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A REPORT FOR THE CALIFORNIA CHERRY BOARD

SPECIFIC ISSUES OF INTEREST TO THE CCB:

U.S., Others Target EU Pesticide Regulations at WTO

- On July 4, the US and 15 other nations issued a [statement](#) to the World Trade Organization (WTO) criticizing the European Union's (EU) hazard-based approach to regulating pesticide products and other "critical tools" used by farmers.
- The statement declared that the EU's approach is having a "substantial negative impact on the production, and trade of, safe food and agricultural products, an impact that is likely to increase in the future."
- The group condemned the EU for its repeated failure to respond to concerns raised by WTO member states and called on the EU to re-evaluate its approach to product approvals, use internationally accepted methods of setting tolerance levels for potentially harmful ingredients, and stop "unnecessarily and inappropriately" restricting trade.
- The statement was issued in time for debate at the WTO's Council for Trade in Goods later this month.

GENERAL ISSUES OF INTEREST TO THE CCB:

Canada Revises Food Labelling Requirements

- Canada's Food Inspection Agency (CFIA) proposed new requirements for food labeling on June 22, to increase consumer information, streamline regulations, and ensure accurate information.
- The changes include required date marking and storage instructions for perishable foods and mandatory contact information for the food manufacturer. Additionally, all wholly imported products (not processed in Canada), which includes fresh California cherries, would be required to declare country of origin. These changes will come into force two years after final publication of the regulations.
- Other changes include regulations on label legibility, which will require minimum text sizes and mandatory placement for all required information. These regulations would come into force six years after final publication of the regulations.
- The Canadian government published the new regulations for both amendments to the [Food and Drugs Act](#) and the [Safe Food for Canadians Act](#), as well as a [Regulatory Impact Statement](#) that lists all significant changes to both sets of regulations.
- Comments are due to [CFIA](#) by September 4.

China Announces Tariff Relief Program for Importers of U.S. and Canadian Goods

- The Chinese Ministry of Finance, Department of Tax Policy, has [announced](#) (in Chinese) a tariff relief program for importers. The program allows importers of U.S. and Canadian goods to apply for tariff relief as well as refunds on tariffs they have already paid.
- The Ministry of Finance has identified 734 products eligible for tariff relief; most products with applied tariffs are eligible. Cherries are eligible, as are most fruits from the U.S. and Canada. Currently, there is a 50% tariff on U.S. cherries.
- Applicants are asked to show financial hardship caused by the tariffs, a lack of alternative suppliers, and a major structural risk to a specific industry or society. Applications will be reviewed on a case-by-case basis.
- Relief payments will be structured in multiple rounds, with applications for the first round already closed. A second round is expected to open on September 2. Funds will be granted for a period of one year.

USTR and Congress Lay Groundwork for USMCA Implementation Bill

- Although President Trump can submit a USMCA implementation bill as of July 9, he is not expected to do so immediately and has not stated his plans to do so.
- Speaker Nancy Pelosi has urged the Trump administration not to submit an implementation bill until House Democrats' concerns with environmental, labor, and enforcement issues, including Mexico's proposed labor reforms, have been addressed.
- Congressional Democrats continue to work with U.S. Trade Representative Robert Lighthizer to make adjustments to the USMCA, and do not anticipate passage before the August recess. The Trump administration has prioritized finalizing the USMCA before 2020, as it may be more difficult to reach an agreement during an election year.
- Mexico and the USTR are currently working together to close a gap in the USMCA's dispute settlement approach, which they hope will address some of the Democrats' concerns.

U.S. and South Korea Discuss Dispute Resolution Under KORUS

- In March, the Office of the USTR challenged the practices of the Korea Fair Trade Commission, alleging unfair treatment of U.S. companies that violates the U.S.-Korea free trade agreement (KORUS). Consultations between the two sides began this week.
- USTR alleges that the Korea Fair Trade Commission does not allow U.S. companies in competition disputes to access evidence against them in hearings.
- The Korean government has proposed changes to the Korea Fair Trade Commission, but USTR has declared that the changes do not address the problem.

China to Comply with WTO Ruling on Agricultural TRQs

- The U.S. and China have agreed that China will comply with the April 2019 World Trade Organization (WTO) ruling on agricultural TRQs by December 31.
- The ruling stems from a case instigated by the U.S. in 2016 that accused China of applying TRQs on rice, corn and wheat that were not in line with WTO rules. China has said it would not appeal the ruling.
- If China fails to comply with the WTO ruling by December 31, the US can ask to retaliate against China for harm to its exports.
- The U.S. won another agricultural dispute against China earlier this year in which the WTO ruled that China had exceeded its domestic support limits on rice and wheat.