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**A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD**

## GENERAL ISSUES OF INTEREST TO THE CCB:

### European Union Publishes Draft Negotiating Mandates for U.S.-EU Trade Deal

- In the [draft negotiating mandates](#) published on January 18, the European Commission (EC) indicated that the negotiations for a United States-European Union trade agreement will be focused on eliminating tariffs on industrial goods, excluding agricultural products, and on conformity assessments.
- An agreement on conformity assessments would help remove non-tariff barriers and make it easier for companies to prove that their products meet technical requirements in both the U.S. and the European Union.
- In the U.S., the Office of the U.S. Trade Representative (USTR) published a very different set of [U.S. negotiating objectives](#) for a potential U.S.-EU trade agreement. The U.S. negotiating objectives include a standard list of issues covered in most U.S. free trade agreements -- including agricultural products -- compared to the narrower EU mandates focusing on industrial goods.
- EU member states must approve the mandates before formal discussions on a negotiating agenda can begin.

### Argentine Cherries Officially Eligible for Export to China

- On January 16, China's General Administration of Customs added cherries from Argentina to its "[China Inspection and Quarantine Access List for Fresh Fruits and Exporting Regions](#)" (in Chinese). Inclusion on the list is the final step in gaining market access to China for fresh fruits.
- A Chinese delegation was in Argentina two weeks ago doing a final inspection of its cold treatment systems and monitoring the first exports out of the region (*BCI Monitor* 01-08-19). The first ever shipment of Argentine cherries to China is currently in transit.
- The final version of the plant quarantine requirements for Argentine cherries was published on January 11 and is available [here](#) (in Chinese).

### Government Shutdown Continues

- January 22 marks the one-month anniversary of the current government shutdown.
- The Office of the U.S. Trade Representative, the Commerce Department, the U.S. International Trade Commission, the International Trade Administration, and Customs and Border Protection are among the agencies that have furloughed employees that work in areas related to trade.

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### *Government Shutdown Continues*

- As a result, antidumping and countervailing duty proceedings, tariff exclusion requests, and efforts to expand market access have all come to a halt. Both the House and Senate will take up competing plans this week in an attempt to end the government shutdown.
- U.S. Secretary of Agriculture Sonny Perdue on January 22 announced that all Farm Service Agency (FSA) offices nationwide will reopen during the government shutdown to provide additional administrative services to farmers during the lapse in federal funding. The FSA will work on the Market Facilitation Program for which the deadline has been extended to February 14.
- For more information regarding the reopening of the FSA, please see the following [press release](#).

### **Canada Publishes Evaluation of Pest Control Products Incident Reporting Regulations**

- Health Canada's Pest Management Regulatory Agency (PMRA) recently published a [regulatory impact analysis statement](#) on its internal program evaluation and interaction with industry stakeholders, identifying areas for improvement in the *Pest Control Products Incident Reporting Regulations* (IRR).
- Proposed amendments are intended to clarify incident reporting requirements; reduce regulatory and administrative burden; facilitate PMRA's ability to identify trends and analyze data; and address stakeholders' concerns. The proposed amendments include the removal of reporting requirements for excessive residues in food, with the objective of reducing burden on regulated parties without compromising Health Canada's long-term outcomes.
- Further information on additional proposed amendments can be viewed in the statement. These regulations will enter into force on the January 1 that follows the sixth month period after the date they are published in the *Canada Gazette*, Part II.

### **Brexit Update**

- Last week, British Prime Minister Theresa May's Brexit deal was defeated by a wide margin.
- While May survived the subsequent vote of no confidence, she had only until Monday, January 21 to present a "Plan B" to Parliament.
- May's alternate plan offered only minor modifications to the original deal.
- In response, Members of Parliament (MPs) have introduced eight amendments, including one to avoid a no-Brexit deal and another that could allow for a second referendum. For more information on proposed Brexit amendments, see the following BBC [guide](#).
- MPs will give a verdict to May's alternate plan on January 29. Additionally, the Speaker of the House of Commons is expected to pick an amendment that will be debated and voted.

### **President Trump Hopes to Expand Tariff Powers**

- The White House has recently urged Congress to pass the "United States Reciprocal Trade Act," drafted by Representative Sean Duffy (R-WI), which would give President Trump greater authority to impose tariffs. Duffy is expected to introduce the bill before President Trump's State of the Union Address on January 29.
- The bill would allow President Trump to impose tariffs on a line-by-line basis if the President deems that a country's tariffs or non-tariff barriers are not in balance with those of the United States.
- According to media sources, the bill has been updated to include a three-year sunset provision, a mechanism for Congress to consider resolution of disapproval for trade actions, and to extend the public comment period to 45 days.
- It is unlikely that this bill will garner enough support to pass as Congress has generally not looked favorably upon the Section 232 tariffs and has sought ways to curb the Trump administration's ability to impose new tariffs.
- Last week, Senate Finance Committee Chairman Chuck Grassley told reporters that Congress would not give President Trump any greater tariff authority, and conservative economic groups, in a January 22 [letter](#), urged Congress to reject the "Reciprocal Trade Act," calling it unnecessary and a means for tit-for-tat retaliation.