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SPECIFIC ISSUES OF INTEREST TO THE CCB:

China Implements Protocol to Allow Imports of Turkish Cherries

- China's General Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ) recently published a [notice](#) (in Chinese) implementing a protocol establishing market access conditions for Turkish cherry exports to China. The two countries signed the protocol in November 2015 (*BCI Monitor* 11-25-15).
- [Annex 2](#) (pages 7-18, in Chinese) of the protocol specifies requirements concerning the import of Turkish cherries. The protocol includes provisions for orchard management, pest control, packaging, and cold treatment.
- The protocol is expected to facilitate greater trade between Turkey—the world's largest cherry producer—and China—the world's largest cherry importer.

European Union Publishes Proposed Criteria on Identifying Endocrine Disruptors

- On June 15, the European Commission (EC) [published](#) its long-awaited proposal defining the criteria to be used in identifying endocrine disrupting (ED) substances in plant protection and biocidal products in the European Union.
- The proposal seeks to amend aspects of the EU's current regulation covering the registration of pesticide products, Regulation (EC) No. 1107/2009, by incorporating criteria developed by the World Health Organization's (WHO) International Programme for Chemical Safety (IPCS) for identifying EDs. Depending on how these criteria are ultimately applied, further restrictions could be placed on the agricultural uses and allowed residues of certain pesticide products in the European Union.
- According to a [press release](#) from the EC, while the "hazard-based" approach of the EU's pesticide regulations will be maintained, the Commission is also proposing possible derogations under the legislation that would consider the latest scientific knowledge about exposure and risk.

GENERAL ISSUES OF INTEREST TO THE CCB:

House Ways and Means Trade Subcommittee Holds Hearing on U.S. Agricultural Trade

- On June 14, the U.S. House of Representatives Ways and Means Trade Subcommittee held a [hearing](#) entitled "Expanding U.S. Agricultural Trade and Eliminating Barriers to U.S. Exports." Discussions at the hearing, which featured testimonies from leaders of key U.S. agricultural groups, centered on how to maintain the U.S. position as the world's leading agricultural exporter.
- At the hearing, free trade agreements were identified as powerful tools to assist with the mitigation or elimination of tariff and non-tariff barriers to U.S. exports. Many representatives cited the need to resolve the issues currently delaying implementation of the Trans-Pacific Partnership (TPP) and to continue efforts to conclude negotiations on the U.S.-European Union (EU) Transatlantic Trade and Investment Partnership (TTIP).

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**A Report for
the California
Cherry Board**

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House Ways and Means Trade Subcommittee Holds Hearing on U.S. Agricultural Trade

- At the National Council of Farmer Cooperatives Conference, which also took place on June 14 in Washington, D.C., U.S. Trade Representative (USTR) Michael Froman [identified](#) data protection for biologic drugs as the major outstanding issue causing delayed TPP implementation, while disagreements concerning protections for geographic indications (GIs) and certain food safety rules were the main issues in TTIP negotiations.
- According to media sources, the Ways and Means Trade Subcommittee hearing was the first of several planned hearings covering the way in which U.S. trade policy affects specific sectors of the economy. Although the hearings are not explicitly dedicated to TPP, they will allow representatives to continue discussions related to the steps needed to move forward with implementation of the regional trade agreement.

U.S. Department of Agriculture Economic Research Service Publishes Report on Outlook for U.S. Agricultural Trade

- Compared to fiscal year (FY) 2015, the value of U.S. agricultural exports is projected to fall \$15 billion to a total of \$124.5 billion in FY 2016, according to a recently published [report](#) by the U.S. Department of Agriculture's (USDA) Economic Research Service (ERS). The report cites lower commodity prices and the relatively strong U.S. dollar as primary reasons for this trend.
- Agricultural imports are forecast to rise to a record level of \$114.8 billion, causing the U.S. trade surplus to fall to \$9.7 billion, the lowest amount since FY 2006.
- Overall, exports of horticultural products are projected to decline to \$33.5 billion, representing the first year-over-year decline since FY 2009. The value of fresh fruit and vegetable exports is forecast to decline from \$7.2 billion in FY 2015 to \$7 billion in FY 2016.
- Relative to other regions, U.S. agricultural exports to Southeast Asia and Africa are expected to witness the largest decline. The report projects that while Canada will remain the largest export destination for U.S. agricultural products, export volumes to Mexico and China will be virtually tied for the position of second-largest U.S. export market. Regarding imports, Mexico is forecast to be the primary supplier of agricultural products to the U.S., with imports projected to reach a value of \$22.40 billion in FY 2016.

New Egyptian Central Bank Regulations Constrain Foreign Trade

- A new policy statement published by Egypt's Central Bank requires terms of payments and exchange of customs documents for imported goods to occur through banks. The regulation is adversely affecting trade between Egyptian importers and foreign exporters to the country, according to a recently published U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#).
- The policy introduces measures which require all fund transfers involving imports to be made through the bank(s) of the foreign exporter and the Egyptian importer; alternate payment methods are no longer permitted. All relevant export documentation must also be transferred directly through the banks. Only after the Egyptian bank receives the export documentation and payment invoice from the foreign bank will the funds be transferred to the Egyptian importer and the goods released from customs.
- The new requirement is part of an effort by the Egyptian Central Bank to restrict the outflow of foreign exchange and minimize alteration of customs documents. According to FAS Cairo, this regulation and other restrictive trade measures will cost Egypt over \$860 million in direct costs and foregone export earnings in 2016.

New Zealand Trade Minister Calls for More Ambition in Regional Comprehensive Economic Partnership Negotiations

- Following the thirteenth round of negotiations for the Regional Comprehensive Economic Partnership (RCEP), which concluded on June 18 in Auckland, New Zealand, Trade Minister Todd McClay [urged](#) negotiators to be more ambitious.
- Although progress was made on issues regarding non-tariff barriers and rules of origin, the sixteen prospective RCEP members—Australia, China, India, Japan, South Korea, New Zealand, and the ten-member Association of Southeast Asian Nations (ASEAN)—remain divided over many remaining issues. The next round of negotiations is scheduled for September in Laos.
- RCEP, which brings together Asia-Pacific countries representing over 40 percent of the world's population and more than a quarter of global trade, is often juxtaposed to the Trans-Pacific Partnership (TPP).