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## SPECIFIC ISSUES OF INTEREST TO THE CCB:

### Australian Cherry Export Volumes Up 58 Percent in 2015/16 Season

- Australian cherry exports during marketing year (MY) 2015/16 reached a total of 5,589 metric tons (MT), a 58 percent expansion compared to the previous period, according to a recent [newsletter](#) published by Cherry Growers Australia Inc. In total, Australia's MY 2015/16 cherry exports were valued at approximately \$58 million. This increase follows 30 percent growth between MY 2013/14 and MY 2014/15.
- Together, China and Hong Kong accounted for nearly 55 percent of Australia's cherry exports in MY 2015/16; exports to Hong Kong reached 2,247 MT—an increase of 44 percent over the previous year—while exports to China rose 144 percent to 791 MT. Singapore, Taiwan, South Korea, and the United Arab Emirates (UAE) are Australia's largest export markets following Hong Kong and China.
- Australia's cherry season typically extends from November through February each year, with exports peaking in January. Although domestic consumption still accounts for roughly 80 percent of Australian cherry production, the Australian cherry industry has experienced growth in recent years by focusing on the expansion of exports.

### U.S. Department of Agriculture Publishes Fruit and Tree Nut Market Outlook Report

- The U.S. Department of Agriculture's (USDA) Economic Research Service (ERS) recently published a [report](#) detailing the market outlook for U.S. fruit and tree nuts.
- According to the report, the U.S. sweet cherry crop is forecast to reach 318,000 tons in 2016, a 6 percent decline compared to the previous year. Weather conditions in Washington and California—the two largest producing states—were key factors contributing to this decline. The reduced production volumes have helped boost early season prices.

## GENERAL ISSUES OF INTEREST TO THE CCB:

### World Trade Organization Members Consult with Ecuador on Extension of Import Tariff Surcharge

- At a World Trade Organization (WTO) Committee on Balance-of-Payments Restrictions [meeting](#) on June 23, members discussed Ecuador's recent decision to extend its tariff surcharge on imported goods for an additional year, with a complete phase-out now scheduled for June 2017.
- Ecuador originally imposed the surcharge on a wide variety of goods in March 2015 as an emergency measure to safeguard its balance of payments (*BCI Monitor* 3-10-15). The surcharge is an ad valorem tax applied in addition to existing applicable tariffs. The measure included a 45 percent tax on final consumer goods such as fresh and processed food products, although this surcharge was reduced to 40 percent in January 2016.

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**A Report for  
the California  
Cherry Board**

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#### *World Trade Organization Members Consult with Ecuador on Extension of Import Tariff Surcharge*

- In February 2016, Ecuador announced it was dismantling the surcharge, with complete phase-out occurring by June 2016. However, unfavorable international conditions and the negative impact of an April 2016 earthquake led Ecuador to delay this phase-out. The surcharge rates are now scheduled to be reduced by one-third by April 2017 and completely phased-out by June 2017.
- While many WTO members expressed sympathy for Ecuador's difficulties, they also called for consultations with the country to continue in an effort to help the country develop less trade restrictive measures.

#### **Brazil Wood Packaging Phytosanitary Requirements Mandate Compliance with International Standard**

- In February 2016, Brazil's Ministry of Agriculture, Livestock, and Food Supply (MAPA) implemented [Normative Instruction No. 32](#) (3 pages, in Portuguese), establishing phytosanitary inspection and certification requirements for wood packaging material based on the International Standards for Phytosanitary Measures "Regulation of Wood Packaging Materials" ([ISPM 15](#)).
- The requirements are primarily designed to harmonize Brazil's inspection procedures with current ISPM 15 provisions. Over 70 countries currently abide by ISPM 15 standards, which were developed by the International Plant Protection Convention (IPPC).
- As part of Normative Instruction No. 32, Brazil mandated that all imported products containing wood packaging material comply with ISPM 15 standards. Consequently, export products with wood packaging material—even those originating from countries that have not adopted ISPM 15 measures—must ensure that consignments conform to ISPM 15 standards to gain entry into Brazil.

#### **U.S. Trade Representative Publishes Report on Implementation of African Growth and Opportunity Act**

- On June 29, the Office of the U.S. Trade Representative (USTR) presented to Congress its biennial [report](#) on the implementation of the African Growth and Opportunity Act (AGOA), detailing the current trade relationship between the U.S. and sub-Saharan Africa. In 2015, Congress voted to extend AGOA provisions until 2025. These measures allow sub-Saharan African countries to export various goods to the U.S. duty-free.
- The report outlines regional integration efforts and summarizes U.S. efforts to help expand trade capacity in sub-Saharan Africa. Although AGOA provisions were recently extended, the report underscores the importance of exploring options beyond AGOA to establish long-term, mutually beneficial trade relationships between the U.S. and sub-Saharan Africa. In exploring the viability of future free trade agreements, the report notes that some countries—including Kenya and Mauritius— have expressed interest in establishing a more comprehensive trade agreement with the U.S.
- Between 2001 and 2015, sub-Saharan Africa non-oil exports to the U.S. nearly tripled to reach \$4.1 billion, partly due to increased exports of fruits and nuts. U.S. exports to sub-Saharan Africa rose approximately 200 percent in the same period, with South Africa, Nigeria, Ethiopia, Angola, and Kenya as the largest U.S. export markets within the region in 2015.

#### **U.S. Department of Agriculture Accepting Applications for Trade Mission to China and Hong Kong**

- The U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) will lead a trade mission to China and Hong Kong from September 7-15, 2016, according to a recently published USDA FAS [notice](#).
- The trade mission will allow participants to form new relationships with potential trade partners, interact with government officials, and develop strategies to expand exports to the two markets. Building upon the USDA's Women in Agriculture Initiative, which began in 2014, this trade mission will be particularly targeted for women leaders and will provide insight on the role women play in China's agricultural industry. The application deadline for this mission is July 20, 2016.
- China and Hong Kong are both large trading partners of the U.S. and have strong demand for U.S. food and agricultural products. In 2015, the value of U.S. agricultural exports to China reached \$23.5 billion. Hong Kong, which has limited land resources, is also a key market for U.S. exporters as it relies on imports for 95 percent of its food supply.