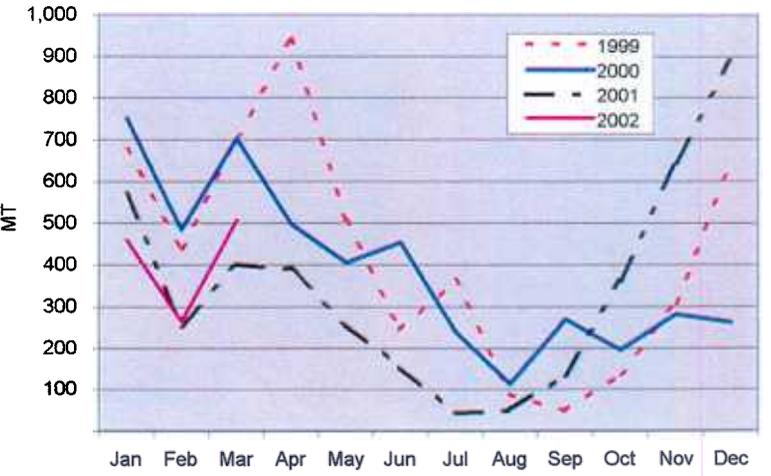
**Dates**

Port of Entry

	2001 (JAN-MAR)	2002 (JAN-MAR)
MINNEAPOLIS-ST. PAUL, MN	58.6%	58.2%
NEWARK, NJ	24.4%	23.8%
LOS ANGELES, CA	6.1%	10.3%
NEW YORK, NY	0.0%	4.8%
		97.1%

Country of Origin

	2001 (JAN-MAR)	2002 (JAN-MAR)
PAKISTAN	62.4%	53.6%
IRAN	12.2%	35.6%
CHINA	13.8%	5.3%



Total Imported

Metric Tons	1,224	1,224
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Marketing Order Period

All Year

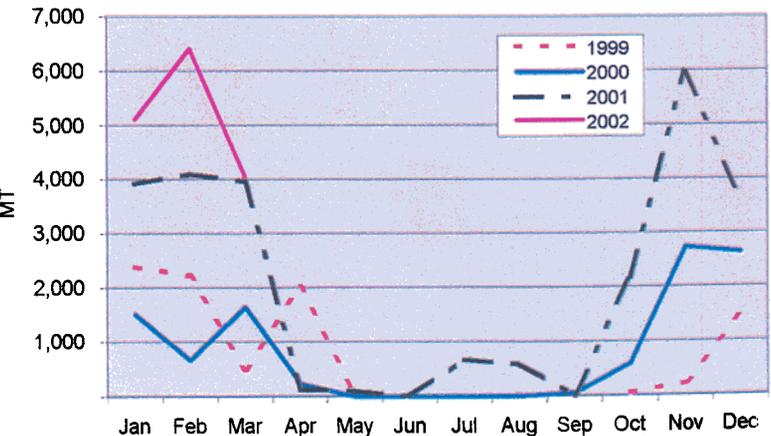
**Grapefruit**

Port of Entry

	2001 (JAN-MAR)	2002 (JAN-MAR)
FORT PIERCE, FL	99.6%	99.8%
NEWARK, NJ	0.0%	0.1%
NOGALES, AZ	0.4%	0.1%
	0.0%	0.0%

Country of Origin

BAHAMAS		
ISRAEL		
MEXICO		



Total Imported

Metric Tons	11,986	15,540
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Marketing Order Period

All Year



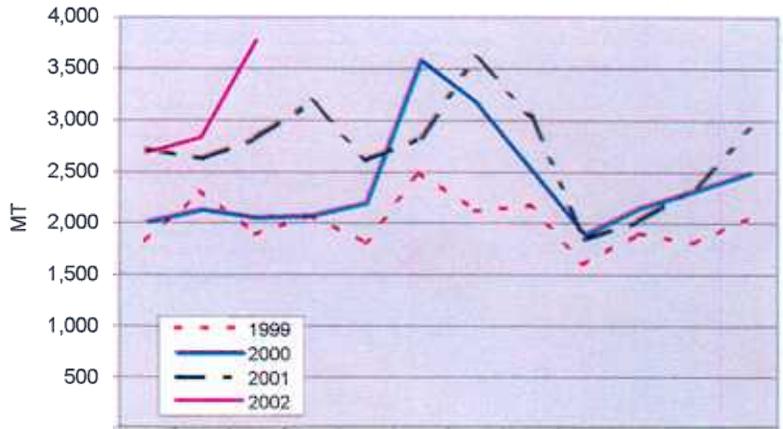
**Olives**

**Port of Entry**

	2001 (JAN-MAR)	2002 (JAN-MAR)
NEWARK, NJ	21.2%	24.6%
BALTIMORE, MD	20.2%	18.1%
SAN FRANCISCO, CA	4.8%	12.3%
LOS ANGELES, CA	9.2%	10.6%
		65.5%

**Country of Origin**

	2001 (JAN-MAR)	2002 (JAN-MAR)
SPAIN	74.5%	67.7%
MOROCCO	23.0%	29.7%
TURKEY	0.4%	1.2%
		98.6%



**Total Imported**

Metric Tons	8,190	9,280
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**Marketing Order Period**

All Year

**Onions\***

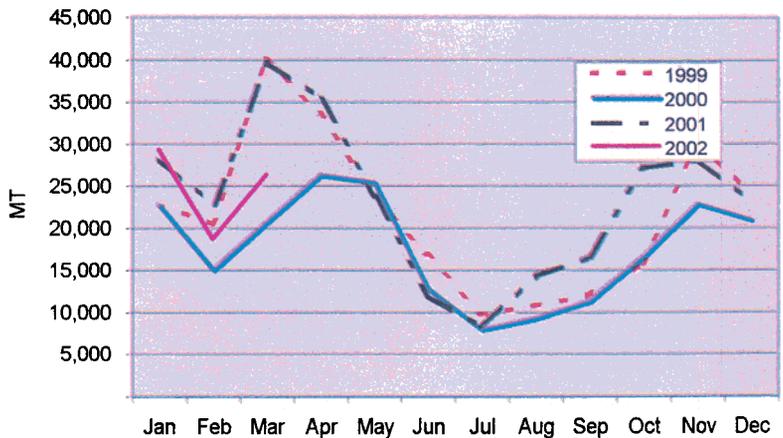
\*Onion import data includes green onion volumes (non-Se) due to use of same tariff Code.

**Port of Entry**

	2001 (JAN-MAR)	2002 (JAN-MAR)
HIDALGO, TX	39.7%	4.4%
CALEXICO (EAST), CA	19.7%	2.2%
SAN LUIS, AZ	10.7%	0.8%
BUFFALO-NIAGARA FALLS, NY	6.6%	0.5%
		7.9%

**Country of Origin**

	2001 (JAN-MAR)	2002 (JAN-MAR)
MEXICO	73.5%	76.3%
CANADA	12.6%	11.3%
PERU	5.1%	5.8%



**Total Imported**

Metric Tons	90,621	74,175
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**Marketing Order Period**

All Year

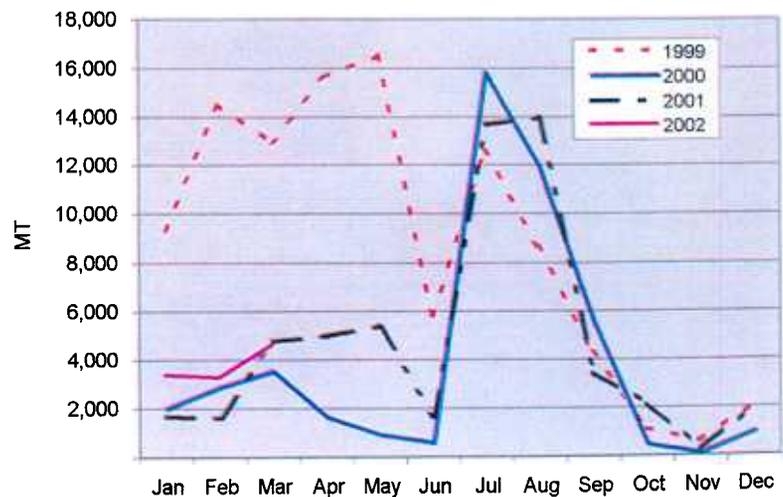
**Oranges**

**Port of Entry**

	2001 (JAN-MAR)	2002 (JAN-MAR)
NOGALES, AZ	57.2%	81.0%
NEWARK, NJ	8.7%	5.0%
SAN LUIS, AZ	1.6%	4.0%
HIDALGO, TX	0.4%	3.6%
		93.6%

**Country of Origin**

	2001 (JAN-MAR)	2002 (JAN-MAR)
MEXICO	5.7%	88.6%
DOMINICAN REPUBLIC	4.0%	3.8%
ISRAEL	0.0%	3.2%
	9.7%	



**Total Imported**

Metric Tons	8,088	11,239
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**Marketing Order Period**

Sep 1 - Jun 30

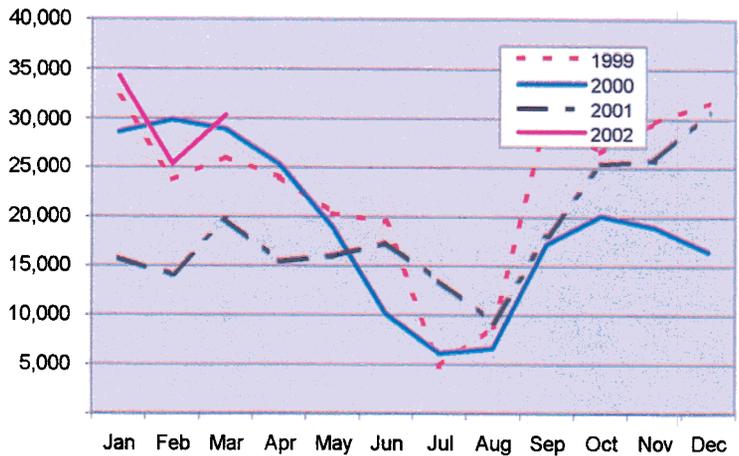
**Potatoes**

**Port of Entry**

	2001 (JAN-MAR)	2002 (JAN-MAR)
HOULTON, ME	49.7%	31.2%
BUFFALO-NIAGARA FALLS, NY	12.1%	16.8%
CHAMPLAIN-ROUSES, NY	19.4%	14.9%
SAN JUAN, PR	8.8%	9.6%
		72.4%

**Country of Origin**

	2001 (JAN-MAR)	2002 (JAN-MAR)
CANADA	99.87%	99.97%
COSTA RICA	0.000%	0.015%
JAPAN	0.019%	0.014%



**Total Imported**

Metric Tons	49,626	89,792
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**Marketing Order Period**

All Year

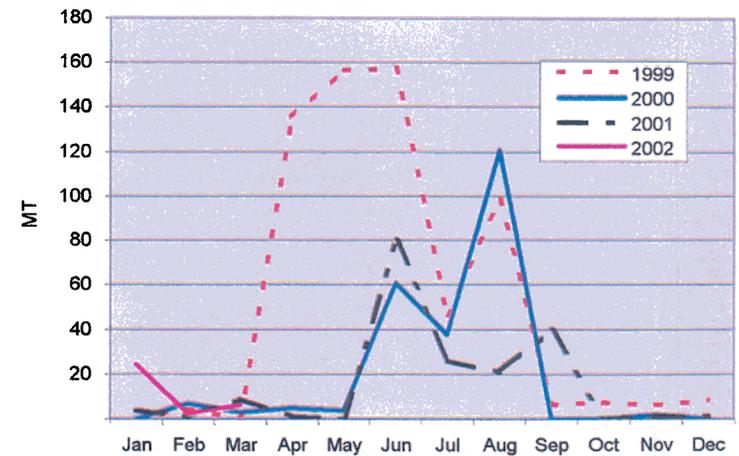
**Prunes**

**Port of Entry**

	2001 (JAN-MAR)	2002 (JAN-MAR)
LOS ANGELES, CA	13.1%	84.2%
SAN LUIS, AZ	0.0%	8.6%
OTAY MESA STATION, CA	0.0%	3.5%
NEWARK, NJ	0.0%	3.0%

**Country of Origin**

	2001 (JAN-MAR)	2002 (JAN-MAR)
IRAN	4.9%	84.2%
MEXICO	0.0%	12.1%
TAIWAN	0.0%	2.4%
	4.9%	



**Total Imported**

Metric Tons	14	32
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**Marketing Order Period**

All Year

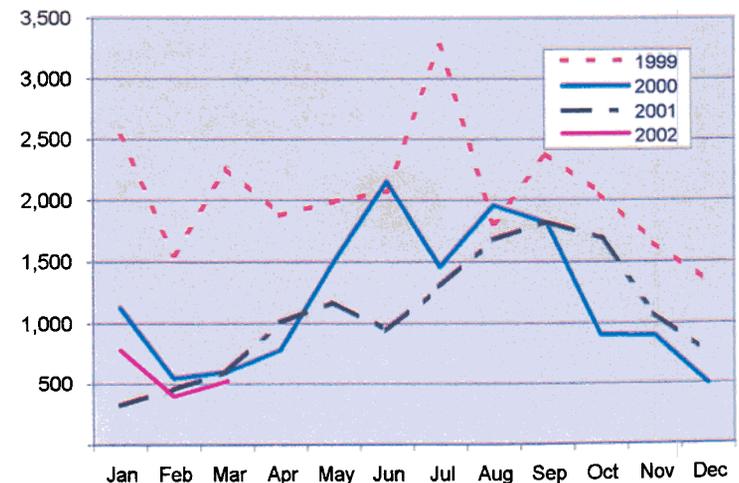
**Raisins**

**Port of Entry**

	2001 (JAN-MAR)	2002 (JAN-MAR)
NOGALES, AZ	62.6%	60.3%
NEWARK, NJ	20.7%	22.2%
SAN FRANCISCO, CA	3.9%	7.6%
BALTIMORE, MD	0.1%	2.4%

**Country of Origin**

	2001 (JAN-MAR)	2002 (JAN-MAR)
MEXICO	62.7%	60.5%
SOUTH AFRICA	2.7%	14.7%
ARGENTINA	1.5%	9.2%
		84.4%



**Total Imported**

Metric Tons	1,393	1,684
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**Marketing Order Period**

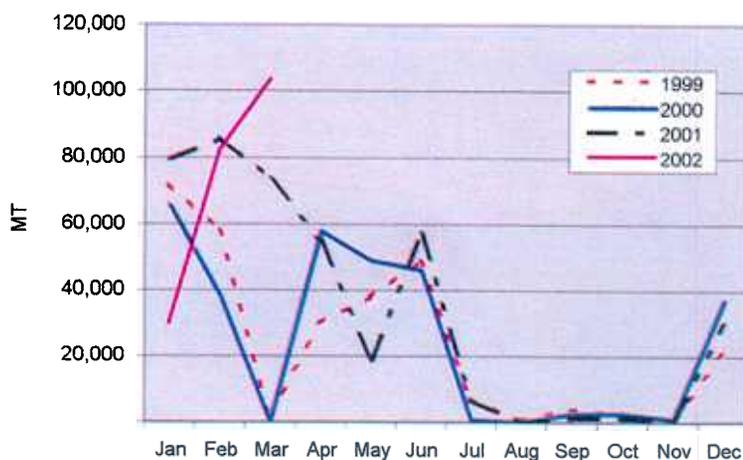
All Year

**Table Grapes**

<u>Port of Entry</u>	2001	2002
	(JAN-MAR)	(JAN-MAR)
PHILADELPHIA, PA	5.3%	49.2%
WILMINGTON, DE	65.0%	37.4%
LOS ANGELES, CA	29.3%	12.8%
SAN JUAN, PR	0.4%	0.5%
	99.9%	

<u>Country of Origin</u>	2001	2002
	(JAN-MAR)	(JAN-MAR)
CHILE	99.6%	95.4%
ARGENTINA	0.3%	4.4%
SOUTH AFRICA	0.1%	0.1%

<u>Total Imported</u>	2001	2002
Metric Tons	238,731	215,425



Marketing Order Period Apr 20 - Aug 15

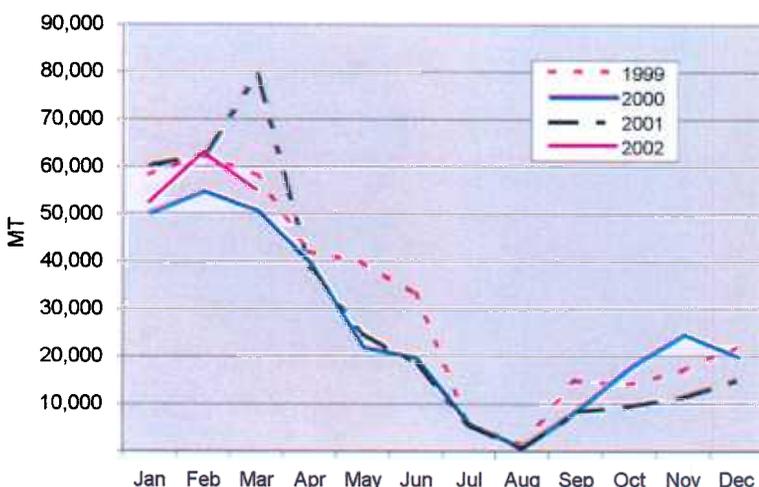
**Tomatoes\***

\*Tomato import data includes hot house volumes (non-8e) due to use of same tariff Code

<u>Port of Entry</u>	2001	2002
	(JAN-MAR)	(JAN-MAR)
NOGALES, AZ	91.1%	91.6%
OTAY MESA STATION, CA	4.4%	4.5%
LAREDO, TX	1.6%	1.4%
HIDALGO, TX	1.0%	1.1%

<u>Country of Origin</u>	2001	2002
	(JAN-MAR)	(JAN-MAR)
MEXICO	97.5%	98.8%
ISRAEL	0.3%	0.7%
NETHERLANDS	0.5%	0.3%

<u>Total Imported</u>	2001	2002
Metric Tons	201,750	169,831



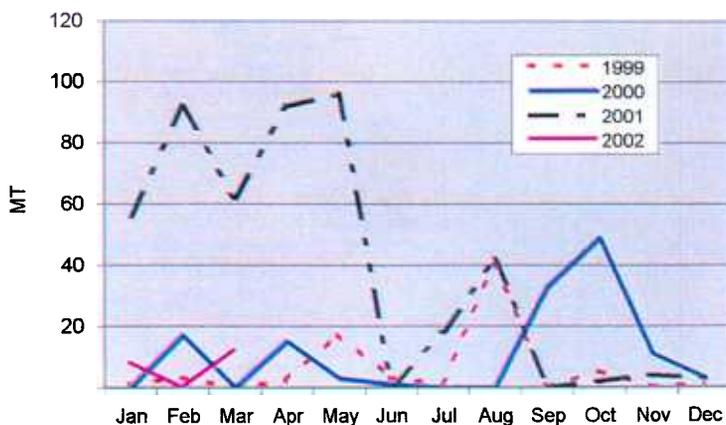
Marketing Order Period Oct 10 - Jun 15

**Walnuts**

<u>Port of Entry</u>	2001	2002
	(JAN-MAR)	(JAN-MAR)
LOS ANGELES, CA	1.4%	67.3%
NEWARK, NJ	48.5%	20.3%
CALEXICO (EAST), CA	0.0%	11.9%
WASHINGTON, DC	0.0%	0.3%

<u>Country of Origin</u>	2001	2002
	CHINA	
IRAN		
MEXICO		

<u>Total Imported</u>	2001	2002
Metric Tons	210	20



Marketing Order Period All Year