

**JANUARY 8, 2019****INSIDE THIS ISSUE**

- **U.S.-China Trade Talks Extended Through Wednesday**
- **Argentine Cherries First Ever Shipment to China**
- **Taiwan Publishes Draft Regulations to Support the Organic Agriculture Promotion Act**
- **Korea Proposed Amendments to Standards for Foods**
- **USDA Extends Market Facilitation Program Deadline**
- **Mexican Legislation on Labor Reform Pushed to February**

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****U.S.-China Trade Talks Extended Through Wednesday**

- Midlevel talks between the U.S. and China began on Monday, January 7 and are now slated to continue through Wednesday, January 9. Led by Deputy U.S. Trade Representative Jeffrey Gerrish on the U.S. side, the meetings are the first face-to-face talks since U.S. President Trump and Chinese President Xi Jinping agreed to a 90-day pause in escalation of the trade war in December.
- Since December, China has made some concessions, including cutting the retaliatory tariff on U.S. car imports, purchasing soybeans, drafting a law and creating an appellate court to handle issues surrounding technology transfers, and promising to open up the Chinese market to further foreign investment. While U.S. Commerce Secretary Wilbur Ross expressed optimism on reaching a settlement, and Chinese Premier Liu He made an unexpected appearance at the talks as a sign of goodwill, according to media sources, specific enforcement measures will be a key aspect to any deal between the U.S. and China.
- Talks are being conducted on intellectual property and non-tariff measures, as well as on industrial and agricultural purchases. United States negotiators are striving for China to create enforcement mechanisms in the case that it does deliver on the promises made during negotiations.

Argentine Cherries First Ever Shipment to China

- The first ever shipment of Argentine cherries to China is leaving the ports of Valparaiso and San Antonio this week.
- Eight containers, with around 150 metric tons (MT) of cherries grown in the Río Negro, Neuquén and Chubut regions, are bound for Guangzhou, China.
- Argentina and Chile signed an export protocol for cherries on the sidelines of the G20 summit at end of November (*BCI Monitor* 12-04-18). A Chinese delegation is currently in Argentina inspecting the Argentine cold treatment systems and working to finalize the process that will allow Argentina to ship cherries through its own regional ports, instead of going through customs in Buenos Aires, Chile.
- These first exports will be monitored by Chinese phytosanitary officials who will endorse the export protocol for the last time. All subsequent exports from Argentina to China will occur automatically.

Taiwan Publishes Draft Regulations to Support the Organic Agriculture Promotion Act

- On January 7, Taiwan notified the World Trade Organization (WTO) of three draft regulations regarding its forthcoming [Organic Agriculture Promotion Act](#).
- The [first notification](#) – “[Draft of the Enforcement Rules for Organic Agriculture Promotion Act](#)” (in Chinese) – provides additional definition and terms, specifies the ratio of raw material content for organic agricultural processed products, specifies the methods of determining compliance with the Act, and specifies that only the packaging or container of the selling unit must be fully marked according to the provisions of the Act. This draft regulation aims to implement the Organic Agriculture Promotion Act.
- The [second notification](#) – “[Draft of Regulations Governing Imported Organic Agricultural Product Review and Inspection Management](#)” (in Chinese) – specifies the scope of organic agricultural products covered, procedures for application and review, information and documents required, and requirements for recordkeeping. This draft regulation aims to implement Article 17 of the Organic Agriculture Promotion Act.
- The [third notification](#) – “[Draft of Regulations Governing the Labeling and Marks Management of Organic Agricultural Products in Organic Farming](#)” (in Chinese) – specifies methods of marking raw materials in terms of name, place of origin, and certification body. Additionally, it specifies the conditions of use, specifications, and dimensions of organic agricultural product marks as well as the transitional requirements of old agricultural product marks. This draft regulation aims to implement Articles 17, 19, and 20 of the Organic Agriculture Promotion Act.
- Comments are due 60 days from the WTO notification. The proposed date of entry into force is the same as the Organic Agriculture Promotion Act, which will come into force May 30, 2019.

Korea Proposed Amendments to Standards for Foods

- On January 4, Korea [notified](#) the World Trade Organization (WTO) of [Proposed Amendments to the Standards and Specifications for Foods](#) (in Korean).
- The proposed amendments revise the storage and distribution standards and clarify the range of foods that require refrigeration or freezing. Additionally, the proposed amendments revise the definitions, processing, and manufacturing standards for certain foods, and revise the general test methods utilized.
- The proposed amendments establish the maximum residue limits for certain pesticides, including methyl bromide, for agricultural products. The terminology and phrasing is modified throughout to reflect revisions of other relevant regulations.
- Final date for comments is March 5, 2019.

USDA Extends Market Facilitation Program Deadline

- On January 8, the U.S. Department of Agriculture (USDA) extended the deadline for agricultural producers to apply for payments under the Market Facilitation Program (MFP) as provided by the [trade mitigation program](#).
- Due to the government shutdown, the agency administering the MFP – USDA’s Farm Service Agency (FSA) – has been closed since December 28, 2018 and unable to process applications.
- The deadline had been January 15, 2019. The new deadline for applications will be the period of time equal to the number of business days USDA FSA offices were closed, once the government shutdown ends.

Mexican Legislation on Labor Reform Pushed to February

- As part of the U.S.-Mexico-Canada Agreement (USMCA), Mexico agreed to undertake labor reform by establishing legislation that creates 1) an independent entity for conciliation and union collective bargaining agreement registration and 2) independent Labor Courts for the adjudication of labor disputes.
- While the Mexican draft legislation was introduced in late December, the Mexican Congress failed to meet its January 1 deadline to pass the legislation. The draft legislation will likely not be discussed again until February, the next regular session of the Mexican Chamber of Deputies.
- Labor reform is a key issue for U.S. democratic legislators, with many expressing concerns that USMCA does not go far enough to address enforceable labor provisions with regard to low wages and job outsourcing to Mexico.