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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****USDA to Host Farm Bill Implementation Listening Session**

- The U.S. Department of Agriculture (USDA) will host a listening session for initial input on the 2018 Farm Bill.
- USDA is seeking public input on the changes to existing programs implemented by the Farm Service Agency, Natural Resources Conservation Service, and Risk Management Agency. Each agency will take into account stakeholder input when making discretionary decisions on program implementation.
- The listening session will be held in Washington, D.C. on February 26, 2019 at 9:00 a.m. Participants must register by February 22, 2019 and are encouraged to provide written comments prior. For more information, please see Farmers.gov.

Agreement in Principle Reached to Avoid Shutdown

- Legislators on the House and Senate Appropriates Committees reached an agreement in principle on a deal to prevent a looming government shutdown. The three-week stopgap funding bill passed in January funded the government only through February 15, 2019.
- The agreement in principle includes \$1.375 billion for 55 miles of physical barriers along the U.S.-Mexico border, a far lower funding level than the \$5.7 billion President Trump sought for a border wall.
- According to media sources, formal legislation is expected to be drafted by Wednesday, February 13. President Trump has told reporters that he is not entirely satisfied with the deal and it remains unclear whether he will sign the congressional proposal.

Third Round of U.S.-China Talks Scheduled

- U.S. Trade Representative (USTR) Robert Lighthizer and Treasury Steven Mnuchin will travel to China next week 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.
- Principal-level meetings will take place on February 14-15, 2019. These meetings are preceded by deputy-level negotiations that began on February 11, 2019, led by the Deputy U.S. Trade Representative.
- U.S. and Chinese officials wrapped up the second round of high-level trade talks on January 31, 2019. In the areas considered key to a deal, such as forced technology transfer, intellectual property (IP), and subsidies, there has been little progress.



Chile Amends Phytosanitary Regulations

- On February 8, Chile [notified](#) the World Trade Organization (WTO) of an [amendment](#) (in Spanish) to its phytosanitary regulations for the transit of plant products.
- Chile has determined that it is possible to facilitate trade with respect to consignments in transit that are shipped using hermetically-sealed forms of transport as they present a minimal phytosanitary risk and can be moved without the need for additional phytosanitary safeguard measures.
- In light of this, fresh fruits and vegetables that are hosts of Mediterranean fruit fly (Medfly) can be shipped to Chile in closed and sealed containers that cannot be opened during transit, or during loading and unloading.
- A phytosanitary certificate (PC) is required to ship fruits and vegetables to Chile. On the PC, the treatment for Medfly as well as the stamp or seal number for the shipment must be included.
- The proposed date of entry into force is February 11, 2019.

Light Brown Apple Moth Boundary Changes

- The Light Brown Apple Moth LBAM (*Epiphyas postvittana*) quarantine boundaries have changed.
- Effective February 1, the regulated area boundary in Orange County has been expanded and can be found in grid [470](#).
- For more information on LBAM, as well as the Southern California, Northern California, and full state quarantine maps, please see the California Department of Food and Agriculture [website](#).

WTO Authorizes Korean Retaliation Against U.S. in Antidumping Duty Case

- A World Trade Organization (WTO) arbitration panel has authorized South Korea to suspend concessions against the U.S. in its [dispute](#) regarding U.S. anti-dumping (AD) and countervailing duty (CVD) measures being improperly calculated and applied on large residential washers from Korea.
- The U.S. Department of Commerce's methodology for calculating antidumping duties – “zeroing” – was found to be WTO-inconsistent by a dispute settlement body (DSB) in September 2016. Zeroing is Commerce's practice of disregarding negative dumping margins when calculating dumping margins, which tends to increase duties.
- Korea requested DSB authorization to suspend concessions on the U.S. in the amount of \$711 million in January 2018. The U.S. subsequently objected to the level of suspension of concession and the matter was sent to arbitration. The [decision](#) of the Arbitrator was circulated to WTO Members of February 8, 2019 and the Arbitrator determined that the level of impairment caused by the inconsistent application of AD and CVD measures by the U.S. was \$74 million and \$10 million, respectively.
- The arbitration panel's decision is the first to authorize the suspension of concessions for trade losses caused by WTO-inconsistent AD duties.
- Please note, this case is separate from the Korea-U.S. [dispute](#) over safeguard measures on imports of large residential washers.

Update on Brexit

- This week, British Members of Parliament (MPs) were slated to debate and put forth alternative plans to the Prime Minister's withdrawal deal, including how to avoid a no-deal Brexit scenario.
- However, Prime Minister May has delayed any discussions until February 27, 2019. May is expected to ask Parliament to restate its demand that she renegotiate with the EU, and to have debate and votes if a deal has not been secured by that date. If a deal has been reached with the EU, MPs will have a second vote on the withdrawal deal, more than a month after the initial deal was rejected.
- May met separately with European Commission President Jean-Claude Juncker and President of the European Council Donald Tusk on February 7 in an effort to reach a new agreement to the Irish backstop. May also met with the President of Ireland to discuss the same topic. The European leaders continue to refuse to make any modifications to the withdrawal agreement or the backstop.