

MAY 30, 2017

INSIDE THIS ISSUE

- **France Holds Hearing on Endocrine Disruptors**
- **Argentina Strengthens Ties with China by Signing Three New Agricultural Agreements**
- **Update on the United Kingdom's Withdrawal from the European Union**
- **Update on U.S.-Mexico Tuna Dispute**
- **Brazil Publishes Draft Resolution for the Issuance for Food Export Sanitary Certificates**
- **South Africa Launches Customs Preferred Trader Program**

A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:

France Holds Hearing on Endocrine Disruptors

- In April, the Commission of European Affairs of the French Senate held a hearing on endocrine disruptors (EDs). EDs are chemicals that can interfere with the endocrine, or hormone systems at certain doses.
- According to a U.S. Department of Agriculture Foreign Agricultural Service GAIN [report](#), almost all participants of this hearing agreed that probable EDs should be regulated as proven EDs. However, there was much debate over publishing a list of possible EDs. Some argued that a list of possible EDs would have detrimental effects on economic activities as there would be political pressure to ban these substances despite a lack of scientific evidence.
- The Commission agreed that France should not adopt regulations that go beyond the ones of the European Union (EU), and there was a general consensus in favor of making regulatory changes at the EU level to ban proven EDs.
- To regulate EDs, the European Commission (EC) published a [draft act](#) in June 2016 which set the criteria to identify endocrine disruptors (BCI Monitor 6-21-16). In early December, the EC split the proposal into two separate parts: a proposal for setting ED criteria, and a proposal to allow for a derogation (exemption) for use of identified EDs where human risk of exposure is within acceptable limits. The proposal has divided EU Member States, and it failed to reach a qualified majority. The Commission has given no indication on how or when it will move forward with this proposal.

Argentina Strengthens Ties with China by Signing Three New Agricultural Agreements

- On May 17, the Argentine Minister of Agricultural Industry Ricardo Buryaile and Chinese Minister Zhi Shuping signed three agriculturally focused agreements. The three agreements include a strategic work plan for agricultural cooperation that will last through 2022, a work plan for food safety, health, and security which will last through 2019, and a protocol on phytosanitary requirements for the export of table grapes.
- The five-year working plan on agricultural cooperation and the two-year cooperation agreement on food safety, health and security, are expected to speed up market access into China for many Argentine agricultural products. Market access to China represents a notable opportunity for Argentina to increase its agricultural exports. Last year, Argentina was China's 7th largest food supplier.

Update on the United Kingdom's Withdrawal from the European Union

- On March 29, the United Kingdom (UK) triggered Article 50 of the Treaty of Lisbon, and notified the European Council of its intention to withdraw from the European Union by March 2019. A month later, the European Council (EC) adopted its political guidelines, which define the framework for the negotiations and set out the European Union's (EU) overall positions, and on Monday May 29, the EC published two [position papers](#) on Article 50 negotiations: "Essential Principles on Citizens' Rights" and "Essential Principles on Financial Settlement."
- In the first paper, the EU outlined specific ways for the UK to ensure the rights of European citizens living in Britain up until the date it leaves the EU, including granting access to healthcare and welfare, and giving those citizens an opportunity to claim permanent residence after five years of consecutive residence.
- With regards to financial settlement, both the EU and the UK will be responsible in full for the financial obligations from the whole period of the UK's membership in the EU. The paper noted that the UK would not immediately receive upon departure all the capital it has supplied to the European Investment Bank, and that the EU expects the UK to pay all its financial commitments from the seven-year EU budget which expires in 2020.
- Brexit negotiations are due to begin 11 days after the UK's June 8 election, where Theresa May, the current Prime Minister, remains the leading candidate.

Update on U.S.-Mexico Tuna Dispute

- On May 22, the World Trade Organization (WTO) Dispute Settlement Body (DSB) authorized Mexico to place trade concessions of \$163.23 million annually on the U.S.
- After winning several rounds of World Trade Organization (WTO) litigation in the tuna labeling dispute, Mexico asked for permission to retaliate on \$472 million of U.S. exports. However, a DSB arbitrator set the amount at \$163 million in late April (*BCI Monitor* 4-25-17).
- The DSB found that two iterations of the U.S. dolphin labeling regime prior to 2016 violated trade rules by making it harder for tuna caught in the Eastern Tropical Pacific Ocean, where most of the Mexican fisheries operate, to have the dolphin-safe label.
- The U.S. requested compliance panel is currently reviewing the 2016 measure, and if the WTO determines that the regulations are compliant with WTO rules, any of the retaliatory measures taken by Mexico will have to cease. The panel is expected to issue its decision mid-July of this year.

Brazil Publishes Draft Resolution for the Issuance for Food Export Sanitary Certificates

- On May 22, Brazil [notified](#) the World Trade Organization (WTO) of a [draft resolution](#) (in Portuguese) establishing criteria for the issuance of Food Export Sanitary Certificates (CSEA) by the National Sanitary Surveillance System (SNVS) of Brazil.
- The draft resolution lists the required documents and information needed for an exporting company to be issued a CSEA. These certificates will be valid for four months from the date of issue, and will be issued by voluntary request from the exporting company. Only information that is within the scope of the SNVS need be included in the certificate; requests for information on activities not under the SNVS authority should be forwarded to the exporting company.
- The proposed date of adoption will be determined after the end of the consultation period. Comments on the draft resolution can be sent [here](#) before June 9, 2017.

South Africa Launches Customs Preferred Trader Program

- On May 8, the South African Revenue Service (SARS) launched a Customs Preferred Trader Program aimed at speeding up customs processing for accredited customers, according to a SARS [press release](#). The main objective of the program is to move away from the traditional customs gate-keeper approach to a more risk-based approach.
- Benefits for participants in the program include a reduction in the amount of security required for compliance with customs procedures, as well as fewer routine documentary and physical inspections. Accredited traders will also get priority for their requests for tariff and valuation determinations, along with preferential access to nonintrusive inspection techniques when goods are stopped or detained for inspection.
- The Preferred Trader Program has two levels of accreditation, and registered importers or exporters that meet the requirements may [apply](#).