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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

USTR Releases Negotiating Objectives for U.S.-Japan Trade Agreement

- On December 21, the Office of the U.S. Trade Representative (USTR) released the United States-Japan Trade Agreement (USJTA) [negotiating objectives](#).
- USTR is required to publicly publish its negotiating objectives 30 days before formal negotiations can begin. Thus, January 20 is the earliest possible date for launch of U.S. trade negotiations with Japan.
- The negotiating objectives are largely similar to those USTR published for the NAFTA renegotiation.

Information on the Lapse of Government Funding

- The U.S. Department of Agriculture (USDA) and the Food and Drug Administration (FDA) are among the number of agencies within the federal government left in fiscal limbo due to the budget impasse triggered by President Donald Trump's call for funding a wall along the U.S.-Mexico border.
- The available USDA functions during the lapse include inspection services, market facilitation program payments, trade mitigation program purchases, and some agricultural trade development and monitoring activities. Further available and discontinued USDA activities are outlined in the following [press release](#).
- The FDA will continue its core functions to handle and respond to emergencies, such as recalls and foodborne illness outbreaks. More information is available at the following FDA [press release](#).
- Unlike the USDA and FDA, the Office of the U.S. Trade Representative (USTR) is using existing funds and continuing to conduct all operations, including trade negotiations and enforcement.
- In an effort to end the government shutdown, President Trump and members of congress held discussions on January 2; however, no concrete progress was made.

Amendments to National List of Allowed and Prohibited Substances

- On December 27, the USDA Agricultural Marketing Service (AMS) published a [final rule](#) amending the National List of Allowed and Prohibited Substances of the USDA's organic regulations to implement recommendations by the National Organic Standards Board.
- The final rule changes the use restrictions for seventeen substances allowed for organic production or handling and adds sixteen new substances to the National List.

U.S. Wins Tuna Labeling Dispute

- On December 14, the WTO Appellate Body issued its appellate report confirming that U.S. dolphin-safe tuna labeling requirements are consistent with WTO rules.
- The dispute was brought by Mexico against the U.S. more than 10 years ago. In 2008, Mexico challenged the U.S. dolphin-safe labeling requirements as inconsistent with WTO rules as the requirements deny the "dolphin-safe" label for tuna produced by chasing and capturing dolphins. This is the fishing method that Mexican fisheries often elect to use to catch tuna.
- The original proceeding found that parts of the U.S. labeling requirements were WTO-inconsistent, and the U.S. made changes in 2013 and 2016 to the labeling requirements to bring them into compliance.
- In October 2017, the WTO issued panel reports that found the U.S. labeling requirements for tuna and tuna products to be compliant with WTO rules which stopped the potential Mexican retaliation of up to \$163.23 million worth of trade annually that was authorized by the WTO in May 2017. In December 2017, Mexico appealed the ruling (*BCI Monitors* 10-31-17 and 12-05-17).
- The findings and conclusions of the Appellate Body report can be found [here](#).

Annual Pesticide Data Program Summary

- The U.S. Department of Agriculture (USDA) on December 17 published the [2017 Pesticide Data Program Annual Summary](#).
- Each year, USDA and Environmental Protection Agency (EPA) work together to identify foods to be tested on a rotating basis. Testing is conducted throughout the year and reported to the Food and Drug Administration and EPA. USDA uses the pesticide data to help U.S. farmers improve agricultural practice and to enhance the department's Integrated Pest Management Program.
- The 2017 Summary shows that more than 99 percent of the samples tested had pesticide residues well below benchmark levels established by the EPA.

Criteria to Evaluate New Locations for Two Research Agencies Published

- On December 21, the U.S. Department of Agriculture [announced](#) the criteria that have been developed to evaluate the expressions of interests from 136 municipalities to host the Economic Research Service (ERS) and the National Institute of Food and Agriculture (NIFA). As a part of the relocation, the ERS will come under direct control of the Agriculture secretary's office.
- The publication of the criteria demonstrates that the USDA is moving forward with plans to relocate the two agencies outside of the Washington DC area despite the pushback from some members of congress and the research community who are concerned that moving the ERS under the direct purview of the Secretary of Agriculture will politicize the agency.
- To prevent the move, House Democrats recently introduced a bill titled the [Agriculture Research Integrity Act](#) that would require the ERS and NIFA to remain in Washington DC and maintain the current position of the ERS within the USDA.
- USDA plans to announce a new location or locations in January.