

BCI MONITOR

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SPECIFIC ISSUES OF INTEREST TO THE CCB:

Cherry Market in China Expanding

- Cherry production in China is expected to reach 320,000 metric tons (MT) in marketing year (MY) 2016/17, a 30 percent increase versus MY 2015/16. This growth is being driven by new bearings and an expansion of production area, which is forecast to be 107,000 hectares in MY 2016/17, a 7 percent increase compared to MY 2015/16.
- Cherry consumption in China is expanding, with middle class Chinese consumers increasingly demanding high-quality cherries. As a result of overall market growth and strong consumer demand, it is anticipated cherry imports will increase despite a rise in domestic cherry production. Imports are expected to expand 9 percent to reach 100,000 MT in MY 2016/17. Chile is China's largest supplier, representing approximately 80 percent of China's cherry imports.
- The U.S. is China's second-largest cherry supplier. However, imports from California often face domestic competition in the market as a result of the timing of China's cherry harvest, which typically extends from early May through late June,
- Additional information about the expansion of China's cherry market is available in the following U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#).

Taiwan Notifies of Draft Standard on Contaminants and Toxins in Food

- On July 5, Taiwan [notified](#) the World Trade Organization (WTO) of a draft standard specifying maximum levels for various contaminants and toxins in foods.
- The [Draft of Sanitation Standard for Contaminants and Toxins in Food](#), published by Taiwan's Ministry of Health and Welfare (MOHW), amends and establishes tolerance levels for heavy metals, mycotoxins, contaminants, and other toxins in food. For "other vegetables and fruits," maximum levels for lead and cadmium are specified as 0.1 mg/kg and 0.05 mg/kg, respectively.
- The final date for comments on the draft standard is September 3, 2016. A date of entry into force has not yet been determined.

GENERAL ISSUES OF INTEREST TO THE CCB:

14th Round of TTIP Negotiations Conclude in Brussels, Belgium

- On July 15, U.S. and European Union (EU) negotiators completed the 14th round of negotiations on the Transatlantic Trade and Investment Partnership (TTIP) agreement in Brussels, Belgium.
- According to a [statement](#) made by the chief negotiators following the conclusion of the negotiating round, proposals for almost all chapters are on the table, creating a good outline of the proposed agreement. Negotiators considered this a 'bridging round', between the foundation-laying technical work that has been completed, and the task ahead of creating and finalizing joint texts, and finding compromises on remaining sensitive issues.

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**A Report for
the California
Cherry Board**

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14th Round of TTIP Negotiations Conclude in Brussels, Belgium

- On regulatory cooperation, consolidated texts have been proposed for technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) issues. Additionally, the EU this week also [released](#) to the public 10 new textual proposals tabled during this round, in its continued commitment towards transparency during the TTIP negotiations.
- Negotiators are hoping to hold the next negotiating round before the beginning of summer break, possibly at the end of July, though a formal date has not yet been set.

European Commission Assesses Progress on Visa Dispute with Canada and U.S.

- In a [press release](#) published on July 13, the European Commission provided an update on its latest efforts to achieve full visa waiver reciprocity with Canada and the U.S.
- Currently, the United States maintains visa requirements for citizens from the European Union (EU) member states of Bulgaria, Croatia, Cyprus, Poland and Romania. Canada applies visa requirements to citizens from Bulgaria and Romania. The EU does not require visas for U.S. citizens.
- This lack of reciprocity has become a significant issue as the EU and Canada work to build political support for the implementation of the EU-Canada Comprehensive Trade and Economic Agreement (CETA). As a result of the European Commission's recent decision to designate CETA as a mixed agreement, the national parliaments of Bulgaria and Romania will have an opportunity to block CETA's full entry into force and may do so if the visa dispute remains unresolved. Representatives from Canada and the EU are working to resolve the issue before the EU-Canada Summit takes place in October 2016.
- The lack of visa reciprocity may similarly complicate efforts to conclude negotiations for the EU-U.S. Transatlantic Trade and Investment Partnership (TTIP).

European Commission Publishes Annual Report on European Union-Korea Free Trade Agreement

- Bilateral trade between the European Union (EU) and South Korea has expanded considerably since the EU-Korea Free Trade Agreement (FTA) entered into force in July 2011, according to a [report](#) recently published by the European Commission.
- In the five years since the agreement entered into force, EU exports to South Korea have increased by 55 percent. More specifically, EU exports of agricultural products—which previously faced particularly high tariff rates in South Korea—have grown by over 70 percent.
- South Korea is now the EU's ninth-largest export market for goods while the EU is South Korea's third-largest export destination. Bilateral trade in goods surpassed \$100 billion in 2015.

G20 Trade Ministers Meet to Discuss Global Trade Issues

- Trade ministers from the Group of Twenty (G20) met in Shanghai, China from July 9-10 to consider potential solutions to global trade and investment issues. The G20 is an international forum for economic cooperation which brings together representatives from twenty of the world's major advanced economies.
- The ministers issued a [joint statement](#) emphasizing their efforts to boost global trade growth, support the multilateral trade system, and promote global coordination regarding investment policies. As part of this effort, the ministers agreed on: 1) a strategy to cut global trade costs by 15 percent; and 2) a set of core principles to establish a new global investment policy.
- Ministers also reaffirmed their goal of ratifying the World Trade Organization's (WTO) Trade Facilitation Agreement (TFA) by the end of 2016. According to the WTO, the TFA—which contains provisions to expedite the movement and clearance of goods—could facilitate an increase in global exports of up to \$1 trillion annually. Two-thirds of WTO members must ratify the TFA in order for it to enter into force. To date, 85 members have formally completed their ratification procedures, representing more than three-quarters of the total needed to bring implement the Agreement.
- The G20 Trade Ministers Meeting will be followed by the G20 Leaders Summit, which is scheduled to take place in Hangzhou, China from September 4-5, 2016.