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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

Update on U.S.-China Talks

- USTR Robert Lighthizer and Treasury Secretary Steven Mnuchin are in Beijing, China this week to continue trade talks; Chinese Vice Premier Liu He will lead a delegation to Washington DC starting on April 3, 2019.
- The discussions come after an anticipated meeting between President Trump and President Xi Jinping was postponed indefinitely.
- Talks are still focused heavily on China's forced technology transfer practices and specifying enforceability measures for any agreement made. In a recent interview, Lighthizer noted that China is still interested in a trade agreement with the U.S. and "if there's a deal to be gotten, we'll get it."
- Last week, President Trump also commented on the progress of the talks, telling reporters that the U.S. intends to continue applying tariffs on Chinese imports "for a substantial period of time" until the U.S. can be sure that China is complying with the trade deal.

Brexit Deadline Extended

- On March 19, UK Prime Minister Theresa May asked the European Union (EU) for a Brexit delay from March 29, 2019 to June 30, 2019. The EU agreed to an extension but responded by laying out its own timeline.
- If the UK approves the current Brexit withdrawal agreement during the last week of March, the leave date will be pushed back to May 22, 2019. If the UK is unable to pass the withdrawal agreement, the leave date will be extended only until April 12, 2019.
- On Monday, PM May admitted that her withdrawal deal does not have enough support to put it to another vote, and members of parliament (MPs) quickly responded by voting to take control of the Brexit process.
- On March 27, MPs will vote on alternatives to PM May's withdrawal deal – a process likely to continue into the following week. Groups of MPs are putting forward a variety of different ideas for Brexit including a new customs union, a basic free trade agreement, a second referendum, and remaining within the single market by joining the European Free Trade Association (EFTA).
- In response to Brexit's uncertainty, the EU completed its preparations for a possible no-deal scenario on April 12, calling it "increasing likely." More information is available in the following European Commission [press release](#).

India Regulation on Advertisements and Health Claims Coming into Effect

- The finalized Indian "[Food Safety and Standards \(Advertisements and Claims\) Regulation, 2018](#)" (English begins page 18) will come into force July 1, 2019.
- The regulation focuses on claims and advertisements used by food business operators and establishes the principles for health, nutrition, additive, and non-additive claims.
- Schedule V includes the conditions under which certain words or phrases such as natural, fresh, pure, etc. can be used.
- Violations will lead to a penalty of up to Rs 1,000,000.

European Union Publishes Draft Non-renewal of Approval of the Active Substance Dimethoate

- On March 20, the European Union [notified](#) the WTO of a [draft regulation](#) concerning the non-renewal of the approval for dimethoate.
- The European Food Safety Authority (EFSA) concluded the following in its assessment of dimethoate:
 - It was not possible to exclude exposure risk to consumers, operators, workers, bystanders and residents due to their exposure to residues of dimethoate (for which the genotoxic potential could not be excluded) and its main metabolite omethoate, which was concluded to be an in vivo mutagenic agent
 - A high risk was identified to mammals, non-target arthropods, and honeybees for the assessed representative uses
 - The current and revised technical specification is not supported by the (eco) toxicological assessment
- The applicant submitted comments on EFSA's conclusions; however, the Commission determined that the arguments presented do not sufficiently eliminate the concerns regarding dimethoate. Due to the identified risks, it is proposed that the approval of dimethoate not be renewed.
- Note that while this proposed non-renewal of approval does not affect MRLs for dimethoate, separate action may be taken to lower MRLs. Such action will be subject to WTO notification under the WTO SPS agreement.
- Comments on this draft are due by May 20, 2019.

Light Brown Apple Moth Boundary Changes

- The Light Brown Apple Moth LBAM (*Epiphyas postvittana*) quarantine boundaries have changed.
- Effective March 22, the regulated area boundary in Ventura County has been expanded and can be found in grids [421](#) and [437](#).
- 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](#).

Australia and Hong Kong Sign Free Trade Agreement

- On March 26, Australia and Hong Kong signed the Australia-Hong Kong Free Trade Agreement (FTA) and the associated Investment Agreement.
- The accord covers a wide range of areas such as goods, trade in services, investment, intellectual property, government procurement and competition. Note, Hong Kong is a free port and there are currently no tariffs on goods imported to Hong Kong; however, the FTA guarantees Australia will not face tariffs in the future.
- More information regarding the new agreement is available [here](#).

Britain's Largest Retailer Working to Reduce Plastic Packaging

- Tesco, Britain's biggest retailer, has launched a trial to remove a selection of plastic-wrapped fruit and vegetables to cut down on packaging.
- According to [The Guardian](#), the current month-long trial focuses on only a few stores and items such as apples, onions, peppers, and avocados.
- However, the retailer is working towards banning hard-to-recycle packaging in its stores by 2019 and making all packaging fully recyclable by 2025.

Court of International Trade Rules that Section 232 is Constitutional

- On March 25, the Court of International Trade (CIT) [ruled](#) that that the Trump Administration's imposition of tariffs on steel and aluminum imports based on national security was constitutional. The three-judge panel said that President Trump acted within the congressional intent of Section 232 of the Trade Expansion Act of 1962.
- The victory for the Trump Administration comes amidst continued attempts from U.S. congressional leaders to curb the president's authority to use Section 232 to impose tariffs.