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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

Light Brown Apple Moth Quarantine Boundary Updated

- On December 8, the California Department of Food and Agriculture Plant Health and Pest Prevention Service [updated](#) the Light Brown Apple Moth (*Epiphyas postvittana* – LBAM) quarantine boundary for San Diego County – Caramel Valley.
- LBAM is an invasive pest that attacks over 250 agricultural crops including cherry trees. More information about LBAM regulation and quarantine boundaries is available [here](#).

U.S. and Korean Officials Hold Free Trade Agreement Amendment Talks

- On January 5, officials from the United States and the Republic of Korea met at the Office of the U.S. Trade Representative (USTR) to advance talks related to the Korea-U.S. Free Trade Agreement (KORUS), including negotiations on modifications and amendments to the six-year-old agreement.
- The United States discussed proposals to move towards fair and reciprocal trade in key industrial goods sectors, such as autos and auto parts, as well as to resolve additional cross-cutting and sector-specific barriers impacting U.S. exports.
- South Korea noted its interest in resolving issues over the investor-state dispute settlement clause and trade remedies, according to a South Korean media report. With the investor-state dispute settlement provision, investors can sue countries for alleged discriminatory practices through international arbitration bodies.
- Both sides agreed to follow up to discuss timing for the next meeting in the very near term, according to a USTR [press release](#). The Korean government will prepare for the next round of negotiations by collecting the opinions of stakeholders and experts, and drafting a joint strategy with the relevant ministries.

Update on North American Free Trade Agreement

- President Donald Trump, on January 8, gave a speech at the American Farm Bureau Federation's annual convention in Nashville, Tennessee. While he held back on criticizing the North American Free Trade Agreement (NAFTA), as he has repeatedly done in the past, President Trump largely avoided the subject of trade and did not defend the agreement, or commit to remaining a part of it, as many were hoping to hear.
- The muted remarks on NAFTA from the president stood in contrast to the comments made by Agriculture Secretary Sonny Perdue and the Under Secretary for Trade Ted McKinney who called on Canada to increase its engagement in the renegotiation. The U.S. Trade Representative Robert Lighthizer at the conclusion of the fifth round of NAFTA talks in November 2017 also called on both Canada and Mexico to more constructively engage by putting forward counterproposals to already-tabled U.S. positions.
- The next round of talks begins on January 23 in Montreal, Canada.

European Union and Mexico Hold Seventh Round of Talks for an Updated Free Trade Agreement

- The European Union and Mexico [held](#) the seventh round of negotiations for an updated trade agreement between December 12-21, 2017.
- The two sides finalized a number of issues, including small and medium sized enterprises (SMEs), transparency, sanitary and phytosanitary measures (SPS), good regulatory practices, and trade and sustainable development. The negotiations also covered the revised market access offers for goods, which were exchanged after the sixth round of negotiations.
- While the European Union was hopeful of concluding negotiations for an updated trade deal with Mexico before the end of 2017, talks will continue into 2018 as there are remaining issues relating to both market access and rules. The trade deal is part of a broader pact – the Global Agreement. This forms the basis of the European Union's relationship with Mexico and covers issues of broader shared interest that go beyond trade, including climate change and human rights.

Indonesia Revises Regulations on Import Licensing Requirements for Horticultural Products

- On November 23, the Indonesian Ministry of Agriculture issued a new regulation revising import licensing requirements for horticultural products.
- Beginning January 2018, importers are able to submit two requests for an import recommendation during a one year period, and the import recommendations will be valid for one calendar year. However, importers must complete the imports under the first an import recommendation before requesting a second. Importers are required to obtain the import recommendation to import fresh fruit and vegetables.
- The regulation still includes conditions that restrict an importers' ability to obtain the import recommendation including: 1) harvest period bans; 2) use, sale and distribution limitations (importers can't be retailers and retailers can't import directly); and 3) the prohibition of products being sold more than six months after harvest.
- Indonesia has yet to issue any corresponding regulation governing import permits. Indonesia issues import permits to importers after they receive an import recommendation. Import permits specify quantities permitted for import based on the cold storage capacity available to an importer. More information is available at the following U.S. Department of Agriculture Foreign Agricultural Service [GAIN report](#).