



MRL Enforcement Issues and Experiences of the German Hop Industry

WTO Thematic Session on Trade Facilitative Approaches to Pesticide MRLs

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BarthHaas and the German Hop Industry Association



One of the world's leading suppliers of hop products and hop-related services. The family-owned company has specialised in the creative and efficient use of hops and hop products for over 225 years.



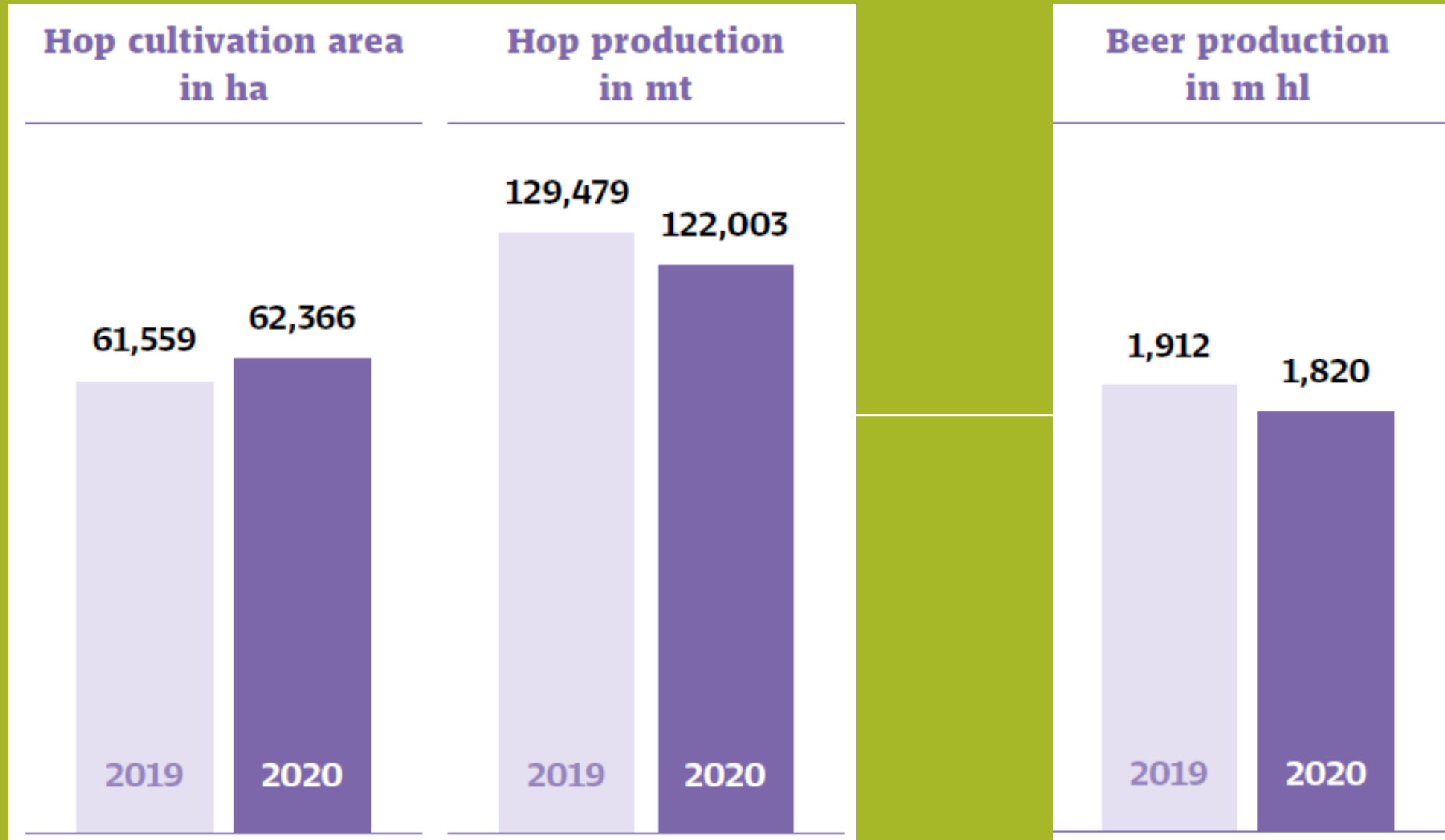
Representing the internationally operating hop merchants in Germany for almost 80 years. Working on constant improvements in the economic framework in cooperation with growers, brewers, authorities and research institutions.



AGENDA

- The Worldwide Hop Industry
- MRL Standards and Hops
- Channels of Trade

Economic Significance of the Worldwide Hop Industry



Source:



Key Hop Industry Data for the 2021 Harvest

4.100

Growers worldwide

63.170

Hectares worldwide

€ 1.1 bn

Farm gate value total

€ 37 m

DE exports to US

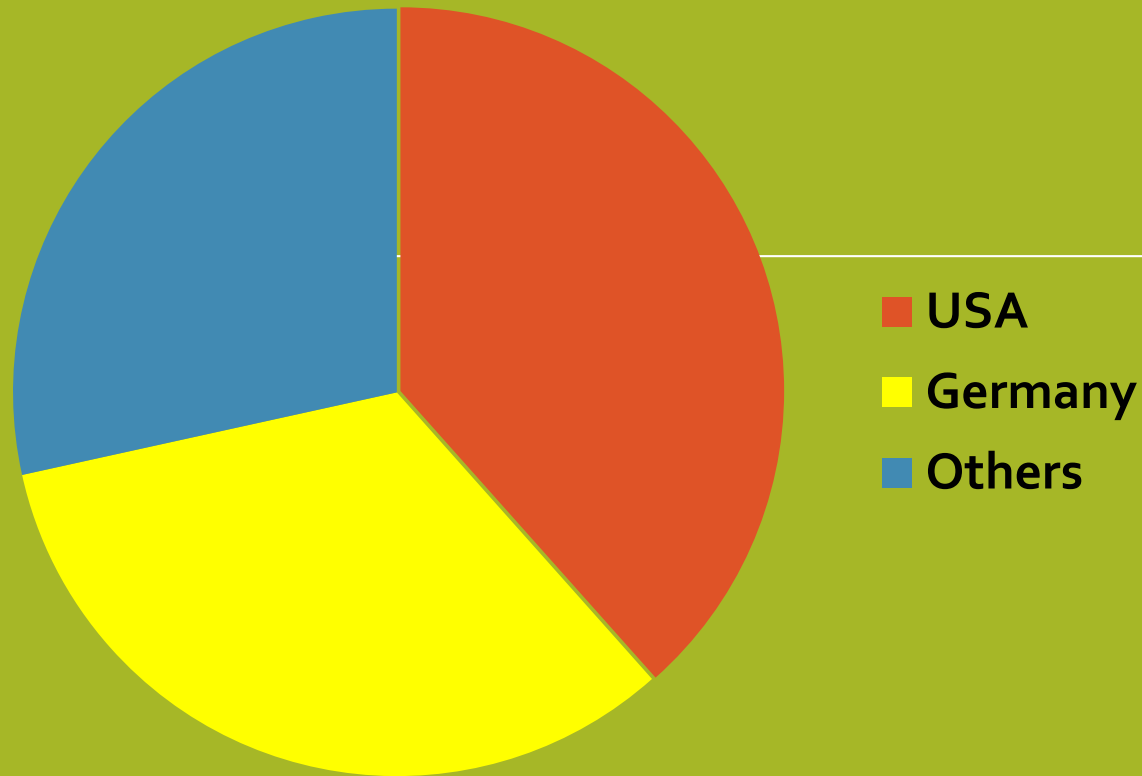
€ 22 m

US Exports to DE

Source: German Statistical Office, BarthHaas

Two Thirds of all Hops are Grown in the US and in Germany

Close collaboration of the industry on MRL issues!



Sustainable Hop Production on both Sides of the Atlantic



**Das
Nachhaltigkeitssystem
im deutschen Hopfenbau**

***The Sustainability System
in German Hop Growing***

Organic hop growing is expanding but will not be able to replace conventional production.

**AMERICAN
HOP
CONVENTION**

**GROWING
RESILIENCE:**

A Hop Industry Summit
On Cultivating Adaptation,
Innovation, & Sustainability
In A Changing World

January 19-21, 2022

Tampa, Florida



MRL Standards and Hops

Main Challenges

- Missing or restrictive MRLs in destination markets
- EU Pesticide Policy
- Channels of trade

Missing or restrictive MRLs in destination markets

- **PPP authorized for use in the producing country, but no MRL established or MRL is more restrictive in the foreign market.**
- **Problem: Increasing number of countries introduce domestic MRL lists where, usually, hops are not in focus! Some recent examples:**
 - **Canada, Japan, South Korea, China, Vietnam, India**
- **Close to 100% of brewers depend on hop imports. A smooth and unrestricted hop trade is essential for the worldwide brewing industry.**
- **Seeking MRL harmonization is one of our main activities, achieved through engagement with registrants, import tolerance application, Codex, and multiple MRL harmonization efforts.**

EU Pesticide Policy

- The switch from a risk based to a hazard based approach leads to a drastic reduction of available active ingredients for EU hop growers. Transition time is needed to adjust breeding programs and brewery customer preferences.
- Fewer active ingredients lead to higher risk of pest and disease resistance and, consequently, to an increasing volume of PPP usage.
- EU hop growers had the crop protection toolbox restricted to a level that impacts hop yield and quality. Nevertheless, existing MRLs for non-authorized actives must remain in place to assure free movement of goods.
- If MRL will be cancelled, non-EU growers cannot use a product legally registered in their country if they want to export to the EU. The European brewing industry relies on many imported special hop varieties from the US and other countries.



- The Worldwide Hop Industry
- MRL Standards and Hops
- **Channels of Trade**

Channels of Trade – Case Studies - China

Acequinocyl is widely used in all major growing areas. The hop MRLs around the world are largely harmonized at 15 ppm (i.e. Australia, EU, Japan, Korea, USA).

In China, an Acequinocyl MRL was established at 0.01 ppm on the “beverages” category (which incl. hops in China) as published on March 3, 2021, with the effective date of September 3, 2021.

No time for hop growers and industry to adjust to new regulation!

Channels of Trade – Case Studies - EU

- **US hops were treated legally with Pyridaben in 2018. EU-MRL was in place. Hops were exported to EU where MRL was cancelled. Even though the EU Regulation 2019/90 provided for a transitional arrangement (*i.e. previous Regulation as it stood before being amended by this Regulation shall continue to apply to products which were produced in the Union or imported into the Union before 13 August 2019*) hops became illegal since they had not cleared customs before deadline.**

Same crop, same residues, but approx. 0.5 mio EUR damage to our company alone.

Channels of Trade – The Issue

- **Hop products can be stored up to five years or more!**
- **The lowering or removal of MRLs can create challenges for products that are already in the channels of trade.**
- **In most cases, regulations provide for a transitional period of about six months. Like we see in Korea, Japan, and in the EU.**
- **However, this is not enough to cover hop needs.**

Channels of Trade – Solutions

- **The USA already has a domestic channels of trade regulation which provides an exception for cases in which food was legally treated and consumption does not pose a dietary risk.**

<https://www.fda.gov/regulatory-information/search-fda-guidance-documents/guidance-industry-channels-trade-policy-commodities-residues-pesticide-chemicals-which-tolerances>

- **In Canada, if risks ... are not considered imminent, existing stocks are to be phased-out following certain timelines. But no clear “channels of trade” provision is maintained.**

<https://www.canada.ca/en/health-canada/services/consumer-product-safety/reports-publications/pesticides-pest-management/policies-guidelines/regulatory-directive/2018/dir2018-01-policy-cancellations-amendments.html>

- **The EU, in some cases but not all, provides for a transitional arrangement, that the previous Regulation shall continue to apply to products which were produced in or imported into the Union before the deadline.**

Example: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0090&from=EN>



CONCLUSIONS

- A concrete international “channels of trade” policy is needed that allows a crop that was treated legally at the time it was produced to enter the market even if the standard changes.
- International harmonization of MRLs are essential for harmonious and trouble-free trade relations.



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**Thank you for
your attention!**