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INSIDE THIS ISSUE

- **U.S. and EU Unable to Agree on Trade Agreement Scope**
- **UK Parliament Rejects Brexit Deal**
- **Australia Updating the Imported Food Control Regulations**
- **India Publishes New Packaging Regulations**
- **Taiwan Publishes Partial Amendments to Regulations of Inspection of Imported Foods**
- **U.S.-China Talks to Continue**

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

U.S. and EU Unable to Agree on Trade Agreement Scope

- Following a series of meetings between the U.S. Trade Representative (USTR) Robert Lighthizer and European Union (EU) Trade Commissioner Cecilia Malmström, USTR released the [negotiating objectives](#) for a potential free trade agreement with the European Union (EU) on January 11, 2019.
- The negotiating objectives include agricultural goods, which could halt negotiations before they begin. The EU has been insistent that agriculture issues remain outside the scope of a potential trade agreement with the U.S., and last Wednesday, Malmström reiterated that position when speaking to reporters.
- She pointed to the joint statement issued by President Trump and EU Commission President Jean-Claude Juncker in July 2017, which excluded agriculture, as well as autos. Malmström stated that the EU is willing to discuss tariffs on all industrial goods, including autos; however, the EU would not accept any type of auto quota deal.
- During the meeting between Trump and Juncker, the U.S. and EU agreed to not impose any tariffs on one another while discussions were ongoing, which has excluded the EU from potential U.S. Section 232 tariffs on autos and auto parts for now. The Commerce Department is due to submit a report to the president next month.

UK Parliament Rejects Brexit Deal

- The United Kingdom (UK) Parliament, in a scheduled January 15 vote, overwhelmingly rejected Prime Minister Theresa May's Brexit deal with the European Union (EU). PM May had delayed the historic vote in early December, acknowledging that it would have been defeated by a significant margin.
- Immediately after the vote, a no-confidence motion was tabled, and May agreed to debate the motion with Parliament on Wednesday, January 16.
- If the House of Commons finds that it has no confidence in May's government, and a new government that can pass a confidence vote cannot be formed within 14 days, Parliament will be dissolved, and a general election will be triggered. If the House of Commons finds that it has confidence in May's government, the Prime Minister will have until January 21 to present an alternate Brexit plan.
- Normally, May would have 21 calendar days to bring a new plan to Parliament; however, on January 9, Parliament voted to restrict that timeframe. Additionally, on January 8, Parliament voted in favor of an amendment to curtail the government's spending powers in the event of a no-deal Brexit. The move gives Parliament more say on preventing a no-deal Brexit, and according to media sources, reduced the chance of a no-deal scenario altogether.

Australia Updating the Imported Food Control Regulations

- On January 14, Australian Department of Agriculture and Water Resources (DAWR) opened a [public consultation](#) on its “Imported Food Control Regulations.”
- The importation of food for commercial purposes into Australia is regulated by the Imported Food Control Act 1992 and its subordinate legislation – the Imported Food Control Regulations 1993. The Regulations will be automatically repealed on October 1, 2019 as part of the sunset process to which all Australian subordinate legislation is subject.
- The public consultation aims to update the legislation in order to reduce its complexity, increase flexibility for inspections of imported food, and reflect the “Imported Food Control Amendment Act 2018.” Changes in the draft regulations include allowing the use of recognized quality assurance certificates for the importation of some risk-classified foods as an alternative to mandatory foreign government certification requirements.
- Consultation is open until February 28, 2019.

India Publishes New Packaging Regulations

- On January 3, the Food Safety Standards of India (FSSAI) published in the Official Gazette the new “[Food Safety and Standards \(Packaging\) Regulations, 2018](#).”
- The regulations require that packaging materials be suitable for the type of product, food grade quality, able to withstand transportation, and tamper proof. Newspapers and products made from recycled plastics cannot be used for packaging food.
- The printed surface of packaging material cannot come in direct contact with food products. Printing inks for use on food packages must conform to Indian Standard: 15495 – Printing Ink for Food Packaging.
- The regulations outline the requirements for glass containers, metal and metal alloys, plastic materials, and paper/board materials intended to come into contact with food as well as their specific migration limits.
- Additionally, Schedule IV of the regulations lists the suggested packaging materials for various product categories including fruits and vegetables.
- Every food business operator will have to obtain a certificate of conformity issued by an accredited laboratory with India’s National Accreditation Board for Testing and Calibration Laboratories (NABL) against these regulations for packaging materials. All food enterprises will be required to comply with the new packaging regulations by July 1, 2019.
- Note, India notified the WTO of the proposed packaging regulations on November 6, 2017 (*BCI Monitor* 11-07-17).

Taiwan Publishes Partial Amendments to Regulations of Inspection of Imported Foods

- On January 14, Taiwan [notified](#) the World Trade Organization (WTO) of [partial amendments](#) to provisions of the “[Regulations of Inspection of Imported Foods and Related Products](#).”
- The partial amendments note that Obligatory Inspection Applicants will have their application dismissed if they deliberately apply for a duplicate inspection and further clarify the rules for the issuance of a prior release notice.
- Final date for comments is March 15, 2019.

U.S.-China Talks to Continue

- A Chinese delegation, led by Vice Premier Liu He, is set to be in Washington DC on January 30-31 to continue the U.S.-China trade talks. The Chinese delegation is expected to meet U.S. Trade Representative (USTR) Robert Lighthizer and Treasury Secretary Steven Mnuchin during the visit.
- Last week, the U.S. and China held their first face-to-face meetings since President Trump and Chinese President Xi Jinping agreed to a 90-day pause in escalation of the trade war in December. USTR issued a [statement](#) saying that the sides had touched on issues such as “forced technology transfer, intellectual property protection, non-tariff barriers, cyber intrusions and cyber theft of trade secrets for commercial purposes, services and agriculture.”
- Additionally, the USTR statement noted the need for any agreement with China to have “verification and effective enforcement” measures. According to media sources, Chinese negotiators were displeased that the U.S. expanded the subject of the talks past tariffs to issues such as non-tariff barriers and enforcement.