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SPECIFIC ISSUES OF INTEREST TO THE CCB:

Korea Implements New Import Testing Policy for Pesticide Maximum Residue Levels

- Korea has implemented a new maximum residue level (MRL) testing policy to ensure that pesticide residues on fresh food imports are in compliance with recently established or amended Korean MRLs.
- According to the new policy, Korea's Ministry of Food and Drug Safety (MFDS) will begin testing imported products, including cherries, for new Korean MRLs two months after the specified MRLs have been established. To ensure compliance, the first shipment from each packing house will be subject to testing upon arrival in Korea. If the product is deemed compliant after the first test, subsequent shipments from the same packing house will no longer be subject to this testing.
- On March 31, 2016, MFDS [established](#) a number of new MRLs for cherries, including for **pendimethalin** (Pendulum/Prowl) at 0.05 ppm; **spinetoram** (Delegate) at 0.2 ppm; **flubendiamide** (Belt) at 2 ppm; **cyantraniliprole** (Exirel) at 6 ppm; and **2,4-D** at 0.05 ppm. These new Korean MRLs are harmonized with current U.S. MRLs, with the exception of pendimethalin (Pendulum/Prowl): the U.S. MRL for pendimethalin on cherries is 0.1 ppm while the Korean MRL is 0.05 ppm. However, it should be noted that this MRL discrepancy is due to Korea and the U.S.'s different residue definition for pendimethalin: the Korean residue definition is for the parent compound only, while the U.S. residue definition includes both the parent and metabolites. Bryant Christie confirmed with the registrant BASF that the differing residue definitions were considered when BASF submitted an import tolerance application to Korea for pendimethalin on cherry.
- Due to the new policy described above, as of May 31, 2016 Korea will begin testing imported cherries for these MRL compounds (**pendimethalin**, **spinetoram**, **flubendiamide**, **cyantraniliprole** and **2,4-D**). Only the first shipment from each packing house will be subject to this mandatory test; thereafter, shipments from the same packing house will return to the normal Korean inspection/testing rates.
- Clarification is being sought as to whether this new MRL testing policy will be applied for all Korean MRL amendments going forward, or if this is a one-time policy change. Updates will be provided as new information is received.

Indonesia Amends Prior Notice Rules for Imports of Fresh Food of Plant Origin

- On May 3, Indonesia [notified](#) the World Trade Organization (WTO) of Ministry of Agriculture (MOA) Regulation 13/2016, which amends MOA Regulation 04/2015.
- MOA Regulation 04/2015, which entered into force in February 2016, requires countries exporting fresh food of plant origin (FFPO) to Indonesia to obtain food safety recognition or include a Certificate of Analysis (COA) from a registered testing laboratory with each shipment.

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**A Report for
the California
Cherry Board**

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Indonesia Amends Prior Notice Rules for Imports of Fresh Food of Plant Origin

- As a result of MOA Regulation 13/2016, shippers are now required to provide prior notice of consignments before the transporting vessel departs the country of origin. According to a U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#) on the issue, if certain information is unavailable at the time of departure, exporters may submit a second notice with complete information before the consignment is unloaded.
- MOA Regulation 13/2016 also amends procedures for the issuance of COAs. However, as a result of Indonesia's food safety equivalency recognition agreement with the U.S. for FFPO, this change is insignificant for U.S. FFPO exporters.

GENERAL ISSUES OF INTEREST TO THE CCB:**Update on World Trade Organization Tuna Labeling Dispute Between U.S. and Mexico**

- In a World Trade Organization (WTO) Dispute Settlement Body (DSB) [meeting](#) on May 9, the DSB approved the U.S. request to establish a second compliance panel to examine if its latest changes to U.S. tuna labeling requirements were sufficient to bring them into compliance with WTO global trade rules (*BCI Monitor* 5-3-16).
- Following the May 9 DSB meeting, on May 13 Mexico [requested](#) consultations with the United States regarding the establishment of the second compliance panel. Mexico and the United States are currently debating whether arbitration and retaliation procedures should move forward in parallel with the proceedings of the second compliance panel.
- Mexico maintains its position that if the arbiter determination on the final retaliation amount is made before the second compliance panel makes its determination on the U.S.' latest rule change, Mexico should be authorized to immediately impose retaliatory tariffs on certain U.S. exports.
- Further debate on the appropriate path forward and the timing of each of the proceedings is expected to take place at the next DSB meeting, which is scheduled for May 23, 2016.

European Commission Notifies of Draft Study on Impact of Transatlantic Trade and Investment Partnership

- On May 13, Ecorys—an independent consultant for the European Commission—published its [draft interim report](#) on the overall impact of the Transatlantic Trade and Investment Partnership (TTIP) for public consultation. Ecorys is aiming to publish a final interim report on the prospective U.S-European Union (EU) trade agreement by the end of 2016.
- The report indicates that by 2030 under TTIP, the gross domestic products (GDP) of the U.S. and EU would rise by 0.4 percent and 0.5 percent, respectively. An assessment of the EU's agri-food sector and the potential effects of TTIP begins on page 222 of the report.
- Following publication, EU Trade Commissioner Cecilia Malmström [noted](#) that while the report is a draft version that will now be scrutinized, it underscores the many beneficial opportunities presented by TTIP.
- Representatives on both sides are continuing to promote the benefits of the prospective agreement in an effort to achieve the previously stated goal of concluding negotiations this year. Despite the high level of political will, issues such as protections for geographical indications are restricting progress on the negotiations. The next TTIP negotiating round is scheduled to take place in July.

European Commission Plans to Submit EU-Canada Free Trade Agreement Proposal in June

- At a [meeting](#) of the European Council on May 13, the European Commission confirmed its intention to submit a proposal in June for signature of the European Union (EU)-Canada Comprehensive Economic and Trade Agreement (CETA). The European Council represents the highest level of political cooperation within the EU, bringing together heads of state of EU countries, the European Commission President, and the EU's High Representative for Foreign Affairs and Security Policy.
- According to media sources, an important topic of discussion at the Council meeting was the consideration of the EU-Canada CETA as a mixed agreement. This designation means that in addition to approval by the European Council and Parliament, ratification by the national parliaments of EU member states will also be required for the agreement to enter into force. It appears that this designation is likely.
- In its June proposal, the European Commission is expected to propose a provisional application of the deal. In this scenario, certain aspects of the agreement deemed to fall under EU competence would enter into force following approval by the European Council and Parliament. The remaining provisions would then be considered by member state national parliaments before entering into force. Regardless of which parts require additional consideration, both sides—the European Council and Parliament on one side and national parliaments on the other—always vote on the provisions as a whole. The aim of EU representatives is to clarify the details of CETA implementation before the upcoming EU-Canada Summit, which is scheduled to take place in late October.