

# newsletter

ASSOCIATION OF FOOD INDUSTRIES • 3301 ROUTE 66 • SUITE 205, BLDG C  
NEPTUNE, NJ 07753 732-922-3008 FAX 732-922-3590

SEPTEMBER/OCTOBER 2004

## **REGISTER NOW FOR AFI'S THIRD ANNUAL TOWN MEETING**

Registrations are still being accepted for AFI's "3<sup>rd</sup> Annual Town Meeting," taking place Wednesday, November 17 at the Holiday Inn Newark Airport Hotel in Newark, N.J. Building on last year's overwhelming success, AFI's full-day program offers an interactive forum where members are encouraged to ask questions and get the answers they need on major issues. A continental breakfast will be served at 9:30 a.m., with the program beginning at 10 and concluding with a 4:30 p.m. networking reception.

Details were sent to all members and are available on the AFI Web site or by calling the AFI office. Associate members are reminded of the opportunity to display their materials on a table throughout the day. Contact AFI for details.

## **AFI HOSTS RECEPTION AT SIAL IN PARIS**

AFI personally welcomed many new members to the organization at a reception it sponsored at the close of the first day of the SIAL show in Paris. More than 100 people attended the reception, which served as a quick and effective way to learn more about the organization and its work, meet fellow members and relax a bit at the close of a long day at the show.

Pictures from the reception are posted on the AFI Web site – [www.afi.us.org](http://www.afi.us.org).

## **LESLYE FRASER TO SPEAK AT 2005 AFI CONVENTION**

Members who attended the 2003 AFI Convention were wowed by Leslye Fraser's presentation on the Bioterrorism Act. Not only did Fraser, who has since been promoted to director of the Office of Regulations and Policy for FDA's Center for Food Safety and

Applied Nutrition, give an excellent presentation, she made herself available and participated in other convention meetings and activities throughout the convention.

She'll be back as the keynote speaker for AFI's 2005 Convention, to be held April 14-17, 2005 at the Ritz Carlton in San Juan, Puerto Rico. Fraser will provide up-to-the-minute information on the Act and FDA's efforts to implement it. Look for details shortly on the rest of the program.

For the first time ever, a specific time will be set aside for suppliers to meet with importers, brokers and agents attending the convention. Make plans now to meet existing clients, have dinner with prospective clients or just catch up with industry friends. With receptions each evening, sporting events and the convention's closing dinner, the AFI Convention is loaded with opportunities to spend time with key people in the food industry in a variety of settings.

## **STILL NO ACTION ON ARTICHOKE EFFORT**

The long-awaited Miscellaneous Tariff Bill which contains AFI's provisions to reduce duties on processed artichoke products continues to be the victim of politics. A version of the bill has been passed by both the House and the Senate, which must now agree to a compromise bill to address the differences in the bill. It's hoped the bill will be passed in November during a lame-duck session of Congress. Once the bill is passed, AFI's efforts will result in duty savings of more than \$900,000 per year.

## **NEW PRODUCTS IN LINE FOR DUTY REDUCTION**

Once the controversy that has plagued the Miscellaneous Tariff Bill mentioned above is resolved, a new MTB will be introduced, containing provisions to

reduce or eliminate duties on nine Harmonized Tariff Schedule items covering capers, oysters, pepperoncini, pimientos and sardines.

It's not clear yet what the expected timetable will be for the next bill.

### **CANNED SEAFOOD EXEMPTED FROM 'COOL' REGULATIONS**

Canned seafood is exempt from the Country of Origin labeling requirements called for in the 2002 Farm Bill. In an interim final rule published by USDA, fish and shellfish covered commodities must be labeled at retail to indicate their country of origin and method of production (wild and/or farm raised). However, covered commodities are excluded from mandatory COOL if they are an ingredient in a processed food item.

Also, the definition of a processed food item was revised from the proposed rule. Items derived from a covered commodity that has undergone a change (e.g., cooking, curing, smoking) or that has been combined with other covered commodities or other substantive food components (e.g., breading, tomato sauce) are excluded from COOL labeling.

Food service establishments, such as restaurants, lunchrooms, cafeterias, food stands, bars, lounges and similar enterprises are exempt from the mandatory COOL requirements.

### **CUSTOMS AMENDS CONSIGNEE REPORTING REQUIREMENTS**

U.S. Customs and Border Protection (CBP) amended its ultimate consignee reporting requirements as of Oct. 1.

The ultimate consignee at the time of entry or release is defined as the party in the U.S. to whom the overseas shipper sold the imported merchandise. If at the time of entry or release the imported merchandise has not been sold, the ultimate consignee at the time of entry or release is defined as the party in the U. S. to whom the overseas shipper consigned the imported merchandise. If the merchandise has not been sold or consigned to a U.S. party at the time of entry or release, the ultimate consignee at the time of entry or release is defined as the proprietor of the U.S.

premises to which the merchandise is to be delivered.

For entry release, CBP requires the ultimate consignee on a formal entry be identified with its appropriate Ultimate Consignee identification number. It may not be identified with an ABI transmission of the Ultimate Consignee's name and address. If the Ultimate Consignee has not been issued an appropriate identification number as listed above, he/she must obtain one before his/her entry can be processed by CBP. If the ultimate consignee identification number is not provided at the time of entry or release, entry of the merchandise will be denied.

**U.S.-Based Ultimate Consignees:** The appropriate ultimate consignee identification number for U.S.-based ultimate consignees is defined as either an Internal Revenue Service employer identification number or a Social Security number. If a U.S.-based Ultimate Consignee does not have either an Internal Revenue Service employer identification number or a Social Security number, he/she must obtain one.

**Foreign-Based Ultimate Consignees:** The ultimate consignee must be identified with a CBP-issued Ultimate Consignee identification number. CBP-issued Ultimate Consignee identification numbers are only to be used to identify foreign-based ultimate consignees and must be based on the name and address of the foreign-based ultimate consignee. If the foreign-based ultimate consignee does not have a CBP-issued ultimate consignee number, he/she must obtain one before his/her entry can be processed by CBP.

In either case, if the appropriate CBP-issued Ultimate Consignee identification number is not provided at the time of entry or release, entry of the merchandise shall be denied.

### **CUSTOMS HEAD SEEKS GLOBAL CARGO STANDARDS**

In a recent speech, U.S. Customs and Border Protection Commissioner Robert Bonner called for the establishment of international cargo security standards patterned after existing U.S. policies and programs. Bonner cited the 24-hour rule, the Container Security Initiative (CSI), the Customs-Trade Partnership Against Terrorism (C-TPAT), and

the Automated Targeting System (ATS) as measures that CBP has taken since the Sept. 11 attacks to not only increase security but also facilitate the movement of trade.

### **BILL WOULD CREATE SINGLE FOOD SAFETY AGENCY**

Legislation was introduced that would create a single agency responsible for ensuring the safety of the nation's food supply. The legislation calls for the development of a Food Safety Administration and the implementation of a food safety program to standardize the food safety activities of America's food supply.

Under current law, food safety monitoring, inspection and labeling functions are spread across 12 agencies in the federal government.

Since Congress will be in session for only a few more days this year, the bill likely will be re-introduced next year.

### **CANADA PROPOSES FOOD IMPORTING CODE OF PRACTICE**

The Canadian Food Inspection Agency drafted a Code of Practice entitled "Good Importing Practices for Food (GIP)." The draft publication, which updates a document currently in use, includes the key controls necessary for importers to control safety, suitability, labeling, and fraud in imported foods. It is generic in nature and can be applied to all food importers, regardless of the type of food commodity imported or the volume or frequency of imported shipments. Comments on the draft are due by Dec. 31.

### **AMERICANS FINDING BALANCE IN THEIR EATING HABITS?**

Americans are showing signs of finding balance in their eating habits, according to the NPD Group's 19<sup>th</sup> Annual Report on Eating Patterns in America. The report finds Americans are not snacking more, are not using more restaurant take-out meals, are becoming more calorie conscious and are finally getting their weight under control.

The report states 27 percent of people surveyed say

they are conscious of the calories in their meals, the highest level since 1999. It also shows a stabilization of meals eaten at home and a decrease in meals eaten at restaurants. And although the restaurant industry shows recent signs of recovery, the average American ate out more in 1985 than last year. People sat down for a meal at a restaurant 83 times per person last year compared to 95 meals per person in 1985. The increase in restaurant take-out meals has also leveled off after growing for more than a decade. Americans consumed take-out meals from restaurants 117 times per person last year, the same as the year before. Some other key findings include:

- The percent of overweight Americans held at 62 percent for the second year in a row. Up until 2002, the percent of Americans classified as overweight had increased every year since NPD began tracking it in 1995.
- Americans are saying once again that they want full and regular meals. Fifty-five percent of people feel it's important to eat full and regular meals vs. 52 percent two years ago.
- Seventy-seven percent of meals come from home.
- The side dish is disappearing from the American dinner table. Forty-five percent of dinners did not include a side dish – the highest level since 1990.
- Grill usage has reached a new high. Thirty-one percent of all households use a grill on a regular basis, up from 25 percent in 1994.
- Twenty-two percent of Americans are concerned about sugar, up from 20 percent in 2003.

### **BILL TO REQUIRE EMPTY CONTAINER PILOT PROGRAM**

A bill was introduced that would require the Department of Homeland Security (DHS) to carry out an empty shipping container sealing pilot program to encourage handlers to seal empty containers after they have been unpacked. The bill provides that, under such a pilot program, the DHS could authorize a shipper, cargo carrier, freight forwarder, terminal operator, port authority or labor organization that is a qualified container handler to secure, under a DHS-approved seal, a shipping container that is emptied by the person. Juanita Millender-McDonald (D-CA), who introduced the bill, recommends that C-TPAT administer the pilot program which she stressed "would be purely voluntary on the part of shippers."

### **DEADLINE APPROACHING ON ADVANCE MANIFEST RULE**

Truck carriers will be required to comply with U.S. Customs and Border Protection's (CBP) advance manifest rule (AMR) for cross-border cargo shipments beginning on Nov. 15. Trucks crossing at specified ports of entry in seven states must electronically transmit advance cargo information to CBP for goods transported from Canada and Mexico as of that date. This requirement will be phased in at all other border ports over the subsequent two months.

AMR applies to any inbound truck that will arrive with commercial cargo aboard. No later than one hour prior to the carrier's reaching the first port of arrival in the U.S., CBP must electronically receive certain information regarding that cargo through a CBP-approved electronic data interchange system. However, for clearance under the Free and Secure Trade (FAST) program the transmission may be received only 30 minutes prior to arrival.

### **CASHEWS YIELD GOLDEN DIVIDENDS AT ATHENS**

Kelly Holmes, the double gold medalist at the 2004 Athens Olympics, revealed how nuts and ice baths kept her on course for the first ever post-war women athletic double gold in Olympics. Holmes said the secret ingredient of her success is cashew nuts to restore her strength and ice baths.

### **TWO STUDIES PRAISE MEDITERRANEAN-STYLE DIET**

The Journal of American Medical Association reported on two studies which detailed benefits of the Mediterranean Diet.

The first study, called HALE (Healthy Ageing: a Longitudinal study in Europe) was conducted between 1988 and 2000 in 11 European countries. It concluded that individuals aged 70 to 90 years old who adhered to a Mediterranean-type diet and led a fairly healthy life had a more than 50 percent lower death rate than those who did not.

The second study, led by Katherine Esposito and colleagues from the Second University of Naples,

Italy, demonstrated that after two years, patients following the Mediterranean-style diet had significant decreases in body weight, blood pressure, levels of glucose, insulin, total cholesterol and triglycerides and a significant increase in levels of high-density lipoprotein cholesterol. The authors concluded that a Mediterranean-style diet rich in foods such as olive oil and whole grains might be effective in reducing both the prevalence of the metabolic syndrome and its associated cardiovascular risk.

### **REPORT SHOWS CHALLENGES OF SOURCING IN CHINA**

While the benefits of sourcing in China outweigh the additional logistics costs, western companies must still be prepared to deal with significant procurement and sourcing issues in order to prosper, according to a new report by analyst McKinsey.

The low cost of production, coupled with favorable economic policies and preferential tax rates are driving many food and beverage makers seeking to reduce supply chain costs through sourcing in China. But it can be hard to get the many pieces of a procurement operation in China right, McKinsey said. The report says finding high-quality suppliers is a problem everywhere, but the greater geographic distance between suppliers in China and the U.S. makes the job tougher. The unfamiliarity with the size of the country can be one of the biggest barriers. Firms might worry that distant and uncertain supply lines will require them to hold larger inventories, thereby driving up costs and reducing turns.

A PricewaterhouseCoopers report on Responsible Supply Chain Management in China suggests western firms should use experienced personnel who are well trained and knowledgeable of local business practices and regulations.

### **NEW DIETARY GUIDELINES EXPECTED IN JANUARY**

Americans should increase the variety of their foods and nutrients, reduce caloric intake by consuming smaller portions, and increase their physical activity, according to the report on dietary guidelines submitted by the 2005 Dietary Guidelines Advisory Committee.

The guidelines emphasized calorie counting to manage body weight and the need to choose fats and carbohydrates “wisely”. These messages were accompanied by the core theme that Americans are still generally consuming too much of everything, though most should up their intake of vitamin E, calcium, magnesium, potassium and fiber.

Final guidelines will be published in January 2005. The report can be found at <http://www.health.gov/dietaryguidelines/dga2005/default.htm>.

#### **‘DOLPHIN-SAFE’ PROVISIONS UPDATED BY FISHERIES SERVICE**

The National Marine Fisheries Service issued a final rule to implement provisions of the International Dolphin Conservation Program Act. This final rule makes technical changes and clarifications to the interim final rule which was already in effect.

The rule allows the entry of yellowfin tuna into the United States under certain conditions from nations fully complying with the International Dolphin Conservation Program. It also establishes a standard for the use of “dolphin-safe” labels for tuna products and also establishes a tuna-tracking and verification program to ensure that the dolphin-safe status of tuna domestically produced and imported into the United States is documented. Complete details are available on [www.afius.org](http://www.afius.org).

#### **MAERSK SEALAND IMPOSES SECURITY SURCHARGE**

Maersk Sealand, citing the cost of complying with the International Ship and Port Facility Code, is imposing a “carrier security charge” of \$6 per container, effective Oct. 2, reported The Journal of Commerce. The charge is said to cover the security costs incurred by the carrier, vessel security risk assessment; vessel certification; related security implementation; and administrative and operational expenses.

“In addition to the ‘carrier security surcharge,’ origin and/or destination ‘terminal security’ charges will be passed on separately as these charges are verified as acceptable and reasonable,” Maersk Sealand said.

Several terminals have already indicated that they will soon introduce ISPS charges, collected from the

shipping lines. Maersk Sealand wants to pass on such terminal charges to shippers. “We will audit these ISPS related costs to ensure that the amount is reasonable and that it does not include a profit element to the terminals,” the carrier said.

#### **NEW PORT SECURITY COALITION FORMED**

Terminal operators, vessel operators, port associations, shippers and other stakeholders announced they joined together as the Coalition for Secure Ports (CSP) to advocate for enhanced maritime security. According to a press release, the CSP plans to focus its efforts on requiring enhanced cargo information - knowing the contents of each cargo container before it enters the U.S., monitoring the location and security of containers in transit and implementing a Transportation Worker Identification Credential to ensure that the identity of individuals with access to cargo can be verified reliably and expediently.

#### **LEMONS INTERCEPTED AS POTENTIAL THREAT**

The U.S. Coast Guard intercepted and incinerated about 1 million Argentine lemons aboard a New Jersey-bound container ship after an anonymous e-mail alleged that they were laced with a biological agent, reported The Washington Post. The allegation triggered the biggest test to date of the readiness of U. S. ports to cope with terrorist threats, but has also prompted unease about whether the country’s hair-trigger response might affect the flow of trade.

The Coast Guard interdicted the ship, carrying the \$70,000 worth of lemons and millions of dollars worth of other goods as well, and held it 11 miles offshore for a week. The five containers holding the lemons were frozen to dampen the spread of any potential toxins, and examined to see whether they were leaking anything dangerous. The tests were negative, but once the ship was allowed to dock, U.S. officials ordered the lemons destroyed -- both as a final precaution and because the fruit at that point was ruined anyway.

Jamie Zuieback, a spokeswoman for the U.S. Bureau of Immigration and Customs Enforcement, said an investigation is underway to determine who sent the

e-mail, and whether they should be charged with a federal crime.

### **ADD AFI TO YOUR “TRUSTED SENDERS” LIST**

Occasionally AFI receives reports from members saying they didn't receive our latest e-mail to the trade. In today's spam-ridden e-society, it's easy to accept that e-mails will sometimes get lost in the shuffle. But e-mails not reaching their intended target can often be caused by overzealous spam protection software rejecting our e-mail as "bulk spam." Because of this, you should check with your IT administrator and be sure that AFI is added to your trusted senders list so that we can be sure our e-mails will always get through.

### **REPORTS AVAILABLE FROM AFI**

The following monthly reports are available by subscription to members of the Association:

**Import Reports** provide detailed data on imports of food items, including consignee, country of origin, foreign shipper, arrival date, ship line, point of origin, port of discharge, specific commodity, quantity in a declared unit of measure, and total pounds.

There are separate report titles for different food items, such as canned vegetables, cashews, fruit juices, olive oil and tuna.

Import reports are available on paper or CD-ROM, or they can be downloaded from the Association's web site.

**Statistical Reports** provide general data on imports of food items, showing country of origin, quantity (kg) and value (CIF\$), and year-to-date totals.

There are two statistical report titles: Nut & Agricultural Products and Selected U.S. Food Imports (processed foods). Each covers many different food products, listed by HTSUS tariff classification. The Nut & Agricultural Products report includes nuts, dried fruits and seeds. The Selected U.S. Food Imports report includes canned vegetables, canned seafood, olive oil, olives, canned fruits, fruit juice concentrates and pasta.

Statistical reports are available on paper or via e-mail.

**Detention Reports** provide information on FDA detentions of imported food items, including type of product, port of entry, country of origin, quantity and unit of measure, district of entry, date of detention, manufacturer's name, and reason(s) for the detention.

Detention reports can be obtained for the following product categories: canned vegetables, nuts and seeds, pasta, seafood, and spices.

They are currently available via e-mail.

Please contact AFI for additional information about any of these reports, including sample pages and order forms.

### **MEMBERSHIP NEWS**

The following companies have applied for membership in AFI:

#### ***Overseas Members***

**Andina Foods Ltda.**, Bogota , Colombia. Supplier of: fresh & frozen fruits & vegetables

**CROP'S N.A., Inc.**, Montreal, Quebec, Canada. Supplier of: frozen fruits, frozen vegetables

**Ekiz Yag Ve Sabun Sanayi A.S.**, Alsancak, Izmir, Turkey. Supplier of: olive oil

**Le Quattro Stelle, Angri**, Italy. Supplier of: tomatoes

**Liking SpA, S. Martino di Lupari**, Italy. Supplier of: candies

**Medi Fine Foods, Kemalpaşa**, Izmir, Turkey. Supplier of: mushrooms, pickles, dried products, tomatoes

**Minerva S.A. Edible Oil Enterprises**, Athens, Greece. Supplier of: edible oils, olive oil, olives, margarine, cooking oil, soap

**So Natural Foods Australia Ltd.**, Taren Point, Australia. Supplier of: soy milk, rice milk, canned seafood, health foods

The following companies were approved for membership by the AFI Board of Directors at its September 14, 2004 meeting:

**Gaea Products S.A.**, Athens, Greece. Supplier of: olives, olive oil, spreads, herbs, spices, peppers

**Pla d'En Sattle, S.L.**, Vilajuiga, Girona, Spain. Supplier of: wines

**PSI Freight Solutions (Pty) Ltd.**, New Germany, South Africa. Forwarding agents and warehouse for tea, coffee, macadamia nuts

The following company has applied for membership in the North American Olive Oil Association:

**Boscelik Yag Ticaret ve Sanayi Ltd.**, Ayden, Turkey. Supplier of: olive oil

#### UPCOMING MEETINGS

The AFI Town Meeting will take place Nov. 17 at the Holiday Inn Newark Airport Hotel in Newark, N.J.

The Annual Meeting of the National Honey Packers and Dealers Association will take place Jan. 6 in Tucson, Ariz.

The Mid-Year Meeting of the North American Olive Oil Association will take place Jan. 21 at the Hilton San Francisco.

The 2005 AFI Convention will take place April 14-17, 2005 at The Ritz Carlton San Juan Hotel in Puerto Rico.

#### MAILBAG MEMO

September 1 – Mail – Statistical Reports for June (Subscribers)

September 1 – Mail – Detention Reports for June (Subscribers)

September 3 – E-mail/Fax – “Honey Crop Feeling Sting” – article from Twin Cities Pioneer Press (NHPDA)

September 7 – E-mail/Fax – New Shipper Review

(Pasta Group)

September 7 – E-mail/Fax – Final Results of Review of AD Order on Orange Juice from Brazil (Juice Group)

September 7 – E-mail/Fax – Amended Preliminary Results of AD Review on Shrimp (Seafood Group)

September 8 – E-mail/Fax – Initiation of Administrative Review (Pineapple Group)

September 8 – E-mail/Fax – Initiation of Administrative Reviews (Pasta Group)

September 8 – E-mail/Fax – Initiation of Administrative Review on In-Shell Pistachios from Iran (Pistachio Group)

September 9 – E-mail/Fax – Final Results of New Shipper & AD Reviews on Mushrooms from China (Mushroom Group)

September 10 – E-mail/Fax – Urgent Action Needed for Duty Reduction Efforts (Pimientos Importers)

September 14 – E-mail/Fax – News Article – Spanish firm bets on olive oil (NAOOA)

September 14 – E-mail/Fax – Amended Final Results of AD Review of Mushrooms from India (Mushroom Group)

September 16 – E-mail/Fax – Potential Retaliatory Duties (All Members)

September 16 – E-mail/Fax – Final Rule on Importation of Unmanufactured Wood Products (Pallets) (All Members)

September 24 – E-mail/Fax – Possible EU Action (NAOOA)

September 24 – E-mail/Fax – New Shipper AD Review Initiated (Mushroom Group)

September 24 – E-mail/Fax – Brazil's 2004/05 Orange Juice Production (Juice Group)

September 24 – E-mail/Fax – California Dried Plum Production Near Record Low (Nut & Agricultural)

September 27 – E-mail/Fax – Potential Retaliatory Duties (All Members)

September 27 – E-mail/Fax – California Cling Peach Board Comments (Canned Fruit Group)

September 28 – E-mail/Fax – Health Claim Update (NAOOA)

September 30 – E-mail/Fax – (Partial Rescission of AD Review on Mushrooms from India (Mushroom Group)

October 1 – E-mail/Fax – Country of Origin Labeling; Processed Product Exempted (All Members)

October 1 – E-mail/Fax – Opportunity to Request Administrative Review of Countervailing Duty Order (Pistachio Group)

October 1 – E-mail/Fax – Extension of Time Limit for Preliminary Results of New Shipper Review (NHPDA)

October 4 – E-mail/Fax – Important Dates (All Members)

October 4 – E-mail/Fax - Corrected Final Results of Antidumping Duty Review on Honey from Argentina (NHPDA)

October 5 – Mail – Detention Reports for July (Subscribers)

October 5 – Mail – Statistical Reports for July (Subscribers)

October 6 – Mail – Import Reports for July (Subscribers)

October 6 – E-mail/Fax – Tuna Treated with Carbon Monoxide (Tuna Group)

October 11 – E-mail/Fax – Greek Peach Production

(Canned Fruit Group)

October 11 – E-mail/Fax – World Cashew Convention (Nut & Ag)

October 12 – E-mail/Fax – Rescission of AD Administrative Review on Pasta from Turkey (Pasta Group)

October 13 – E-mail/Fax – Extension of Time for Final Results of Individually Quick Frozen Red Raspberries from Chile (Processed Foods)

October 13 – E-mail/Fax – Spain's Canned Fruit Production (Canned Fruit Group)

October 15 – E-mail/Fax – Extension of Time Limit for Preliminary Results of AD Review (Mushroom Group)

October 16 – Mail – Import Reports for August (Subscribers)

October 18 – E-mail/Fax – Extension of Time for Preliminary Results of CV Review (Pistachio Group)

October 20 – E-mail/Fax – Extension of Time Limit for Preliminary Results of AD Review (NHPDA)

October 21 – E-mail/Fax – CODEX Standard for Reconstituted Orange Juice (Juice Group)

October 22 – E-mail/Fax – Survey (NAOOA)

October 26 – E-mail/Fax – Amended Final Results of AD Review of Mushrooms from China (Mushroom Group)

October 29 – Mail – Import Reports for September (Subscribers)

October 29 – Mail – Statistical Reports for August (Subscribers)

October 29 – Mail – Detention Reports for August (Subscribers)