

China's Zika Fumigation Rules Raise Worries for U.S. Exporters

Companies worry that requirement to fumigate all containers could result in costs, delays



Chinese quarantine officers are shown after inspecting an inbound ship during a Zika-prevention drill in Qingdao city in March. Photo: Imaginechina/Associated Press

By Costas Paris

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China's recent move to add the U.S. to a list of [Zika-infected countries](#) is worrying U.S. exporters, who fear they will be required to fumigate all containers destined for Chinese ports.

The cost to fumigate a container ranges from between \$100 and \$200.

Exporters who ship everything from agricultural products and chemicals to engine parts say they fear that conflicting information from Chinese custom officials about the new requirements could result in delays, added cost and lost business.

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http://m.wsj.net/video/20160803/080316zikamiami2/080316zikamiami2_v2_ec664k.mp4

Mosquitoes have infected at least 14 people in Miami with the Zika virus. Officials believe local transmission remains isolated to a one-square-mile area in Miami-Dade County. How can Zika be contained? WSJ's Jason Bellini has #TheShortAnswer. Photo: AP.

Since creating the list earlier this year, China has required that all containers be fumigated either at the country of origin with documentation or upon arrival in China. But exporters say some Chinese ports may accept the fumigation documents from abroad and others may not. Exporters from Brazil said they found that it depends on the local customs officers.

It is unclear whether China-bound containers should be fumigated in the U.S. or in China and if the rules will be applied across the board, said Peter Friedmann, executive director of the Agriculture Transportation Coalition, a Washington-based trade body. U.S. exporters are also concerned that fumigation by the Chinese could damage cargo.

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—Scott Harer, vice president of Columbia Seeds

Small and medium exporters say they stand to be hurt the most from any supply-chain disruptions.

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“Oregon doesn’t have the Zika problem, but we still have to fumigate and it’s a significant expense,” said Scott Harer, vice president of Oregon-based Columbia Seeds LLC, noting that seeds have low margins.

Columbia Seeds ships about 100 containers to China a year. It can’t pass on the cost to customers because it has existing contracts, said Mr. Harer, who is also president of the Oregon Seed Association.

If exporters fumigate in China, he is concerned authorities there won’t treat the boxes in a timely matter. But if they fumigate in the U.S., he said, “We fear that won’t be acceptable in China and then costs pile up very quickly.”

Two Brazilian exporters who shipped coffee and spices to China in June said their containers were stuck in Shanghai for about a week because Chinese customs didn’t accept their fumigation certificates.

One of the exporters said that five of his 13 containers were sprayed with a pesticide that ruined the coffee.

China’s General Administration of Customs didn’t respond to requests for comment.

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China added the U.S. to a list of 60 Zika-infected nations in early August. The list also includes Mexico, many South American countries and some countries in Asia.

American exporters ship about 5.1 million containers, worth about \$255 billion a year to China, according to the Agriculture Transportation Coalition.

The largest seaborne exports to China from the U.S. are agricultural products, lumber, paper, chemicals and meat. Meat and poultry move in refrigerated containers, which are exempt from fumigation.

Denmark’s Maersk Line, the world’s biggest container operator, said that for now it doesn’t expect any delays of U.S. cargo to China and it is working to further understand the fumigation requirement.

—Rose Yu in Shanghai contributed to this article.

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