

**To: Western Pistachio Association Members**  
**From: Brian Blackwell, WPA Governmental Affairs Committee Chairman**  
**Subject: January 2010 Governmental Affairs Committee Update**

Following is a recap of WPA Governmental Affairs program activities through January:

### **Mexican NAFTA Trucking Dispute**

The Obama Administration has not resolved the Mexican trucking dispute which has increased the tariff on roasted pistachios. In 2008, however, \$8,280,000 in roasted pistachios was exported to Mexico, and in 2009 \$8,241,000 was exported to Mexico.

### **Iran Sanctions**

At the end of January, the Senate passed the “Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2009”. This legislation would impose sanctions on U.S. imports of Iranian origin. Currently, U.S. sanctions do not include agriculture products from Iran which allows these products to be imported to the U.S. from Iran. Should this legislation be signed into law, all products from Iran would be prohibited from entering the United States. During December 2009, the House passed their version of the Iran sanctions but it did not include the prohibition on agriculture products.

Reliable sources in Congress, however, have indicated that the U.S. may use this legislation to pressure the United Nations to impose sanctions on Iran rather than the U.S. Congress passing the bill and placing unilateral sanctions on the Islamic Republic of Iran.

The WPA and its predecessor, the California Pistachio Commission, have worked with federal agencies to establish and maintain unfair trade duties on imports of Iranian pistachios. If Congress enacts agriculture sanctions the frequent administrative and new shipper petitions may cease as was the case from 1987 to 2002.

### **Estate and Gift Tax Matters**

As of January 1, 2010, the estate and gift tax exemption was repealed by the U.S. Congress. The House and the Senate were unable to collectively pass legislation to continue the exemption on estate and gift taxes before the exemption expired on December 31, 2009.

### **Food Safety**

WPA continues to be fully engaged in federal food safety legislation as well as changes in administration regulation and policy. The FDA has requested comments on a proposed national traceability. The following link will provide you comments prepared by the WPA:

[www.westernpistachio.org/pdf/FDA\\_Traceability.pdf](http://www.westernpistachio.org/pdf/FDA_Traceability.pdf)

The House passed food safety legislation during the summer 2009. The Senate committee of jurisdiction has reported a bill out of committee with new language inserted in the bill by the new Chairman Tom Harkin (D-IA) who became Chairman when Senator Ted Kennedy died. By Senator Harkin becoming Chairman of the Senate Committee on Health, Education, Labor and Welfare, he relinquished his Chairmanship of the Senate Agriculture Committee, and Senator Blanche Lincoln (D-AR) became chairman of the Agriculture Committee.

## **Farm Bill**

It has been two years since the final passage of the 2008 Farm Bill. This most recent Farm Bill was monumental for the Specialty Crop industry as for the first time fruits, vegetables, tree nuts and other specialty crops were included in the Farm bill and its many programs. Specialty crops constitute approximately 50 percent of U.S. crop agriculture and therefore this step is much needed to forward our goals as specialty crop producers.

The Farm Bill is only passed every 5 five years and because it is such a monumental piece of legislation, the work begins many years before the final passage. This year the Senate and the House Agriculture committees will begin holding hearings to hear stakeholders and government officials' thoughts on the past Farm Bill programs as well as what should be included in the upcoming legislation. The WPA has already begun to work with a committee of specialty crop producers and representatives to ensure that fruit, vegetable and tree nut interests are represented well in this upcoming legislation.

## **New Trade Proposal**

The Obama Administration has opened talks on the Trans Pacific Partnership free trade agreement. This is an ambitious trade proposal because it involves the following countries: Australia, Brunei Darussalam, Chile, New Zealand, Peru, Singapore, and Vietnam. The U.S. has FTAs with the following TPP countries: Australia, Chile, New Zealand and Singapore.

During the President's State of Union message he mentioned moving forward with the Columbia, Panama and South Korean FTAs, but trade observers question if this will happen in 2010.

