

MARCH 12, 2019

INSIDE THIS ISSUE

- **Brexit Withdrawal Deal Defeated in Parliament**
- **Australia Expects Slowed Export Growth in Chinese Market for Fresh Fruit**
- **Canada Announces Funding to Support Cherry Industry**
- **U.S. and EU Trade Officials Meet to Discuss Trade**
- **Brazilian Health Agency Concludes Glyphosate is Not a Carcinogen**
- **USDA AMS Publishes Final Rule Regarding Administrative Changes**
- **Specialty Crop Block Grant Application Deadline Announced**
- **USDA Funding to California to Support Projects that Protect Agriculture**

A REPORT FOR THE CALIFORNIA CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:

Brexit Withdrawal Deal Defeated in Parliament

- On March 12, the United Kingdom (UK) Parliament voted on Prime Minister Theresa May's Brexit withdrawal deal for the second time.
- The bill was once again widely defeated – 391 votes against to 242 in favor. After the first vote on the deal, May returned to the negotiating table in an attempt to make the Irish backstop more palatable to UK legislators. While the EU provided some meaningful clarifications and legal agreements to the withdrawal agreement and the backstop, in essence, most of the deal was left unchanged.
- On March 13, the UK Parliament will vote on whether to rule out leaving the EU on March 29 without a deal. Subsequently, Parliament will vote on whether to postpone the leave date.
- An extension of the leave date appears to be a very likely outcome; however, the length of the extension and its purpose remain unclear.

Australia Expects Slowed Export Growth in Chinese Market for Fresh Fruit

- The March 2019 Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) [report](#) warns that Australia is expected to face greater competition from Chile in the Chinese market for cherries over the medium term.
- Chile's large-scale production enables it to supply the Chinese market with greater volumes of cherries and Chilean fruit exports to China are growing strongly year-on-year. Additionally, Chilean companies have continued to invest in cold storage and quality inspection facilities in China and have signed agreements with retailers to expand distribution networks. Furthermore, China and Chile updated their free trade agreement in 2017 which has reduced investment barriers and strengthened commercial cooperation. The [protocol](#) for the upgraded agreement came into force March 1, 2019.
- According to the report, these developments are expected to support Chile's competitiveness and slow Australia's export growth.

Canada Announces Funding to Support Cherry Industry

- The Government of Canada announced \$4.2 million in funding to support Canadian sweet cherries and apples under the Canadian Agricultural Partnership and the AgriScience Program to the British Columbia Fruit Growers' Association.

(Continues on Next Page)

Canada Announces Funding to Support Cherry Industry

- The funding will support the Canadian sweet cherry industry in developing innovative and commercially successful sweet cherry cultivars that enhance the profitability of Canada's tree fruit sector.
- More information is available at the following [press release](#).

U.S. and EU Trade Officials Meet to Discuss Trade

- European Trade Commissioner Cecilia Malmström met with U.S. Trade Representative Robert Lighthizer on March 6 to discuss the potential U.S.-EU trade agreement.
- Malmström was optimistic that negotiations could begin soon as the EU is close to completing its domestic procedures. The European Parliament is expected to vote on its non-binding recommendations for a U.S.-EU trade agreement this week and EU member states are expected to decide on the two published negotiating mandates shortly thereafter. EU member states have to approve the negotiating mandates for negotiations to formally begin.
- However, the U.S. and the EU are still not in agreement over the scope of the negotiations. The EU negotiating mandates only for a trade agreement on industrial subsidies, including for autos and fisheries, while the U.S. negotiating mandates have a wider scope and include agriculture. Additionally, the Section 232 steel and aluminum tariffs as well as the prospective Section 232 restrictions on auto parts and autos could hinder the talks.

Brazilian Health Agency Concludes Glyphosate is Not a Carcinogen

- The Brazilian Health Regulatory Agency (Anvisa) reassessed the risk of glyphosate and concluded that it is not a carcinogenic substance or an endocrine disruptor.
- A few weeks prior, a risk analysis team within Anvisa determined that the herbicide is non-carcinogenic but recommended a number of provisions for its safe use. Anvisa is warning that workers utilizing glyphosate will need to use special equipment to avoid contact with the chemical and special precautions will have to be taken to avoid drift via air, land, and water.
- Anvisa has opened a 90-day public consultation regarding a regulation on glyphosate that proposes to ban certain formulations, requirements for personal protection equipment and other worker protections, as well as adoption of technical approaches to reduce drift. More information is available at the following [press release](#).

USDA AMS Publishes Final Rule Regarding Administrative Changes

- On March 11, the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) published a final rule regarding modifications to regulations and standards issued pursuant to the Agricultural Marketing Act of 1946.
- References to Power of Attorney have been removed in order to reduce the burden of record retention, and the language has been modified to ensure consistency between the regulations and standards for fresh and processed fruit.
- More information is available at the following *Federal Register* [rule](#).

Specialty Crop Block Grant Application Deadline Announced

- On March 7, the U.S. Department of Agriculture (USDA) announced \$72.4 million in funding for the Specialty Crop Block Grant Program (SCBG).
- The SCBG program aims to expand the U.S. specialty crop food sector while exploring new market opportunities for food and agricultural products.
- Applications are due by May 24, 2019. More information is available at the following [press release](#).

USDA Funding to California to Support Projects that Protect Agriculture

- On March 7, the U.S. Department of Agriculture (USDA) announced that \$16 million has been allocated to California to strengthen infrastructure for pest detection, surveillance, identification, and threat mitigation.
- Allocations include \$5 million to survey for harmful exotic fruit fly populations and over \$2 million to support the National Clean Plant Network foundation for plant stocks for various commodities, including grapes.
- More information regarding the funding is available at the following [press release](#).