

MAY 15, 2018

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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

Cherry Shipment Rejected for Reported Quarantine Issue in China

- Last week, a shipment of U.S. cherries was rejected in China due to a reported pest find.
- The pest – Prunus necrotic ringspot virus (PNRSV) – was a highly questionable find. Although this pest can affect cherries in the United States, as a virus, it is not transferable on fresh packaged fruit. Additionally, PNRSV is widely cited as being present in China and should not be considered a quarantine pest.
- The Chinese government has announced that it will conduct inspections on 100% of imported fruit. Inspection for quarantine issues and pesticide residues are taking approximately 7-10 days. Cherries, apples, and citrus from the U.S. have all been held and rejected.
- The issue stems from the ongoing trade dispute between the two countries.
- May 11 marked the public comment deadline for additional proposed tariffs on as much as \$150 billion worth of Chinese goods. A three-day [public hearing](#) began on May 15 following the close of the comment period. If new tariffs are implemented, it will be the third set of tariffs imposed by the U.S. government on China and will likely incite further retaliation by the Chinese government.

GENERAL ISSUES OF INTEREST TO THE CCB:

May 17 Deadline for North American Free Trade Agreement Talks

- Speaker of the House Paul Ryan laid down a May 17 deadline for the North American Free Trade Agreement (NAFTA) negotiators to come to an agreement with a finalized text. According to Ryan, the agreement must be delivered by that date, so the current Congress can vote on it this year.
- Under the Trade Promotion Authority (TPA), the U.S. Trade Representative must notify Congress 90 days before signing NAFTA, and USTR must release the full text of the agreement 60 days before signing the deal. The U.S. International Trade Commission (ITC) then has 105 days after NAFTA is signed to analyze the economic impacts of the deal. The ITC could potentially complete its analysis ahead of schedule giving Congress more time to vote on the deal; however, if ITC takes the full 105 days, the first day Congress will be in session to vote on NAFTA would be November 27, 2018.
- The latest round of talks began on May 7 in Washington DC and is ongoing. The chief negotiators from Canada and Mexico left Washington DC on Friday, but officials from all three countries remained to work on outstanding issues such as auto rules of origin, dispute settlement, and the sunset clause proposal.

U.S. Department of Agriculture Seeking Nominations for Fruit and Vegetable Industry Advisory Committee

- The U.S. Department of Agriculture (USDA) [announced](#) that it will reestablish the charter for the Fruit and Vegetable Industry Advisory Committee (FVIAC).
- The FVIAC examines issues facing the fruit and vegetable industry and seeks to provide ideas on ways to improve programs to meet the needs of the produce industry.
- The past charter of the FVIAC expired in July 2017, and the USDA is calling for nominations to fill all 25 positions on the Committee.
- Written nominations must be received by May 24, 2018.

U.S. Issues Counter Notification Against India's Market Price Support

- The U.S. Trade Representative (USTR) filed at the World Trade Organization (WTO) a counter notification in the WTO Committee on Agriculture (COA) regarding India's market price support systems for wheat and rice.
- The [notification](#), made public on May 9, is the first ever COA notification under the WTO Agreement on Agriculture regarding another country's measures.
- According to the [Office of the U.S. Trade Representative](#) (USTR), India has substantially underreported its market price support for wheat and rice. Additionally, USTR claims that the minimum support prices and input subsidies are the main support mechanisms India uses to provide support for its farmers.
- The U.S. calculated that between 2010 and 2014, India's market price support for wheat ranged from 74 to 84 percent, while India reported to the WTO market price support ranging from 5.45 percent to 7.68 percent. The U.S. found similar discrepancies for rice.
- The United States expects a "robust discussion on how India implements and notifies its policies" at the next COA meeting – scheduled for June 2018.

Taiwan Publishes Standard for Contaminants and Toxins in Food

- On May 15, Taiwan [notified](#) the World Trade Organization (WTO) of the recently finalized [Sanitation Standard for Contaminants and Toxins in Food](#).
- The maximum levels (ML) of metals in food can be found in Appendix 1.
 - The ML for lead in vegetables and fruits, after removal of inedible stones, stems, caps, and seeds is .1 ppm.
 - The ML for cadmium in unspecified vegetables and fruits is .05 ppm.
- The maximum levels of mycotoxins in food can be found in Appendix 2. The maximum levels of other contaminants and toxins in food can be found in Appendix 3.
- The standards will be implemented January 1, 2019.

Korea Proposing Minor Amendment to Labeling Standards for Foods

- On May 14, Korea [notified](#) the World Trade Organization (WTO) of proposed amendments to "[Labelling Standards for Foods](#) (in Korean)."
- The draft amendment seeks to clarify when the measured values of nutritional components in foods are within an acceptable sampling error range. Nutritional components are within the acceptable sampling error range if:
 - The actual measured values of nutritional components are within the range that is recognized by the regulation on processing the unit values used in detailed labelling methods for each nutritional component.
 - The indicated average values of nutritional components are produced by two or more institutions every six months.
- The final date for comments is 60 days from the WTO notification.