

March 22, 2016

INSIDE THIS ISSUE

- Korea to Require Foreign Export Facilities to Register with Ministry of Food and Drug Safety
- U.S. Trade Representative Evaluates Growth in U.S.-Korea Bilateral Trade
- U.S. and Cuba Agree to Boost Agricultural Cooperation
- Canadian Market Key for U.S. Agricultural Exports in 2015
- USDA Examines Brazil's Agricultural Sector

GENERAL ISSUES OF INTEREST TO THE CCB:

Korea to Require Foreign Export Facilities to Register with Ministry of Food and Drug Safety

- Korea's Ministry of Food and Drug Safety (MFDS) has enacted a new regulation, the Special Act on Safety Management of Imported Food, which requires the mandatory pre-registration of all foreign food facilities that are involved in shipping products to Korea.
- Manufacturers or producers of food products and packers of agricultural products must be registered with MFDS at least 7 working days prior to submitting an import declaration. "Food products" include processed food products as well as fresh agricultural products, fishery products, food additives, and food packages/containers/equipment.
- The link to MFDS's online registration system for foreign food facilities is: <https://impfood.mfds.go.kr/>.
- There is a similar but separate registration system for livestock facilities shipping to Korea. Livestock products will also require an import sanitary evaluation to be eligible to export to Korea.
- The Act also provides a legal basis for MFDS to conduct on-site inspections; on the registration application, MFDS requires that foreign facilities agree to an on-site inspection by MFDS. This does not mean that MFDS will inspect all foreign facilities that agreed to the inspection; it simply provides the legal basis for MFDS to conduct on-site inspection if there is a "compelling reason" to do so. Under the Act, MFDS may suspend import from registered foreign facilities if they refuse on-site inspection.
- The registration requirement will be enforced as of **August 4, 2016**. Foreign facilities may continue to export to Korea until that date without registration. After that date, MFDS will not process import inspection of imported products from unregistered facilities. FAS is suggesting that all U.S. facilities shipping to Korea complete the online registration process no later than July 19, 2016 to ensure that compliance with this new requirement before the August 4, 2016 date of enforcement.
- For further details, please see the USDA Foreign Agricultural Service's (FAS) related [GAIN report](#) on this issue.

U.S. Trade Representative Evaluates Growth in U.S.-Korea Bilateral Trade

- Following the four year anniversary of the entry into force of the U.S.-Korea Free Trade Agreement (KORUS), the Office of the U.S. Trade Representative (USTR) published a [factsheet](#) detailing bilateral trade growth between the two countries for various sectors.
- The factsheet documents significant trade growth for services and manufactured goods—especially for U.S. vehicle exports to Korea—and highlights the improved transparency of Korea's regulatory system and strengthened intellectual property protection as a result of KORUS. The factsheet also notes that over forty meetings of committees and working groups have been convened and the ministerial-level joint committee has met three times to improve collaboration between the two governments and facilitate trade.

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**A Report for
the California
Cherry Board**

Bryant Christie Inc. – Seattle
500 Union Street, Suite 701
Seattle, WA 98101
Phone: (206) 292-6340 Fax: (206) 292-6341

Bryant Christie Inc. – Sacramento
2005 "I" Street, Suite 200
Sacramento, CA 95811
Phone: (916) 492-7062 Fax: (916) 492-7061

U.S. Trade Representative Evaluates Growth in U.S.-Korea Bilateral Trade

- Various agricultural items are cited as examples of the considerable export growth of U.S. goods. Specifically, the value of U.S. cherry exports to Korea rose from \$40 million in 2011 to \$109 million in 2015. Although Korea is currently the fifth-largest market for U.S. agricultural exports, bilateral trade growth regressed in 2015 due, in part, to the economic downturn in China, one of Korea's key trading partners. Overall trade between the U.S. and Korea has expanded from \$126.5 billion in 2011 to nearly \$150 billion in 2015.

U.S. and Cuba Agree to Boost Agricultural Cooperation

- On March 21, during a visit to Cuba led by U.S. President Barack Obama, U.S. Department of Agriculture (USDA) Secretary Tom Vilsack [announced](#) several measures to facilitate increased cooperation between the agricultural sectors of the U.S. and Cuba.
- Secretary Vilsack and Cuban Minister of Agriculture Gustavo Rodriguez Rollero signed a memorandum of understanding (MOU) designed to establish a framework for U.S. and Cuban officials to collaborate on issues related to agriculture and the environment. The MOU is expected to boost cooperation between the two countries regarding the advancement of agricultural technologies and productivity.
- Secretary Vilsack also announced that USDA will allow industry-funded research and promotion programs as well as marketing order organizations to conduct research and information exchange activities with Cuba. These programs and organizations promote U.S. agricultural products and help strengthen the agricultural trade relationship between the U.S. and foreign countries.
- U.S. agricultural exports to Cuba remain limited due to U.S. restrictions on trade with the country. Although President Obama has expressed support for the removal of these barriers, the restrictions—which limit the use of government export assistance and credit—must be eliminated by U.S. Congress first. Despite these constraints, the U.S. is currently the fourth largest agricultural supplier to Cuba with a ten percent share of the country's agricultural import market.

Canadian Market Key for U.S. Agricultural Exports in 2015

- In 2015, Canada overtook China to become the United States' top export destination for agricultural products. U.S. agricultural exports to Canada reached nearly \$21 billion in 2015, while exports to China—the leading destination for the past three years—totaled \$20.2 billion.
- Although the size of the Canadian and Chinese markets for U.S. agricultural exports is similar, the composition of the two markets differs significantly. In Canada, high-value, consumer-oriented products account for more than 80% of U.S. exports. In China, bulk goods represent 70% of U.S. exports, while consumer-oriented goods account for less than 10%.
- Fresh and processed fruits and vegetables represent a quarter of Canada's consumer-oriented agricultural imports from the U.S. Specifically, fresh fruit exports reached a value of \$1.6 billion.
- Overall, consumer-oriented products account for approximately 47% of total U.S. agricultural exports globally, the value of which reached \$133 billion in 2015.
- Additional information is available in the following U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#).

USDA Examines Brazil's Agricultural Sector

- Agriculture continues to be a key sector and source of exports for Brazil, according to a recent [factsheet](#) published by the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS).
- In 2014, Brazil's agribusiness sector accounted for 21% of the country's gross domestic product (GDP) and 43% of the country's overall exports. The country has made significant investments in agricultural research and technology and is a leading producer of many agricultural goods, including sugar, coffee, beef, and poultry.
- Regarding bilateral trade with the U.S., agricultural goods are a significant component of Brazil's exports. In 2014, over 15% of the country's total exports to the U.S. were agricultural goods.
- Overall, bilateral agricultural trade between the U.S. and Brazil has risen from \$5 billion in 2012 to \$6.5 billion in 2014. According to the results of a recent [study](#) conducted by the U.S. Chamber of Commerce's Brazil-U.S. Business Council, a comprehensive free trade agreement (FTA) between the U.S. and Brazil would boost total U.S. exports to the country by nearly 80% and increase imports from Brazil by 21%.