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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

Chilean Cherry Output to Double Over Five Years

- At the Global Cherry Summit in Santiago, Chilean analysts highlighted an expected doubling of Chilean cherry output over the next four to five years resulting from the planting of new orchards.
- The increase in production comes as worldwide exports of Chilean cherries rose 94 percent in the 2017-18 season. The Asian market received the majority of those exports with China and South Korea nearly doubling their imports.
- At the summit, importers signaled their belief that China has the capacity to absorb the increased cherry output, addressing worries of overproduction.

USDA Publishes Translation of Morocco's Contaminant Requirements for Food

- The USDA has made available a translation of Morocco's maximum limits of contaminants in food, which was established in 2016. Notable products impacted by the limits include:
 - Limits for lead in fruit
 - Limits for cadmium in fruit and vegetables
- Morocco has yet to notify the WTO of this measure. Some of the limits are set to take effect in 2020.

EU Member States Endorse Ban on Outdoor Use of Three Neonicotinoids

- On April 27, EU member states [endorsed](#) the EU Commission's draft regulations concerning the conditions of approval for neonicotinoids **clothianidin**, **imidacloprid**, and **thiamethoxam**, completely banning outdoor uses.
- The Commission is expected to adopt the following draft regulations in the coming weeks:
 - [Clothianidin \(Annex\)](#)
 - [Imidacloprid \(Annex\)](#)
 - [Thiamethoxam \(Annex\)](#)
- These regulations further restrict the use of plant protection products and treated seeds containing the three neonicotinoids to protect bees, extending the [measures adopted](#) by the Commission in 2013.
- Earlier versions of the draft regulations were notified to the WTO in August 2017 (*BCI Monitor* 8-4-17). These drafts were then updated following EFSA's conclusions on [clothianidin](#), [imidacloprid](#), and [thiamethoxam](#), which determined that most uses represent a risk to wild bees and honey bees (*BCI Monitor* 3-2-18).
- Additional background on neonicotinoids in the EU can be viewed on the [Commission's website](#). The anticipated conditions of approval and specific provisions can be viewed in the linked draft regulations and annexes.

GENERAL ISSUES OF INTEREST TO THE CCB:

Mexico Ratifies Comprehensive and Progressive Agreement for Trans-Pacific Partnership

- On April 24, 2018, Mexico became the first country to ratify the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- Mexican officials believe that the ratification of the CPTPP, as well as the recently concluded trade agreement with the European Union, strengthens the country's negotiating position entering the home stretch of the renegotiation of the North American Free Trade Agreement (NAFTA)

Section 232 Exemptions Extended for U.S. Allies

- On April 30, 2018 the Trump administration extended the Section 232 tariff exclusions for Canada, Mexico, and the European Union for one more month. The original exclusions were announced on March 22 and were set to expire on May 1 (BCI Monitor, 23 March 2018).
- The other countries originally excluded from the tariffs, Australia, Argentina, Brazil, and South Korea, have all reached agreements in principle or have an understanding with the Trump administration that could lead to permanent exemption. In a statement, the White House said that details on these agreements would "be finalized shortly," however threatened to re-impose tariffs if that did not turn out to be the case.
- Administration Officials have indicated that deals to exempt countries from the steel and aluminum tariffs could lead to increased rates for all other countries.

WTO Disputes Continue with China and India

- U.S. trade disputes regarding steel and solar panels continue to impact the larger environment for trade relations. In a series of meetings of the WTO Dispute Settlement Body (DSB) over the past week, both India and China sharply criticized various trade actions taken by the United States.
- China continued to dispute the legitimacy of the proposed Section 301 tariff actions, claiming that unilateral trade restrictions taken by the U.S. under Section 301 would violate WTO rules.
- Separately, the U.S. appealed a WTO compliance panel in a dispute brought by China over U.S. countervailing duties on solar panels and some pipe. The panel faulted the U.S. for failing to conform with previous adverse WTO rulings in the dispute.
- The U.S. will also face a compliance panel requested by India to evaluate whether U.S. countervailing duties on some Indian steel products comply with an earlier WTO ruling.
- The DSB will next meet on May 28, 2018.

The Office of the U.S. Trade Representative Releases 2018 Special 301 Report

- On April 27, the office of the U.S. Trade Representative released its annual Special 301 [report](#) on the state of intellectual property (IP) protection and enforcement by U.S. trading partners.
- The report elevates Canada and Colombia to the Priority Watch List, a list of the countries that present the most concerns about insufficient IP enforcement. This list includes 10 other countries, including China.
- The timing of the report could impact ongoing NAFTA negotiations between the U.S. and Canada, and could signal lack of U.S. support for Colombia's effort to join the Organization for Economic Cooperation and Development (OECD).

European Commission Addresses 'Dual Quality' Products

- On April 11, 2018 the European Commission published a proposal to amend the Unfair Commercial Practices Directive. The proposal comes as a response to Member States' desire to tackle dual quality foodstuff in the EU.
- The Commission defines dual quality foodstuff as "goods marketed in the Single Market under the same brand or trademarks but with differences in content, composition or quality in individual EU Member States."
- The European Parliament and the Council of the European Union will now examine the Commission's proposal. They can separately propose amendments but will need to reach consensus for the proposal to be adopted.
- The proposal is open to comment from all stakeholders until June 11, 2018.