

May 03, 2016

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SPECIFIC ISSUES OF INTEREST TO THE CCB:

New Zealand Cherry Exports Grew Substantially in 2015

- New Zealand's horticultural sector experienced record growth in 2015, according to the latest edition of [Fresh Facts](#), an annual report published by Plant and Food Research New Zealand.
- Cherries contributed significantly to sector growth. Cherry exports to Asian markets including China, Korea, and Taiwan rose approximately 87 percent from \$28 million in the 2013/14 season to over \$52 million in 2014/15. Domestic cherry sales reached record levels as well, with consumption reaching 1,775 metric tons (MT).
- Overall, horticultural exports rose 9.5 percent to \$4.3 billion and domestic sales amounted to \$3.24 billion. The total value of the sector surpassed \$7.5 billion for the first time, in line with the country's goal of making horticulture a \$10 billion industry by 2020.

U.S., Mexico Meet to Discuss World Trade Organization Tuna Labeling Dispute

- During a World Trade Organization (WTO) Dispute Settlement Body (DSB) meeting on April 22, Mexico rejected a request by the U.S. to establish a second compliance panel in the ongoing tuna labeling [dispute](#) between the two countries, according to media sources.
- The U.S. had [requested](#) the establishment of a second compliance panel on April 11 to determine if its latest [revisions](#) to U.S. dolphin-safe tuna labeling requirements were compliant according to WTO global trade rules. However, Mexico had already made a formal [request](#) in March to retaliate against the U.S. in the amount of \$472.3 million annually, thereby advancing the dispute to arbitration (*BCI Monitor* 4-19-16). Mexico referenced this sequence in its rejection of the U.S. request, citing procedural concerns and asserting that the establishment of a second compliance panel would only delay an already protracted dispute.
- Mexico and the U.S. will meet again on May 9 to discuss the issue at a special WTO DSB meeting. The U.S. is expected to explain why establishing a second compliance panel will best facilitate dispute resolution. Mexico is expected to argue that the U.S. position is procedurally incorrect and could have larger implications in that it might allow WTO members to avoid retaliatory measures by continually extending dispute settlement proceedings.
- If the arbiter decision is published before the U.S. rule changes are deemed compliant by the WTO, Mexico will be able to immediately impose retaliatory tariffs on a wide variety of U.S. exports, including cherries.



**A Report for
the California
Cherry Board**

GENERAL ISSUES OF INTEREST TO THE CCB:**Thirteenth Round of Transatlantic Trade and Investment Partnership Negotiations Concludes**

- Negotiators met in New York City last week for the thirteenth round of U.S.-EU Transatlantic Trade and Investment Partnership (TTIP) negotiations. The two sides made significant progress on the consolidation of texts for many chapters. Additional information on the consolidation of texts is available in the following “state of play” [report](#) published by the European Commission. Despite the progress on a variety of issues, agricultural market access for sensitive sectors was not discussed, according to a [statement](#) by EU Chief Negotiator Ignacio García Bercero following the round.
- A fourteenth round of negotiations is tentatively scheduled for July. Additionally, EU Trade Commissioner Cecilia Malmström and EU Agriculture Minister Phil Hogan will speak at a public hearing at the European Parliament on July 14 to address agricultural concerns in TTIP, according to media sources.

USDA Promotes Trans-Pacific Partnership in Vietnam; U.S. Farm Groups Urge Congress to Reject Agreement

- U.S. Department of Agriculture (USDA) Secretary Vilsack traveled to Vietnam on April 25 to discuss Trans-Pacific Partnership (TPP) implementation and highlight opportunities for U.S. agricultural exports in the prospective TPP member country. According to a USDA [press release](#), Vietnam is one of the fastest-growing markets for U.S. food and agricultural products, with U.S. exports to the country rising 357 percent since 2007 to reach a total value of \$2.3 billion in 2015.
- Despite Secretary Vilsack’s promotion of TPP-related U.S. agricultural export opportunities, many farm groups remain opposed to the deal. In a [letter](#) delivered to U.S. Congress on April 27, 161 farm, food, rural, and faith groups urged representatives to reject the agreement, claiming that the adverse effect of increased competition with imports will likely overshadow the export benefits.
- As U.S. officials continue their efforts to build support for TPP and address concerns, other prospective member countries are moving forward with their domestic ratification procedures. Mexico recently became the latest country to initiate formal consideration of the TPP text. On April 27, Secretary of Economy Ildefonso Guajardo Villarreal submitted the agreement to the Mexican Senate, according to a Ministry of Economy [press release](#). Secretary Villarreal has previously stated that Mexico will aim to ratify the agreement this year.

Philippines, European Free Trade Association Sign Free Trade Agreement

- Representatives from the Philippines and the European Free Trade Association (EFTA) signed a comprehensive [free trade agreement](#) (FTA) in Bern, Switzerland on April 28, 2016. EFTA member states include Iceland, Liechtenstein, Norway, and Switzerland.
- Bilateral trade in goods between EFTA and the Philippines—although relatively small—has grown steadily in the past decade, reaching approximately \$860 million in 2015. The Philippines aims to double trade with EFTA within two years following the agreement’s entry into force.
- This agreement—in conjunction with the launch of FTA negotiations between the Philippines and the European Union announced in December 2015—underscores the Philippines’ intention to increase trade with Europe. The EU and the Philippines are expected to hold the first round of negotiations in May, according to media sources. The EU is the fourth-largest trading partner of the Philippines, with bilateral trade in goods surpassing \$14 billion in 2014.