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A REPORT FOR THE CALIFORNIA CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:

Saudi Arabia Publishes Conditions for Importing Food Products

- On May 30, The Saudi Food and Drug Authority [notified](#) the World Trade Organization (WTO) of the conditions and requirements that apply to all food products imported into the Kingdom of Saudi Arabia. The "[Conditions and Requirements for Importing Food into the Kingdom](#)" (in Arabic), aim to clarify import conditions as imported food may be cleared for import only after approval by the Authority of Saudi Arabia.
- The Authority of Saudi Arabia has the right to request the competent authority of the exporting country for accurate and up-to-date information regarding its organization and management of food, plant, and animal health controls, as well as for updated legislation on sanitary and phytosanitary measures and residue limits. For import into Saudi Arabia, fresh fruits, vegetables, and cereals must be accompanied by phytosanitary certificates.
- For plant foods and products, Saudi Arabia may request official guarantees to the prohibition of certain types of chemicals involved in the manufacture of such products in the exporting country, such as the absence of genetically modified substances, or post-harvest practices.
- Saudi Arabia maintains the right to establish a list of countries that are authorized to export plant and animal products according to the health requirements and the conditions of manufacturing facilities.
- The final date for comments on these conditions and requirements is July 29, 2017.

Turkey Notifies WTO of Food Contact Regulations

- On May 30, Turkey's Ministry of Food, Agriculture, and Livestock notified the World Trade Organization (WTO) of two draft regulations for materials and articles in contact with food.
- The first [notification](#) is for a draft [regulation](#) (in Turkish) that sets general rules for food contact materials and articles, and sets procedures for the authorization of substances that are used in the food contact materials and articles. Additionally, rules for labeling and traceability are detailed in the new regulation. Materials and articles need to be labeled with phrases such as "suitable for contact with food," special instructions for safe and proper use must be included when necessary, and the name and address of the manufacturer/importer responsible for supplying the material or article to the market must be also included.
- The second [notification](#) is regarding a draft [proposal](#) (in Turkish) that focuses on determining the rules for active and intelligent materials and articles that are in contact with food. The proposal has conditions for the inclusion of items into the active and intelligent materials substance list, and rules for items that can be used without being listed.
- The proposed date of adoption for both is July 30, 2017. The proposed date of entry into force is August 30, 2017, with a one-year transition period. The date of publication is set for August 30, 2017.

Australia First Nation to Eliminate Farm Export Subsidies

- Australia has become the first World Trade Organization (WTO) member to eliminate export subsidies from its WTO schedule of commitments. According to a WTO [press release](#), Australia is the first of 16 members to take this step. In 2015 at the Tenth Ministerial Conference of the World Trade Organization in Nairobi, Kenya, ministers from 162 member countries agreed to a package that included six decisions relating to agriculture.
- Notably, officials agreed to abolish agricultural export subsidies for many products immediately in developed countries, and by 2018 for developing countries. WTO Director General Roberto Azevêdo praised the decision as the “most significant outcome on agriculture” in the WTO’s 20-year history. The decision will effectively prevent WTO member countries from using agricultural export subsidies to distort international trade (*BCI Monitor* 1-5-16).
- Australia’s modified schedule came into effect May 22, 2017.

Rules to Support European Fruit and Vegetable Producers Come into Force

- On June 1, new legislation aiming to help European fruit and vegetable Producer Organizations (POs) entered into force. Earlier this year, the European Commission (EC) drafted an amendment to a European Union (EU) [regulation](#) which aimed to simplify rules, reduce administrative burdens, and improve financial support to POs (*BCI Monitor* 3-21-17).
- POs are voluntary groups of producers that come together to strengthen their market position. Working together, producers are able to enhance their bargaining position with the retail sector and develop more effective measures regarding production planning and management, innovation, and crisis prevention.
- The changes include new rules that: 1) support the fruit and vegetable sector when products must be removed from the market; 2) set a 25 percent maximum percentage of produce able to be marketed outside a PO; and 3) introduce changes to make POs more attractive to non-members by providing greater clarity on actions eligible for EU funding.
- According to an EC [press release](#), producer organizations will be able to make use of the new provisions in the 2018 programming year.

United States Pulls Out of Paris Climate Accord

- On June 1, President Trump withdrew the U.S. from the Paris Climate Accord citing economic and political reasons as the main rationale. He focused on the agreement’s benefits for the world’s other leading carbon emitters, China and India, and claimed that the agreement gives other countries a financial advantage over the U.S.
- Under the agreement, the U.S. pledged to cut greenhouse-gas emissions by 26 percent to 28 percent from 2005 levels by 2025. The U.S. is the world’s second-largest emitter of carbon, behind China, which has reaffirmed its own commitment to meeting the targets it set under the Paris accord.
- The U.S. could face retaliatory carbon tariffs in retaliation for pulling out of the agreement, under the rationale that U.S. producers will have lower production costs in the absence of carbon reduction requirements. A carbon tariff could also function as a tax on the amount of carbon pollution that resulted from manufacturing a certain product. A carbon tariff would make American exports more expensive, making them less competitive, and perhaps curtailing U.S. production. According to media sources, Mexico and Canada are both considering a carbon tariff against the U.S.

Peru and Australia Launch Free Trade Negotiations

- The Peru-Australia Free Trade Agreement (PAFTA) negotiations launched on May 24, and the first round of negotiations between the two nations will take place between July 5-7 in Lima, Peru.
- The Australia government is seeking a high quality comprehensive agreement with Peru to eliminate many of Peru’s high tariffs that block Australian exports into the nation. Australia’s competitors such as the U.S., the European Union, and Canada all have free trade agreements (FTAs) with Peru that give them preferential access in agricultural and food exports.
- For Peru, this agreement will allow for preferential access into a market with a high purchasing power. Peruvian producers of asparagus, artichokes, and pepper piquillos have high expectations for a quick entry into the Australian market.
- Peru is a member of the Pacific Alliance trading bloc and a FTA could be used as a stepping stone to an Australian-Pacific Alliance FTA, including Mexico, Chile and Colombia.