

JUNE 26, 2018

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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

Update on 2018 Farm Bill

- In a full House vote, the Farm Bill – the [Agriculture and Nutrition Act of 2018](#) – narrowly passed along party lines, with 213 in favor and 211 against, on June 21, 2018.
- The bill that passed is relatively unchanged from the version that failed in May and includes the controversial Supplemental Nutrition Assistance Program (SNAP) work requirements.
- However, the equally controversial immigration bill that contributed to the failure of the first vote was debated, and defeated, in a vote earlier that same day, clearing the way for the Farm Bill to be reconsidered.
- On June 25, the Senate held a procedural vote to pave the way for their version of the Farm Bill – the [Agriculture Improvement Act of 2018](#) – to be considered on the floor. The Senate voted 89-3 to proceed with debate on the Farm Bill and Senate Agriculture Chairman Pat Roberts told reporters he wants the legislation to pass before the Senate's Fourth of July recess.

European Union Retaliatory Tariffs Go into Effect

- The European Union has adopted an [Implementing Regulation](#), putting in place the EU's rebalancing measures in response to the U.S. tariffs on steel and aluminum.
- The regulation that includes a list of U.S. goods that will be targeted with tariffs became applicable on June 22, 2018.
- While the original EU World Trade Organization (WTO) [notification](#) set a target effective date of June 20, 2018, many expected that the European Commission would be unable to achieve the Implementing Regulation before July 1, 2018.
- U.S. goods such as sweetcorn, beans, maize, rice, orange juice, cranberry concentrate and juice, and bourbon will now face a 25 percent tariff.

Indonesia to Implement WTO Ruling on Import Restrictions

- Indonesia has notified the World Trade Organization (WTO) Dispute Settlement Body (DSB) that it has reached an agreement with the [United States](#) and [New Zealand](#) to implement the ruling on Indonesian restrictions on agricultural products in major part by July 22, 2018.

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Indonesia to Implement WTO Ruling on Import Restrictions

- In November 2017, the WTO Appellate Body upheld a panel decision that sided with the U.S. and New Zealand over complaints that Indonesian import licensing measures restrict or prohibit imports of agricultural products (*BCI Monitor* 11-14-17).
- The licensing regime, in effect since 2012, impacted U.S. fruit, vegetable, flower, cattle, beef, poultry and other animal products, according to USTR.
- Indonesia will wait until June 22, 2019 to comply with the WTO's ruling on one measure – that the importation of certain agricultural products depends on Indonesia's determination of the sufficiency of domestic supply to satisfy domestic demand.

Vietnam Withdrawing Circular on Food Safety for Foods of Plant Origin

- On June 26, Vietnam [notified](#) the World Trade Organization (WTO) that it is withdrawing a proposed regulation regarding food safety for foods of plant origin.
- The lengthy regulation aimed to guide the implementation and amendment of measures to ensure food safety for foods of plant origin, and laid out the requirements for certification procedures, inspections for imported plant foodstuffs, packaging, labeling, advertising, and traceability rules.
- The “Circular on Ensuring Food Safety for Foods of Plant Origin” was notified to the WTO on October 19, 2017, had a comment deadline of December 17, 2017, and was supposed to enter into force in January 2018 (*BCI Monitor* 10-31-18).

Korea Notifies WTO of Food Labeling Amendment

- On June 26, South Korea [notified](#) the World Trade Organization (WTO) of proposed amendments to its “[Regulations on Labelling Standards for Foods](#)” (in Korean).
- One of the amendments will require the name and content of corresponding ingredient to be labeled with at least 12-point font when that information is on the principal display panel.
- In general, the proposed amendments aim to integrate the Korean “Labelling Standards for Foods,” the “Labelling Standards for Livestock” with the “Act on Labelling and Advertisements of Foods.”
- Comments are due 60 days from the WTO notification.

Trade Promotion Authority Renewal

- The [Trade Promotion Authority](#) (TPA) will be automatically renewed for another three years on June 30, 2018.
- President Trump requested an extension of the TPA on March 30 (*BCI Monitor* 3-20-18), which opened a three-month window for lawmakers to pass a resolution of disapproval to deny the extension. However, no such action was taken. The TPA was set to expire July 1, 2018.
- TPA is a legislative procedure, written by Congress, through which Congress defines U.S. negotiating objectives and spells out a detailed oversight and consultation process to be followed during trade negotiations.
- Under TPA, Congress retains the authority to review and decide whether any proposed U.S. trade agreement will be implemented.

European Union and Vietnam Finalize Trade and Investment Discussions

- Vietnam and the European Union (EU) have finished the legal review process for the EU-Vietnam Free Trade Agreement and reached agreement on the bilateral investment protection agreement (IPA).
- The European Commission (EC) plans to translate the trade agreement text into the other 22 EU official languages and launch the legal review of the text, paving the way towards the signature and conclusion of these two agreements, according to a recent EC [press release](#).
- The trade agreement will eliminate over 99% of tariffs. Vietnam will liberalize 65% of import duties on EU exports to Vietnam at entry into force, with the remainder of duties being gradually eliminated over a 10-year period. The agreement will also contain specific provisions to address non-tariff barriers and will provide protection for traditional European food and drink products.