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**A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD**

**GENERAL ISSUES OF INTEREST TO THE CCB:**

**Agriculture Trade Promotion Program Funding Announced**

- On January 31, The U.S. Department of Agriculture (USDA) released a list of funding recipients for the Agricultural Trade Promotion Program (ATP).
- A total of \$200 million was dispersed to U.S. farmers and ranchers to help identify and access new export markets. ATP is one of the three USDA programs created to mitigate the effects of trade retaliation on U.S. agriculture.
- The California Cherry Marketing and Research Board was awarded \$394,440.
- The full list of funding allocations is available [here](#).

**List of Legal Changes Required for USMCA**

- U.S. Trade Representative Robert Lighthizer on January 29 [submitted](#) to Congress the changes to existing laws that will be required to bring the U.S. into compliance with obligations made under the U.S.-Mexico-Canada Agreement (USMCA).
- The list was submitted as required under the Trade Promotion Authority within 60 days of signature.
- USTR's list focuses heavily on the required changes to U.S. rules of origin. Additionally, the list discusses tariff treatment and tariff-rate quotas, duty drawback, a special agricultural safeguard, government procurement, dispute settlement in antidumping and countervailing duties, trade remedy duty evasion, temporary entry, express shipments, and the transition from NAFTA to USMCA.
- The process for implementing USMCA has been slowed by the government shutdown and due to the U.S. International Trade Commission delaying the completion of its analysis on the economic effects of USMCA.

**Second Round of U.S.-China Talks Concludes**

- U.S. and Chinese officials wrapped up high-level trade talks on January 31, 2019.
- The talks covered a wide range of issues including: 1) tariff and non-tariff barriers faced by U.S. companies in China; 2) market barriers and tariffs that limit U.S. goods sales; 3) market-distorting forces, including subsidies and state-owned enterprises; 4) the role of currencies in the U.S.-China trading relationship; 5) cyber theft of U.S. commercial property; 6) stronger protection and enforcement of IP rights in China; and 7) technology transfer practices.

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### *Second Round of U.S.-China Talks Concludes*

- While progress was made in many of the major issues, in the areas considered key to a deal, such as forced technology transfer, IP, and subsidies, there has been little progress.
- U.S. Trade Representative (USTR) Robert Lighthizer will travel to China in mid-February for the third round of meetings with China in an effort to reach a trade deal before the U.S. raises tariffs on \$200 billion worth of Chinese goods on March 2, 2019.

### **Brazil Updates Phytosanitary Certificates**

- On February 1, Brazil [notified](#) the WTO of a [Normative Instruction](#) (in Portuguese) regarding phytosanitary certificates.
- The Normative Instruction establishes the procedures and criteria for the issuance of a Phytosanitary Certificate and a Phytosanitary Re-Export Certificate. Additionally, it approves the model forms for the [Phytosanitary Certificate](#), [Phytosanitary Certificate for Re-Export](#), [Additional Information to Phytosanitary Certificate or Phytosanitary Certificate for Re-Export](#), and [Note Attached to Phytosanitary Certificate or Phytosanitary Certificate for Re-Export](#).
- The Normative Instruction will come into force on February 25, 2019.

### **Australia Publishes Pest Risk Analysis for Mealybugs**

- On January 31, the Australian Department of Agriculture and Water Resources (DAWR) published the [Final group pest risk analysis for mealybugs and the viruses they transmit on fresh fruit, vegetable, cut-flower and foliage imports](#).
- The draft report was published by DAWR at in late September and open to comments from interested stakeholders (*BCI Monitor* 10-05-18).
- The purpose of this group pest risk analysis was to focus on and identify the mealybugs that are of biosecurity significance to Australia. Pest categorization was included for both mealybugs and viruses transmitted by mealybugs.

### **CPTPP Opens Door to New Members**

- The Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) members agreed to a process of approving new members on January 19, at the first ministerial-level talks since the trade deal came into effect.
- The CPTPP came into effect on December 30, 2018 for Australia, Canada, Japan, Mexico, New Zealand, and Singapore and on January 14, 2019 for Vietnam.
- In a [joint statement](#), the CPTPP partners reiterated the importance of “maintaining strong solidarity in vigorously promoting free trade and economic integration.”
- Countries such as Thailand, the United Kingdom, and Taiwan have expressed interest in joining the CPTPP, and according to media sources, negotiations with Thailand are expected to start as early as this spring.

### **European Union Publishes Report on Trade Negotiations with the U.S.**

- On January 30, the European Commission published an [Interim Report](#) on the talks between the United States and the European Union (EU).
- In the report, the EU maintains its position that agriculture will not be part of U.S.-EU trade negotiations. The EU report also emphasizes that any action by the U.S. regarding imposing Section 232 tariffs on EU exports of cars and car parts would “effectively block” progress on the talks and go against commitments made by the U.S. in July 2018 (*BCI Monitor* 7-31-18).
- Last month, the European Commission published two draft [negotiating mandates](#) and submitted both to the European Council for approval. If approved by the member states, the negotiating mandates would permit the Commission to enter into negotiations with the United States (*BCI Monitor* 1-22-19).
- However, the European Parliament’s International Trade Committee is considering tabling a motion that asks the European Council to reject the negotiating mandates for trade talks with the United States. There is concern from a range of European lawmakers over entering into talks with the U.S. while the Section 232 steel and aluminum tariffs are still in effect and over the U.S.’s intent to withdraw from the Paris Climate Accords.