

**MARCH 28, 2017**

## INSIDE THIS ISSUE

- Update on European Union Proposed Criteria on Identifying Endocrine Disruptors
- Australia Opens Public Consultation Period for Draft Imported Food Control Amendments
- Members of European Parliament Approve Stricter Food Safety Rules
- White House Prepares for NAFTA Renegotiation

**A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD**

## GENERAL ISSUES OF INTEREST TO THE CCB:

### Update on European Union Proposed Criteria on Identifying Endocrine Disruptors

- On February 28, 2017 the European Commission's (EC) Standing Committee on Plants, Animals, Food and Feed (SCoPAFF) again failed to reach a qualified majority on the [proposal](#) on endocrine disruptor (ED) criteria. The proposal was originally published on June 15, 2016 and its aim was to define the criteria for identifying endocrine disrupting substances in plant protection and biocidal products within the European Union (*BCI Monitor* 6-21-17). The proposal also allowed for a derogation (exemption) for use of identified EDs where human risk of exposure is within acceptable limits.
- In early December, the EC split the proposal into two separate parts: a proposal for setting ED criteria, and a proposal to amend the derogation. Splitting the proposal in two leaves a chance that the criteria could be approved, but the derogation proposal may be refused. According to a recent USDA FAS GAIN [report](#), the adoption of ED criteria but rejection of the derogation proposal would make it quite difficult to establish Maximum Residue Levels (MRLs), or import tolerances, and would likely lead to trade disruptions.
- European Union Member States have been divided on the proposal with some in favor of the criteria and the derogation, while others, particularly France, Sweden, and Denmark, have been strongly opposed because they believe that the burden of evidence is too high to prove that a substance is an endocrine disruptor.
- At this time, the European Commission has given no indication on how, or when, it will move forward with the proposal.

### Australia Opens Public Consultation Period for Draft Imported Food Control Amendments

- The Australian Government Department of Agriculture and Water Resources [notified](#) the World Trade Organization (WTO) about a 45 day public consultation for the draft [Imported Food Control Amendment Bill 20XX](#) (the bill) and [Imported Food Control Amendment Regulations 20XX](#) (the regulations). Australia previously notified the WTO in August 2016 about a public consultation period for amending its food safety legislation (*BCI Monitor* 8-30-16). Following the consultation period, the bill and the regulations were drafted and introduced to the Australian Parliament. The consultation period for these draft amendments will close on May 4, 2017.
- The draft amendments include provisions to streamline border clearance, and reduce importation costs, by having foods imported from countries that have been assessed as having equivalent food safety regulations to Australia be exempt from at-border food inspections.

*(Continues on next page)*

### *Australia Opens Public Consultation Period for Draft Imported Food Control Amendments*

- Food and imported food businesses will now be more accurately defined and have differentiated enforcement provisions, which will be brought in line with domestic food safety legislation. Graduated enforcement tools such as infringement notices, strict liability offences, and civil penalties will be utilized. Furthermore, record keeping will be updated to have importers keep records one step forward, and one step backwards, to improve traceability of imported foods.
- Other provisions include mandating documentation from importers, to show that they have internationally recognized food safety controls in place throughout their supply chain, as well as broadening Australia's emergency provisions to allow food to be held at the border if there is uncertainty about its safety. Additional provisions for monitoring and managing new, as well as emerging, food safety risks are also part of the draft amendments.
- The proposed date of entry has not yet been set, but the legislative and regulatory amendments are expected to become effective during 2018. Interested stakeholders should email [foodimp@agriculture.gov.au](mailto:foodimp@agriculture.gov.au) to provide comments.

### **Members of European Parliament Approve Stricter Food Safety Rules**

- On March 15, the European Parliament and the Member States adopted the [Official Controls Regulation](#) (ORC). The new legislation will provide more integrative and effective controls on food and feed safety rules, veterinary and plant health requirements, pesticides, and organic farming. The new rules extend the scope of the previous regulations to cover plant health and animal by-product rules.
- The single framework is expected to be beneficial to business due to the decreased administrative burdens, strengthened controls, and the more efficient processes. Overall, there will be more transparency on how food safety, as well as plant and animal health safety, controls are carried out.
- The new ORC lays out comprehensive risk-based control rules along the agri-food chain. Some major changes include unannounced, risk-based controls in all sectors, better enforcement against fraudulent or deceptive food practices, common rules for border controls performed for animals and products imported from third countries, and enhanced cooperation among European Union (EU) nations. In addition, a more integrated IT system will modernize Member States' approach to tracking trade practices. The new ORC also allows the European Commission to adjust control requirements to the specific enforcement needs of individual sectors.
- The ORC will be gradually phased in over six years, with the responsibility of enforcement falling to EU Member States. Officially, the rules will enter into force 20 days after publication, but the majority of the OCR will enter into application on December 14, 2019.

### **White House Prepares for NAFTA Renegotiation**

- Last week, the Trump administration prepared its notification to Congress stating it intends to renegotiate the North American Free Trade Agreement (NAFTA), a formality required before a congressionally mandated 90-day consultation period can begin.
- The drafting of the notification signals that the White House is moving closer to fulfilling its pledge to renegotiate NAFTA with Canada and Mexico. The U.S. believes NAFTA could be renegotiated as two separate bilateral agreements, or as another three-way agreement, although Mexico still hopes for trilateral discussions according to Commerce Secretary Wilbur Ross and Mexican Economy Minister Ildefonso Guajardo Villarreal.
- Ross, this week, told the House Ways & Means Committee that the Trump administration will follow the Trade Promotion Authority (TPA) law when renegotiating NAFTA, and intends to submit a final agreement to Congress for a vote. However, key members of the Senate Finance Committee have said neither the notification nor the consultation period will likely be executed without a confirmed U.S. Trade Representative (USTR) in office. Since the USTR would serve as the lead negotiator, the Committee believes it would be too difficult to move forward with talks while President Trump's nominee, Robert Lighthizer, remains unconfirmed.
- With President Trump citing the trade deficit with Mexico as a big reason to renegotiate NAFTA, talks are expected to focus on decreasing that deficit, and increasing total trade. Removing procurement provisions from NAFTA and the President's "Buy America" strategy will be important issues in shaping negotiations. It is predicted that talks for all three countries could begin as soon as middle to late June, especially since Mexico has already begun a 90-day domestic consultation period. However, a concrete start date has yet to be determined.