

JANUARY 17, 2017**INSIDE THIS ISSUE**

- European Union Specifies Information Requirements for Maximum Residue Limit Applications
- Update on China Food Safety Issues
- Update on Canada-European Union Free Trade Agreement Implementation
- USDA Examines Agricultural Export Opportunities in India
- European Commission Publishes Report on Efforts to Reduce Non-Tariff Barriers

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****European Union Specifies Information Requirements for Maximum Residue Limit Applications**

- The European Union (EU) recently published a [regulation](#) which specifies the appropriate form and content of applications and requests for the establishment of pesticide maximum residue limits (MRLs) in agricultural consignments.
- In general, the European Commission, an EU member state, or an interested stakeholder may submit requests to the European Medicines Agency (EMA) for an opinion to establish an MRL. The aforementioned regulation specifies the standard format for MRL applications and the information which must accompany such submissions.

Update on China Food Safety Issues

- Several questions have emerged recently regarding China's new food safety regulations and how they will apply to imports.
- One aspect of the regulations that is controversial is a plan to require official certificates stating that imports meet all Chinese food safety standards. A summary of the issue is included in this Reuters [report](#).
- According to industry sources in contact with the U.S. Embassy in Beijing, the following has been reported: 1) the proposal would likely apply to processed products (as opposed to fresh); and 2) the U.S. and several countries had expressed that such official certifications were not available. Although China has reportedly committed to revise the measure, a new version has not yet been published. It is expected to be notified to the World Trade Organization (WTO) for comment.
- The original certification requirement was scheduled to go into effect in October 2017, but this is likely to be delayed with the revised version to be published in the coming months.
- A second issue of concern was a proposal to no longer allow stickering upon arrival in Chinese ports. However, according to a recent U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#), the new regulations do not prohibit the use of stickers over foreign language labels on imported prepackaged foods. The GAIN report linked above also includes an unofficial English translation of China's revised Draft Implementing Rules published in October 2016.
- Given the nature of Chinese food safety rules, the U.S. Embassy in Beijing recommends shippers continue to work closely with their importers to ensure they have the latest information on how the regulations are being applied in practice.

Update on Canada-European Union Free Trade Agreement Implementation

- The Canada-European Union (EU) Comprehensive Economic and Trade Agreement (CETA) is inching closer to provisional implementation. Before provisional implementation can occur, key committees must provide approval. Several EU Parliamentary committees have taken up the measure, and although one committee voted against the agreement, its vote was not part of the official approval and was only offering an opinion. Other committees such as the International Trade Committee, which meets on January 24, 2017, are expected to approve the agreement.
- Once key committees have approved CETA, a plenary vote of European Parliament is expected in mid-February; the agreement is expected to pass. Once passed, it will be possible to immediately implement the agreement on a provisional basis. This means non-controversial parts of the agreement—such as tariff reductions—will enter into force. That said, individual ports may differ slightly regarding when lower tariffs will begin to be applied.

U.S. Department of Agriculture Examines Agricultural Export Opportunities in India

- India represents a growing market for U.S. agricultural exports, according to a recent [report](#) published by the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS).
- While certain political, cultural, and regulatory factors continue to limit U.S. agricultural exports to India, the country offers promising export growth opportunities as a result of its rapidly expanding middle class, rising disposable incomes, and growing demand for high-value agricultural commodities. Between 2015 and 2020, India's middle class is expected to double in size and overall consumption is expected to quadruple.
- India's overall agricultural imports have expanded by 60 percent since 2010, with imports of consumer-oriented products doubling during the same period. In 2015, U.S. agricultural exports to India reached a value of \$1.3 billion, making India the 20th-largest destination for U.S. agricultural exports that year. U.S. cherries exported to India currently face the country's most favored nation (MFN) tariff rate of 30 percent.

European Commission Publishes Report on Efforts to Reduce Non-Tariff Barriers

- The European Commission recently published a [report](#) highlighting issues related to non-tariff measures (NTMs) and their potential to constrain opportunities for European Union (EU) exporters.
- The report—which utilized survey responses from over 8,000 companies across 26 sectors and the 28 EU member states—revealed NTMs continue to be an issue for EU exporters, even in foreign countries which are free trade agreement (FTA) partners of the EU.
- According to the results of the report, approximately one-third of EU exporters face NTM-related trade obstacles, with sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT), and rules of origin as the most commonly reported areas in which problematic NTMs occur. That said, respondents also noted that the majority of obstacles are procedural rather than regulatory. Notably, 80 percent of reported barriers involved trade with third countries, while the remaining 20 percent of reported barriers involved intra-EU trade.