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A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:

Australia Adding U.S. Cherries to its Compliance-Based Inspection Scheme

- Australia's Department of Agriculture and Water Resources published an [alert](#) stating that fresh, offshore treated stone fruit from the U.S. will be added to the Compliance-Based Inspection Scheme (CBIS) for processing imported plant products. This change applies to consignments that are to be inspected onshore, not to consignments that have been offshore pre-shipment inspected (OPI). Australia's [regulations](#) for cherries shipped OPI remain unchanged.
- For the CBIS, importers must "import a minimum number of consecutive lines" that pass both the documentation assessment and the onshore inspection in order to demonstrate sufficient compliance. For cherries, the minimum number required is five. After an importer qualifies, only 25 percent of their subsequent imports will be randomly selected for inspection. If an importer fails to present the correct documentation, or their consignment fails inspection, then they will return to having all their consignments inspected until they are able to requalify.
- Cherries will be eligible for the CBIS as of June 28, 2017.

European Union Notifies the World Trade Organization of Report on On-going Review of Pesticide Maximum Residue Levels in the European Union

- On June 12, the European Union (EU) [notified](#) the World Trade Organization (WTO) of the on-going process to review current Maximum Residue Levels (MRLs) for pesticides, outlining how and when non-EU countries can participate.
- The review process for EU MRLs includes all approved and certain non-approved pesticides. The following steps occur during the review process:
 1. A "Rapporteur Member State" (RMS) performs the first evaluation, providing an evaluation report recommending any necessary amendments to the European Food Safety Authority (EFSA). Non-EU countries may wish to submit additional supporting data to the manufacturer of the specific active substance before the risk assessment is carried out by EFSA. The manufacturer then passes on that data to the RMS.
 2. EFSA issues a reasoned opinion on the substance, based on the evaluation report provided by the RMS.
 3. The European Commission (Commission), taking into account EFSA's reasoned opinion, initiates a discussion with EU member states regarding risk management measures, MRL changes, and other details.
 4. If the Commission determines that amendments to existing MRLs are appropriate, a draft proposal is prepared and discussed among delegates of EU member states in the Standing Committee on Plants, Animals, Food and Feed (PAFF Committee).

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5. The draft proposal is notified to the WTO for international comments. Non-EU countries can submit comments and additional data to be considered by the Commission before the PAFF Committee votes.
 6. The PAFF Committee considers all comments and votes on the proposal. After the PAFF Committee endorses the proposal, the Council of the European Union and the European Parliament review the proposal during a two-month period.
 7. The proposal is adopted as a legislative act by the Commission and published in the Official Journal of the European Union.
- Non-EU countries may intervene at two stages, noted above. The EU strongly recommends that interested parties provide data as early as possible, ideally to the RMS in the first stage. If non-EU countries were unable to intervene during the review process, a request for an import tolerance may be submitted to the RMS for the active substance.
 - Further details on the EU's review process are available in the WTO notification. Planned reviews for active substances can be viewed in EFSA's overview of the [MRL review progress](#), which notes the start dates of data collection.

Canada and Chile to Modernize Free Trade Agreement

- On June 5, Canada and Chile signed Amending Agreements to modernize the [Canada-Chile Free Trade Agreement](#) (CCFTA). The agreement was originally signed December 5, 1996 and acts as a comprehensive agreement that covers trade in goods and services, as well as the bilateral investment relations.
- New chapters have been added on [sanitary and phytosanitary measures](#) as well as [technical barriers to trade](#), and amendments have been made to the existing [government procurement](#) chapter. Furthermore, the modernized agreement will add a dedicated chapter on [trade and gender](#). This addition is a first not only for Canada, but for any G20 nation.
- The CCFTA was the first free trade agreement (FTA) for Canada with a South American country, and it was the first comprehensive FTA with any country for Chile. During the period of the agreement, bilateral trade between the two nations more than tripled, reaching \$2.4 billion in 2016.
- All amendments to the agreement will enter into force once both Canada and Chile have completed their respective domestic implementation process.

Mexico and Brazil Advance Negotiations of Economic Complementation Agreement

- The sixth round of negotiations for the extension and deepening of the Economic Complementation Agreement No. 53 (ACE 53) between Mexico and Brazil took place June 12-14. Mexico emphasized the importance of strengthening the trade and investment relationship between the two largest economies in Latin America, according to a Mexican Ministry of Economy [press release](#).
- Mexico and Brazil are seeking to increase two-way trade between the two nations, establishing a robust legal framework to provide transparency and certainty and to facilitate an increase in commercial transactions. During the meeting, issues regarding market access, trade facilitation, sanitary and phytosanitary regulations, technical barriers to trade, and dispute settlement were discussed.
- The push to expand this agreement is part of a government promoted trade diversification agenda aimed at opening new markets to Mexico's goods and strengthening its position in the markets where Mexico already has a presence. Bilateral trade between Mexico and Brazil totaled 7.789 billion USD in 2016.
- Mexico and Brazil will hold the next round of negotiations from August 28 to September 1, 2017 in Mexico City, Mexico.