

SENATE BILL REPORT

HJM 4018

As Reported By Senate Committee On:
Agriculture, February 26, 2004

Brief Description: Requesting Congress to enter trade agreements that are more fair to domestic agricultural businesses.

Sponsors: Representatives Blake, Veloria and Kenney.

Brief History:

Committee Activity: Agriculture: 3/27/03, 4/3/03 [DPA]; 2/26/04 [DPA].

SENATE COMMITTEE ON AGRICULTURE

Majority Report: Do pass as amended.

Signed by Senators Swecker, Chair; Brandland, Vice Chair; Jacobsen, Rasmussen and Sheahan.

Staff: Evan Sheffels (786-7486)

Background: Washington apple growers produce and harvest over half of the apples produced in the United States each year. From about 4,200 farms and 164,000 acres, Washington's 2002-2003 commercial apple crop yielded more than 88 million 42-pound boxes of apples, valued at nearly \$1.25 billion. Around 30 percent of Washington's apple crop is exported each year to over 40 countries. In 2002-2003, the top 10 apple export markets were: Mexico, Canada, Taiwan, Indonesia, Hong Kong, Dubai, the United Kingdom, Thailand, Saudi Arabia, and India.

Many countries impose tariffs or duties on the importation of Washington apples. In 2002, Mexico imposed a dumping duty of 46.58 percent on Red and Golden Delicious apples. This trade barrier remains in effect, though Mexico recently announced that it would review the duty for some Washington state apple companies.

Summary of Amended Bill: The joint memorial communicates to President George W. Bush, the President of the United States Senate, the Speaker of the United States House of Representatives, and each member of Congress from Washington, the Washington State Legislature's desire to see trade agreements developed that provide a level playing field for the state's farmers and orchardists.

Amended Bill Compared to Original Bill: Language was modified to reflect current status and terminology related to international trade issues.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: The Washington apple industry is facing difficult times. Although it produces a high quality product, it is getting more difficult to export apples because of trade barriers in other countries. Also, many overseas apple growers receive government support, whereas the apple industry in the United States has been almost completely self-sufficient. Negotiations continue on a number of trade fronts; however, it often seems that agriculture does not receive priority consideration and is therefore the subject of concessions. This makes the playing field uneven. The goal of this memorial is to have the government negotiate fair trade agreements. The correction of some of the statements in the memorial would improve the measure.

Testimony Against: None.

Testified: 2003: Jim Halstrom, Washington State Horticultural Association (pro); **2004:** Representative Mary Skinner (pro).