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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****European Council Approves Signature of Organic Trade Agreement with Chile**

- The European Council recently approved the signing of an organic trade agreement between the European Union (EU) and Chile, according to a European Council [press release](#). The two sides originally concluded negotiations for the agreement in April 2016 (*BCI Monitor* 4-19-16).
- The deal will allow EU and Chilean organic products to be recognized and sold as organic in each other's markets. It will apply to EU organic products including unprocessed plant products, unprocessed animal products, and processed agricultural products for use as food, as well as Chilean unprocessed plant products and processed agricultural products for use as food.
- The agreement also includes a framework to facilitate increased regulatory cooperation and information exchange regarding organic trade. For the EU, this is its first bilateral recognition organic agreement with a Latin American country.
- The European Council will now forward its decision to sign the agreement to the European Parliament for its consent. Once approved by Members of European Parliament (MEPs), the agreement will return to the European Council for formal adoption. It will subsequently enter into force three months after each side notifies the other of the completion of its internal procedures to implement the agreement.

Canada Launches Domestic Consultation Regarding Free Trade Agreement with China

- Canada recently [initiated](#) a domestic consultation period to receive stakeholder feedback regarding a potential free trade agreement (FTA) with China.
- The domestic consultation period is occurring as representatives from the two countries continue exploratory discussions regarding the potential bilateral FTA. Officials reportedly met in late February 2017 to begin these talks, after Prime Minister Justin Trudeau and Chinese Premier Li Keqiang agreed to do so during a meeting in September 2016 (*BCI Monitor* 9-20-16). Canada's domestic consultation period will close on June 2, 2017.
- In 2016, bilateral merchandise trade between Canada and China surpassed \$85 billion. When Chinese Premier Li Keqiang visited Prime Minister Trudeau in September 2016 to explore bilateral trade and investment opportunities, the two sides set a goal of doubling trade between Canada and China by 2025. Additional information about Canada-China relations is available [here](#).

Korea, Mercosur to Launch Free Trade Agreement Talks

- On March 3, the Korean Ministry of Trade, Industry, and Energy (MOTIE) [announced](#) that Korea and the South American trade bloc Mercosur plan to launch negotiations for a free trade agreement (FTA) in the first half of 2017. Mercosur member states include Argentina, Brazil, Paraguay, Uruguay, and Venezuela, though Venezuela is not participating in the FTA negotiations.
- The announcement follows the successful conclusion of an exploratory dialogue regarding the potential Korea-Mercosur FTA, which was initiated in November 2016 to clarify the direction and specific elements of the trade agreement. The two sides plan to hold the first round of negotiations in June.
- In recent years, Korea has increased efforts to expand its trading relationship with countries throughout Latin America. In December 2016 Korea concluded FTA negotiations with a group of six Central American countries—Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama (*BCI Monitor* 11-29-16).
- Through an FTA with Mercosur, the Korean Government is aiming to boost trade and economic cooperation with the bloc whose member countries account for 76 percent of the gross domestic product (GDP) of South America. Two-way trade between Korea and Mercosur reached \$20.8 billion in 2011 but has since declined, amounting to \$10.3 billion in 2016.

Australia and Indonesia Pledge to Conclude Free Trade Agreement Negotiations in 2017

- At a summit meeting held in late February, Australian Prime Minister Malcolm Turnbull and Indonesian President Joko Widodo pledged to complete negotiations for the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) by the end of 2017. The announcement was welcomed by the Australian and Indonesian trade ministers in a [joint statement](#).
- The pledge by the two leaders follows the conclusion of the sixth round of IA-CEPA negotiations, held February 20-24 in Australia. This was the fourth round of talks to occur since the two countries agreed to reactivate FTA negotiations in March 2016. The seventh round of talks is scheduled for May in Indonesia.
- At the summit meeting, Indonesia's leader pledged the country would lower its tariff on imports of Australian sugar in exchange for Australia removing tariffs on imports of Indonesian pesticides and herbicides. President Widodo also stressed the need for Australia to remove barriers on other key Indonesian exports such as paper and palm oil.
- Indonesia and Australia already have a significant trade and investment relationship, but the longer term merits of the countries becoming more closely integrated are perceived as great. Bilateral trade between the two countries is relatively underdeveloped given the size of the two economies and their geographical proximity. Two-way trade amounted to less than \$9 billion in 2015, a nearly 20 percent decline compared to 2014.

U.S. Government to Hold Public Meetings Ahead of Codex Committee Sessions on Pesticide Residues and Food Import and Export Inspection and Certification Systems

- The U.S. Department of Agriculture's (USDA) Food Safety and Inspection Service (FSIS) recently published two notices in the *Federal Register* informing stakeholders of two public meetings regarding upcoming Codex Committee sessions.
- According to one [notice](#), a public meeting will be held on April 4, 2017 to provide information and receive comments relating to agenda items and draft U.S. positions to be discussed at the upcoming session of the Codex Committee on Pesticide Residues (CCPR). Issues to be discussed at the public meeting and subsequent CCPR session include draft and proposed draft maximum residue limits (MRLs) for pesticides in food. The 49th CCPR [session](#) will take place in Beijing, China from April 24-29, 2017.
- The second [notice](#) similarly informs stakeholders of a public meeting scheduled for April 6, 2017 to provide information and receive comments relating to the agenda items and draft U.S. positions to be discussed at the upcoming session of the Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS). Issues to be discussed at the public meeting and subsequent CCFICS session include the transition to paperless certification through the use of electronic certificates. The 23rd CCFICS [session](#) will take place in Australia from May 1-5, 2017.