

TABLE OF CONTENTS

	<i>Page</i>
Costa Rica - Measures Concerning the Importation of Fresh Avocados from Mexico (WT/DS524)	
Report of the Panel	357
Cumulative List of Published Disputes	1181

**COSTA RICA – MEASURES CONCERNING
THE IMPORTATION OF FRESH AVOCADOS
FROM MEXICO**

Report of the Panel
WT/DS524/R and Add.1

*Adopted by the Dispute Settlement Body
on 31 May 2022*

TABLE OF CONTENTS

	Page
1. INTRODUCTION	394
1.1 Complaint by Mexico	394
1.2 Panel establishment and composition	394
1.3 Panel proceedings	395
1.3.1 General	395
1.3.2 Costa Rica's request for a preliminary ruling	398
1.3.3 Consultation of experts and international organizations	399
1.3.3.1 Panel decision to consult individual experts and the IPPC Secretariat	399
1.3.3.2 Panel selection of individual experts	402
1.3.3.3 Panel questions for the individual experts	406
1.3.3.4 Request for information from the Panel to the parties	409
1.3.3.5 Panel meeting with the parties and experts	410
1.3.3.6 Consultation with the IPPC Secretariat	413
2. FACTUAL ASPECTS	415
2.1 The measures at issue	415
2.1.1 Manual for conducting qualitative pest risk analyses by entry pathway (Manual NR-ARP-PO-01_M-01)	415
2.1.1.1 Introduction, purpose and scope	415
2.1.1.2 Stage 1: Initiation	416
2.1.1.3 Stage 2: Pest risk assessment	419
2.1.1.3.1 Pest categorization	419

Report of the Panel	
2.1.1.3.2	Assessment of the probability of introduction and spread..... 420
2.1.1.3.3	Assessment of potential economic consequences 427
2.1.1.3.4	Degree of uncertainty 428
2.1.1.3.5	Conclusion of the pest risk assessment stage..... 429
2.1.1.4	Stage 3: Pest risk management 429
2.1.1.4.1	Identification and selection of appropriate risk management options..... 429
2.1.1.4.2	Risk management options according to risk assessment outcome 430
2.1.1.5	Datasheets 431
2.1.2	Report ARP-002-2017 433
2.1.2.1	Introductory remarks to the PRA 433
2.1.2.1.1	Introduction 433
2.1.2.1.2	Background and the importance of the avocado for Costa Rica 434
2.1.2.1.3	Uncertainty 437
2.1.2.1.4	Pest risk analysis 438
2.1.2.2	Stage 1: Initiation..... 439
2.1.2.2.1	ASBVd 439
2.1.2.2.2	International regulations concerning ASBVd 441
2.1.2.2.3	Conclusion of the initiation stage 442
2.1.2.3	Stage 2: Pest risk assessment 442
2.1.2.3.1	Pest categorization 442
2.1.2.3.2	Assessment of the probability of introduction and spread..... 443
2.1.2.3.3	Assessment of potential economic consequences 451
2.1.2.3.4	Conclusion of the pest risk assessment..... 452
2.1.2.4	Stage 3: Pest risk management 453
2.1.2.5	ASBVd datasheet..... 454

	Costa-Rica - Avocados
2.1.3	Report ARP-006-2016 458
2.1.4	Resolution DSFE-003-2018 459
2.1.5	Resolution DSFE-002-2018 460
2.2	International Standards for Phytosanitary Measures (ISPM) 461
2.2.1	Background: The International Plant Protection Convention (IPPC) and its international standard-setting activities 461
2.2.2	ISPMs identified by Mexico 463
2.2.2.1	ISPM No. 1: Phytosanitary principles for the protection of plants and the application of phytosanitary measures in international trade 463
2.2.2.2	ISPM No. 2: Framework for pest risk analysis 464
2.2.2.3	ISPM No. 4: Requirements for the establishment of pest free areas 465
2.2.2.4	ISPM No. 5: Glossary of phytosanitary terms 466
2.2.2.5	ISPM No. 6: Guidelines for surveillance 466
2.2.2.6	ISPM No. 8: Determination of pest status in an area 467
2.2.2.7	ISPM No. 11: Pest risk analysis for quarantine pests 468
2.2.2.8	ISPM No. 32: Categorization of commodities according to their pest risk 469
2.3	Other factual aspects 470
2.3.1	The avocado 470
2.3.1.1	General characteristics 470
2.3.1.2	Avocado farming 471
2.3.1.2.1	Edaphoclimatic conditions 472
2.3.1.2.2	Recalcitrant nature of avocado seeds 473
2.3.1.2.3	Propagation methods of avocado 473
2.3.2	Avocado sunblotch viroid (ASBVd) 475
2.3.2.1	Description of the basic characteristics of ASBVd 475
2.3.2.2	Symptoms of ASBVd 477
2.3.2.3	Transmission of ASBVd 479

Report of the Panel	
2.3.2.4	Methods for the detection and diagnosis of ASBVd..... 479
3.	PARTIES' REQUESTS FOR FINDINGS AND RECOMMENDATIONS 480
4.	ARGUMENTS OF THE PARTIES 480
5.	ARGUMENTS OF THE THIRD PARTIES 481
6.	INTERIM REVIEW 481
6.1	Introduction 481
6.2	Request for review concerning Costa Rica's comments on the inputs provided by the expert Ricardo Flores Pedauy� 481
6.3	Requests for review concerning whether Mexico has demonstrated that ASBVd is present in Costa Rica 482
6.3.1	Section 7.3 482
6.3.2	Paragraph 7.286 483
6.3.3	Paragraph 7.295 484
6.3.4	Paragraph 7.301 of the Interim Report 484
6.4	Request for review concerning trade in avocados between Costa Rica and Mexico and between Costa Rica and other countries in which ASBVd is present 486
6.5	Request for review concerning whether Manual NR-ARP-PO-01_M-01 may, directly or indirectly, affect international trade 488
6.6	Request for review concerning Reports ARP-002-2017 and ARP-006-2016 and the determination of absence of ASBVd in the territory of Costa Rica 488
6.7	Request for review concerning the manner in which the Panel will analyse Mexico's arguments regarding the determination of absence of ASBVd in Costa Rica in the Reports ARP-002-2017 and ARP-006-2016..... 489
6.8	Requests for review concerning the general surveillance system as part of the basis for the determination of absence of ASBVd in Costa Rica 491
6.8.1	Paragraphs 7.276 and 7.482..... 491
6.8.2	Paragraph 7.477 492
6.8.3	Paragraph 7.483 493
6.8.4	Paragraph 7.486 494
6.9	Requests for review concerning the specific surveillance system as part of the basis for the determination of absence of ASBVd in Costa Rica 495
6.9.1	Paragraph 7.570 495

	Costa-Rica - Avocados
6.9.2 Paragraphs 7.648 through 7.671	500
6.9.3 Paragraph 7.722	502
6.9.4 Paragraph 7.773	503
6.9.5 Paragraph 7.824 of the Interim Report.....	504
6.9.6 Paragraph 7.844	507
6.10 Request for review concerning spontaneous germination in Reports ARP-002-2017 and ARP-006-2016	508
6.11 Request for review concerning the evaluation of the likelihood of entry	509
6.11.1 Paragraph 7.1202	509
6.11.2 Paragraph 7.1221	511
6.11.3 Paragraph 7.1226	513
6.11.4 Paragraphs 7.1226 and 7.1239	515
6.11.5 Paragraph 7.1228	517
6.11.6 Paragraph 7.1246	518
6.12 Request for review concerning the general arguments on the evaluation of the likelihood of entry, establishment and spread in Reports ARP-002-2017 and ARP-006-2016	520
6.13 Request for review concerning the titles of sections 7.6.4.1.1 and 7.6.4.1.2	521
6.14 Request for review concerning whether either of Mexico's proposed alternative measures are significantly less restrictive to trade than Resolutions DSFE-003-2018 and DSFE-002-2018	521
6.15 Requests for review concerning the summary of the parties' arguments	522
7. FINDINGS	523
7.1 General principles regarding the applicable standard of review, treaty interpretation, burden of proof, and order of analysis	523
7.1.1 Function of the Panel and applicable standard of review	523
7.1.2 Interpretation of the relevant treaty provisions	525
7.1.3 Burden of proof.....	526
7.1.4 Order of analysis	527
7.2 How to address the measures at issue and the scope of the SPS Agreement.....	530
7.2.1 General introduction to the section	530
7.2.2 The Panel's analysis.....	531

Report of the Panel	
7.2.2.1	Whether the measures identified by Mexico are measures for the purposes of the dispute settlement procedure 531
7.2.2.2	Whether the Panel will analyse individually the measures identified by Mexico 535
7.2.2.3	Whether Costa Rica's measures are sanitary or phytosanitary measures covered by the SPS Agreement 538
7.2.2.3.1	Resolutions DSFE-002-2018 and DSFE-003-2018 539
7.2.2.3.2	Reports ARP-002-2017 and ARP-006-2016 546
7.2.2.3.3	Manual NR-ARP-PO-01_M-01 566
7.2.2.4	Whether the Panel will analyse jointly the measures identified by Mexico 574
7.2.3	Overall conclusion of this section 582
7.3	Whether Mexico has demonstrated that ASBvD is present in Costa Rica 582
7.4	Mexico's claims with respect to risk assessment obligations under the SPS Agreement 595
7.4.1	General introduction to the section 595
7.4.2	The relevant legal provisions 596
7.4.3	The Panel's standard of review and the legal standard 597
7.4.3.1	The Panel's standard of review under Article 5.1 of the SPS Agreement 597
7.4.3.2	Legal standard under Article 5.1 of the SPS Agreement 597
7.4.3.3	Legal standard under Article 5.2 of the SPS Agreement 600
7.4.3.4	Legal standard under Article 5.3 of the SPS Agreement 603
7.4.3.5	Legal standard under Article 2.2 of the SPS Agreement 605
7.4.4	Structure of the Panel's analysis of Mexico's claims regarding risk assessment obligations 607
7.4.4.1	Structure of the analysis under Article 5.1 of the SPS Agreement 608
7.4.4.2	Treatment of Articles 5.2 and 5.3 of the SPS Agreement 611

Costa-Rica - Avocados	
7.4.4.3	Treatment of Article 2.2 of the SPS Agreement 614
7.4.5	Analysis of the risk assessment contained in Reports ARP-002-2017 and ARP-006-2016 615
7.4.5.1	The determination of absence of ASBVd in Costa Rica in ARP-002-2017 and ARP-006-2016 615
7.4.5.1.1	Mexico's argument with respect to the determination of absence of ASBVd in Costa Rica and Costa Rica's questioning of the Panel's terms of reference with respect to that determination..... 615
7.4.5.1.2	Reports ARP-002-2017 and ARP-006-2016 and the determination of absence of ASBVd in the territory of Costa Rica..... 619
7.4.5.1.3	Conclusion on the determination of freedom from ASBVd in Costa Rica..... 721
7.4.5.2	Whether the pest or disease, as well as the associated potential biological and economic consequences, were identified 723
7.4.5.3	Whether the likelihood of pests' or diseases' entry, establishment or spread, as well as the associated potential biological and economic consequences, were evaluated 726
7.4.5.3.1	Introduction to the section..... 726
7.4.5.3.2	The risk assessment methodology in Manual NR-ARP-PO-01_M-01 727
7.4.5.3.3	Diversion from intended use and spontaneous germination in Reports ARP-002-2017 and ARP-006-2016 733
7.4.5.3.4	Whether the likelihood of entry, establishment and spread was evaluated in Reports ARP-002-2017 and ARP-006-2016 797

Report of the Panel	
7.4.5.3.5	Evaluation of the associated potential biological and economic consequences 853
7.4.5.3.6	Other general arguments concerning the evaluation of the likelihood of entry, establishment and spread in Reports ARP-002-2017 and ARP-006-2016 861
7.4.5.3.7	Conclusion on the evaluation of the likelihood of entry, establishment and spread, and of the associated potential biological and economic consequences..... 874
7.4.5.4	Whether the likelihood of entry, establishment or spread of a pest or disease was evaluated <i>according to the sanitary or phytosanitary measures which might be applied</i> 876
7.4.5.5	Whether Costa Rica's risk assessment in Reports ARP-002-2017 and ARP-006-2016 is <i>appropriate to the circumstances</i> 884
7.4.5.6	Whether the risk assessment techniques of international organizations were taken into account..... 896
7.4.5.7	Whether the factors listed in Article 5.2 of the SPS Agreement were taken into account 903
7.4.5.8	Whether the factors listed in Article 5.3 of the SPS Agreement were taken into account in the assessment of the risk in question..... 912
7.4.5.9	Conclusion on the risk assessment in Reports ARP-002-2017 and ARP-006-2016 922
7.4.6	Whether Costa Rica's SPS measures <i>are based on</i> the risk assessment..... 926
7.4.7	Whether the factors listed in Article 5.3 of the SPS Agreement were taken into account in determining the measure to be applied 932
7.4.7.1	Whether Costa Rica has acted inconsistently with Article 2.2 of the SPS Agreement..... 935
7.4.8	Overall conclusion of the section on Mexico's claims concerning the risk assessment..... 939

	Costa-Rica - Avocados
7.5	Mexico's claims regarding the obligations of the SPS Agreement concerning trade restrictiveness 940
7.5.1	General introduction..... 940
7.5.2	The relevant legal provisions 941
7.5.3	Legal standard for determining the ALOP 941
7.5.4	The Panel's analysis of Costa Rica's appropriate level of protection (ALOP) 944
7.5.5	Legal standard of Article 5.6 of the SPS Agreement 953
7.5.6	The Panel's analysis..... 956
7.5.6.1	Whether any of the alternative measures proposed by Mexico achieve Costa Rica's ALOP 958
7.5.6.1.1	Whether domestic regulation that prevents diversion from intended use achieves Costa Rica's ALOP 958
7.5.6.1.2	Whether the ASBVd symptom-free certification of shipments achieves Costa Rica's ALOP 969
7.5.6.2	Conclusion on whether any of the alternative measures proposed by Mexico achieve Costa Rica's ALOP 974
7.5.6.3	Whether any of the alternative measures proposed are reasonably available taking into account technical and economic feasibility..... 974
7.5.6.3.1	Whether the domestic regulation that prevents diversion from intended use is reasonably available taking into account technical and economic feasibility..... 974
7.5.6.3.2	Whether the ASBVd symptom-free certification of shipments is reasonably available taking into account technical and economic feasibility..... 976
7.5.6.4	Whether any of the alternative measures proposed by Mexico are significantly less restrictive to trade than Resolutions DSFE-003-2018 and DSFE-002-2018 978

Report of the Panel	
7.5.6.4.1	Whether the regulation on diversion from intended use or ASBVd symptom-free certification are measures that are significantly less restrictive to trade than Resolutions DSFE-003-2018 and DSFE-002-2018 978
7.5.7	Overall conclusion of this section..... 984
7.6	Mexico's claims with respect to the obligations pertaining to arbitrary or unjustifiable discrimination or disguised trade restrictions 985
7.6.1	General introduction 985
7.6.2	The relevant legal provisions 986
7.6.3	Legal standard under Article 5.5 of the SPS Agreement..... 987
7.6.4	The Panel's analysis 993
7.6.4.1	Introduction 993
7.6.4.1.1	Whether Costa Rica has adopted its own levels of protection in different situations 994
7.6.4.1.2	Whether Costa Rica's levels of protection exhibit arbitrary or unjustifiable distinctions in their treatment of different situations 1009
7.6.4.1.3	Whether there is discrimination or a disguised restriction on international trade 1021
7.6.4.2	Conclusion with respect to Article 5.5 of the SPS Agreement 1025
7.6.5	Legal standard under Article 2.3 of the SPS Agreement..... 1026
7.6.6	The Panel's analysis 1030
7.6.7	Overall conclusion of this section..... 1034
7.7	Mexico's claims with respect to the obligations under the SPS Agreement regarding adaptation to regional conditions... 1034
7.7.1	General introduction to the section 1034
7.7.2	The relevant legal provisions 1035

	Costa-Rica - Avocados
7.7.3	Legal standard under Article 6.1 of the SPS Agreement 1036
7.7.4	The Panel's analysis..... 1038
7.7.4.1	Whether Costa Rica has acted inconsistently with its obligation under the second sentence of Article 6.1 of the SPS Agreement..... 1039
7.7.4.1.1	Level of prevalence of specific diseases or pests..... 1039
7.7.4.1.2	The existence of eradication and control programmes 1042
7.7.4.1.3	Appropriate criteria or guidelines developed by the relevant international organizations 1044
7.7.4.1.4	Conclusion with respect to the second sentence of Article 6.1 of the SPS Agreement 1046
7.7.4.2	Whether Costa Rica has acted inconsistently with its obligation under the first sentence of Article 6.1 of the SPS Agreement..... 1046
7.7.5	Overall conclusion of this section 1049
7.8	Mexico's claims related to harmonization 1049
7.8.1	General introduction to the section 1049
7.8.2	The Panel's analysis..... 1050
7.8.3	Overall conclusion of this section 1055
7.9	Mexico's claims relating to general conformity with the SPS Agreement..... 1055
7.9.1	General introduction to the section 1055
7.9.2	The relevant legal provisions 1055
7.9.3	Legal standard under Articles 1.1 and 2.1 of the SPS Agreement 1056
7.9.4	The Panel's analysis..... 1056
7.9.5	Overall conclusion of this section 1057
7.10	Mexico's claims and Costa Rica's defence under the GATT 1994 1058
7.10.1	General introduction to the section 1058
7.10.2	The Panel's analysis..... 1058
7.10.3	Overall conclusion of this section 1060

Report of the Panel	
8.	CONCLUSIONS AND RECOMMENDATIONS..... 1060