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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

Update on China Import Inspections

- Reports from the California Cherry Board's in-country representative indicate that China has scaled back its import inspection regime for U.S. agricultural imports, including cherries. According to this feedback, cherries are now being held for one day at Chinese customs and shipments previously held for inspection have now been released.
- Similar feedback from the Pacific Northwest cherry industry also indicates that cherries are currently being inspected at a reduced sampling rate ranging from 10 to 30 percent.
- The additional 15 percent tariff that China imposed in response to U.S. steel and aluminum tariffs still remains in place. Cherries from the U.S. are currently subject to a total tariff rate of 25 percent.

GENERAL ISSUES OF INTEREST TO THE CCB:

European Court Upholds Decision to Impose Restrictions on Neonicotinoids

- On May 17, the European Union Court of Justice confirmed the validity of restrictions introduced by the European Commission on three neonicotinoid pesticides – imidacloprid, clothianidin, and thiamethoxam.
- The court has backed an almost complete ban on the use of the neonicotinoids and upheld a 2013 Commission partial ban that barred neonicotinoids from being used on maize, rapeseed, and certain other cereals. The court decided that the European Union correctly applied its “precautionary principle,” which allows restrictions on chemicals even when conclusive evidence of harm is available.
- In February 2018, the European Food Safety Authority [updated](#) its 2013 risk assessment for the three neonicotinoids, confirming that neonicotinoid pesticides do present a risk to wild bees and honeybees (*BCI Monitor* 3-06-18).
- Further, last month, the Commission voted to impose a complete ban on neonicotinoids after reaching the necessary qualified majority among member states. The neonicotinoids will be restricted to use only in permanent greenhouses (*BCI Monitor* 5-01-18).

IPPC and NAPPO Updates

- The International Plant Protection Convention (IPPC) is [seeking proposals](#) for new plant health standards and new tools that support the implementation of existing standards. The call period is May 1, 2018 to August 31, 2018.

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IPPC and NAPPO Updates

- Additionally, beginning July 1, the IPPC will make several draft International Standards for Phytosanitary Measures and draft specifications documents available for review and public comment. The U.S. Department of Agriculture's Animal Plant Health Inspection Service (USDA-APHIS) will publish a complete list of drafts available for consultation on its [Draft Standards page](#).
- The North American Plant Protection Organization (NAPPO) has announced its [2018 Work Program](#). The 2018 program includes three new projects related to implementing international standards for seed health, laboratory accreditation, and plants for planting, as well as carry-over projects from last year.

Retaliatory Action Against U.S. Section 232 Steel and Aluminum Tariffs

- [India](#) notified the World Trade Organization (WTO) of planned retaliatory tariffs in response to the U.S. steel and aluminum tariffs. India's list includes agricultural commodities such as almonds, cashews, walnuts, apples, chocolate and chocolate products, and coffee.
- The [European Union](#) (EU) notified the WTO of the retaliatory tariffs they plan to impose in response to the U.S. steel and aluminum tariffs. The EU list includes 332 goods such as sweetcorn, beans, rice, peanut butter, orange juice, and cranberries. It is the same list that was circulated when the steel and aluminum tariffs were first announced. The tariffs will be phased, with Annex I of the tariffs becoming applicable June 20, 2018 and Annex II becoming applicable March 23, 2021.
- [Japan](#) notified the WTO that it plans to take countermeasures against the steel and aluminum tariffs. In the notice, Japan stated that it is free to impose at least \$264 million, of the total \$440 million, in retaliation after 30 days, suggesting that the rest might be delayed. No list of goods was provided.
- [Turkey](#), as a countermeasure to the steel and aluminum tariffs, has listed 22 U.S. goods that it is planning to target. The list includes nuts of the heading HS 0802 which would see a potential 5 percent duty increase.
- [Russia](#) notified the WTO that it plans retaliatory efforts in response to the steel and aluminum tariffs. Russia, in the notice, stated the U.S. tariffs would add \$538 million in costs to its steel and aluminum exports. No list of retaliatory goods was provided.
- India, the EU, Japan, Turkey, Russia, and China, which already imposed countermeasures for the steel and aluminum tariffs (*BCI Monitor* 4-03-18), all reject the U.S. position that the tariffs are justified by national security concerns and are therefore exempt from WTO rules.

May 17 NAFTA Deadline Comes and Goes

- The May 17 deadline that Paul Ryan set for the North American Free Trade Agreement (NAFTA) negotiations has passed with no agreed upon deal.
- While the deadline is not binding, it was considered the latest day that a renegotiated agreement could be presented to the current Congress for a vote during the 2018 legislative session.
- A broad agreement on auto rules of origin has been reached, and on May 17, Canadian Prime Minister Justin Trudeau said talks were in their final phase; however, the three nations did not come to an agreement on intellectual property, agricultural market access, labor, the sunset provision, or dispute settlement. The U.S., Canada, and Mexico will continue to engage in negotiations.

Farm Bill Fails on House Floor

- On May 18, the U.S. House of Representatives voted down the [2018 Farm Bill](#), 198 to 213, due to disagreement on immigration and the supplemental nutrition assistance program (SNAP). The House will likely not readdress the Farm Bill until mid-June at the earliest.
- The vote failed due to conservative members using their votes on the farm bill as leverage to get a vote on sweeping immigration measures that call for more aggressive enforcement measures and due to democratic party opposition to the Farm Bill's SNAP reforms.
- The farm bill is an omnibus, multi-year law that governs an array of agricultural and food programs. The most recent farm bill – the Agricultural Act of 2014 – was enacted into law in February 2014 and expires in 2018. For more information regarding the Farm Bill, its estimated cost, as well as the programs it covers, please see the following Congressional Research Service [report](#).