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### INSIDE THIS ISSUE

- Turkey to Export Cherries to China
- North American Free Trade Agreement Negotiating Objectives Released
- U.S. Trade Representative Calls a Special Session Under the U.S.-Korea Free Trade Agreement
- European Commission Publishes Results of Public Consultation on Common Agricultural Policy
- Brazil, European Union Submit Joint Proposal on Support for Agricultural Production and Food Security Measures
- Canada-U.S. Regulatory Council Work Planning Consultation Launched

A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD

### GENERAL ISSUES OF INTEREST TO THE CCB:

#### Turkey to Export Cherries to China

- The General Administration of Quality Supervision, Inspection, and Quarantine of the People's Republic of China (AQSIQ) added Turkish cherries to the list of approved fruits for Chinese import.
- AQSIQ signed a protocol regarding phytosanitary requirements for the export of Turkish cherries into China in November 2015 (*BCI Monitor* 11-25-15), and published a [notice](#) with regards to the implementation of the protocol in June 2016 (*BCI Monitor* 6-21-17). Turkish and Chinese officials have been working to formally establish market access for Turkish cherries in China since then. It has taken Turkey a year to complete all the necessary procedures regarding orchard management, pest control, packaging, and cold treatment. According to media sources, nine Turkish companies have been officially registered for export into China during 2017.
- The Turkish cherry season runs from May to July, with the export season lasting between mid-June and the end of July. While Turkey is the largest global producer of cherries, its export quantities lag behind the United States and Chile.

#### North American Free Trade Agreement Negotiating Objectives Released

- On July 17, the Office of the U.S. Trade Representative (USTR) released the Trump administration's [negotiating objectives](#) for the renegotiation of the North American Free Trade Agreement (NAFTA).
- The summary of specific negotiating objectives for the initiation of NAFTA negotiations focused on reducing the U.S. trade deficit and improving the trade balance with NAFTA nations. For agricultural goods, the top goals were maintaining reciprocal-duty free market access, eliminating non-tariff barriers such as tariff rate quotas and price discrimination, as well as expanding competitive market opportunities for U.S. agricultural goods so they are equivalent to the competitive opportunities given to foreign exports in the U.S. market.
- The negotiating objectives also included points on sanitary and phytosanitary measures, customs and trade facilitation, rules of origin, technical barriers to trade, trade remedies, and currency manipulation. The sentiment expressed by many during the public consultation process of maintaining free market access was largely present as well.
- Further, these objectives reflect the negotiating standards established by Congress in the Trade Priorities and Accountability Act (TPA), which requires that USTR release objectives at least 30 days prior to formal negotiations. Negotiations will begin no earlier than August 16, 2017.

#### U.S. Trade Representative Calls a Special Session Under the U.S.-Korea Free Trade Agreement

- U.S. Trade Representative (USTR) Robert Lighthizer in a [letter](#) to South Korea officially requested a first-ever special session of the U.S.-Korea Free Trade Agreement (KORUS) Joint Committee.

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### *U.S. Trade Representative Calls a Special Session Under the U.S.-Korea Free Trade Agreement*

- The Joint Committee, established in Article 22.2 of KORUS, supervises the implementation of the Agreement and the work of the various committees and bodies set up under the Agreement. It also seeks to resolve disputes concerning the interpretation and application of KORUS, and it considers ways to enhance trade relations between the United States and the Republic of Korea.
- The Joint Committee session was requested with the intent of beginning negotiations to remove barriers to U.S. trade, reduce the U.S. trade deficit with Korea, and consider needed amendments to the agreement. KORUS entered into force in March 2012, and since then the U.S. goods deficit with South Korea has doubled. President Trump has often promised to reduce trade deficits and negotiate better trade deals for the U.S. Consequently, in late June he stated that the U.S. and Korea were to renegotiate the KORUS Agreement or the U.S. would terminate the Agreement if new terms could not be agreed.
- Under KORUS, when a special session is requested, it must be held within 30 days.

### **European Commission Publishes Results of Public Consultation on Common Agricultural Policy**

- The public consultation on modernizing and simplifying the European Union's (EU) common agricultural policy (CAP) was launched on February 2, and closed on May 2 (*BCI Monitor* 2-14-17). The results of the public consultation, which solicited comments from both EU and international stakeholders, were [published](#) on July 7.
- The consultation showed that EU citizens favor agricultural policy decisions being managed at the EU level to ensure equality within the single market, and that protecting the environment as well as helping farmers should be the main goals of the CAP.
- The CAP, which was originally launched in 1962 and has been reformed multiple times since then, aims to ensure there is a safe and sustainable food supply for EU consumers. The annual CAP budget amounts to over \$60 billion, and it is utilized to boost the competitiveness and sustainability of agriculture throughout the EU.
- The European Commission intends to publish a communication detailing its assessment of the current CAP and potential options for the future by the end of 2017. Formal legislative proposals are expected by early 2018, with the modernized CAP entering into effect in 2020.

### **Brazil, European Union Submit Joint Proposal on Support for Agricultural Production and Food Security Measures**

- Brazil and the European Union (EU) submitted to the World Trade Organization (WTO) a [joint proposal](#) on support for agricultural production and food security measures with the objective of limiting market distortions to ensure a level playing field for farmers around the world.
- Hoping to break a deadlock that has stalled WTO negotiations on agricultural, the proposal suggests cuts to developed and developing members' domestic support as well as provisions on public stockholding for food security purposes. The deadlock has been caused by the U.S. refusing to agree to cuts in its domestic support programs unless China also agrees to cuts.
- The proposal suggests limiting trade-distorting farm subsidies in proportion to the total value of a WTO member's agricultural production as of 2018. The limit for developing countries would be two percentage points higher than the developed countries' limit, which has not yet been set, and would go into effect in 2022. Least developed countries would be exempt from any subsidy limits to allow for the development of their farming sector. Currently, developed nations have a de minimis of 5 percent of the total value of production for product specific, and non-product specific domestic support, while for developing members it is set at 10 percent.
- The proposal has already garnered support from Colombia, Peru and Uruguay, according to a European Commission [press release](#). The Agriculture committee of the WTO will hold an informal open-ended negotiating session on this proposal beginning July 19.

### **Canada-U.S. Regulatory Council Work Planning Consultation Launched**

- At the end of June, the Canadian Food Inspection Agency (CFIA) launched a new online consultation tool to provide an additional stakeholder feedback mechanism for prioritizing existing initiatives under the Canada-United States Regulatory Cooperation Council (RCC). The RCC was established to facilitate closer regulatory cooperation between Canada and the U.S., and to enhance economic competitiveness by aligning the two regulatory systems.
- The RCC Joint Forward Plan emphasizes input and feedback from stakeholders in the development of RCC work plans in animal health, meat inspection and certification, plant health, and food safety.
- The consultation tool is active, and can be accessed [here](#).