

JULY 23, 2019

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A REPORT FOR THE CALIFORNIA CHERRY BOARD

SPECIFIC ISSUES OF INTEREST TO THE CCB:

End of Mexican Fruit Fly Quarantine

- The Mexican fruit fly (*Anastrepha ludens*) quarantine has been removed, effective immediately, for the Los Angeles, Long Beach area.
- Information on the Mexican fruit fly and current quarantine status can be found [on the CDFA website](#).

Light Brown Apple Moth Boundary Change

- The Light Brown Apple Moth (*Epiphyas postvittana*) quarantine boundaries have changed, effective immediately. The regulated area boundaries in San Luis Obispo, Orange and Ventura counties have been expanded and can be found in grids [382](#), [436](#), and [471](#).
- For more information on LBAM, as well as the Southern California, Northern California, and full state quarantine maps, please see the California Department of Food and Agriculture [website](#).

GENERAL ISSUES OF INTEREST TO THE CCB:

Portugal and China Strengthen Agricultural Trade

- Portugal and China are in talks to liberalize the trade of agricultural exports between the two countries, according to the Portuguese government. In May, Portugal and China signed an agreement to harmonize agricultural trade and expand market access.
- [The Portuguese government announced](#) (in Portuguese) in May that they were working to gain market access in China for Portuguese fresh fruit, including citrus and pears.
- The Portuguese fresh fruit industry commended the move, [according to a GAIN report](#), and plans to target middle to high income Chinese consumers, the same target market as CCB.

Boris Johnson to Become Prime Minister of the United Kingdom

- Former Foreign Secretary Boris Johnson has been elected leader of the UK Conservative Party, and will become Prime Minister of the UK on July 24th.
- Johnson has publicly committed to the UK exiting the EU on October 31, with or without an agreement.

Parliamentary Report: No-Deal Brexit Would Cause Shortages, Price Increases

- In the UK, the Parliament Committee on Exiting the European Union released its report on "[The consequences of no deal for British businesses](#)". The report concluded that a no-deal Brexit would be extremely harmful for British agriculture and food businesses, and said that no-deal "cannot be the policy of any responsible government." (*Continues on next page*)

- The report indicates that a UK exit on October 31, the current scheduled date, would limit consumers' food options, especially in perishable foods. It predicts that disruptions to the food supply would begin in mid-November.
- In particular, the report mentions that no-deal could cause shortages and price increases in the UK's supply of fresh fruit, which is primarily imported from the EU.
- Boris Johnson, who will become UK Prime Minister on July 24, has publicly committed to Brexit on October 31, even without a deal.
- The UK Food and Drink Federation, which represents British food and beverage manufacturers, [welcomed the report](#), and warned that the food industry would be impacted in the run-up to the October 31 exit by limited storage and logistics capacity.

EU Food Safety Survey Reveals Consumer Preferences

- According to a recent European Food Safety Authority (EFSA) [study on European consumer food safety concerns](#), pesticide residues were identified as a top concern by 39% of respondents, second only to vet drug residues in meats. Meanwhile, the percentage of consumers who are concerned about genetically modified foods has declined since 2010.
- Furthermore, on food safety issues, more consumers expressed trust in scientists (82%) and consumer organizations (79%) than in EU institutions (58%).
- When asked about what factors most influence their food purchasing decisions, equal percentages of consumers chose food safety, food origin, and cost.
- Consumers in much of Western Europe were most concerned about cost, especially in the UK, Ireland, and Portugal. In Mediterranean (excluding Italy) and Central European countries, consumers were most concerned about food safety; while consumers in Scandinavian countries were most concerned with country of origin.

World Trade Organization Rules Against U.S. in China Dispute

- In 2012, the U.S. placed tariffs on \$7.3 billion of Chinese goods, including solar panels, wind towers, and a variety of steel products, arguing that the Chinese state-owned enterprises (SOEs) that produced them were unfairly subsidized.
- On July 16, 2019, the World Trade Organization (WTO) ruled that although SOE involvement may distort prices, the U.S. must accept Chinese pricing, making the U.S. retaliatory tariffs illegal under WTO rules.
- The office of the U.S. Trade Representative has strongly disagreed with the ruling, saying: "This conclusion ignores the findings of the World Bank, OECD working papers, economic surveys, and other objective evidence, all cited by the United States."
- The ruling gives China the legal standing to retaliate with tariffs, although it would need to pursue the case in the WTO.
- Following the ruling, President Trump reiterated his threat to raise tariffs on Chinese goods.

U.S. Raises Trade Concerns in U.S. - Thai Trade Meeting

- On July 22, the Office of the U.S. Trade Representative [announced ongoing discussions](#) with Thailand under the U.S.-Thailand Trade and Investment Framework Agreement (TIFA).
- According to the USTR, the U.S. raised pressing trade concerns, including market access for U.S. pork and workers' rights in Thailand.
- The U.S. is currently conducting a review of Thailand's status under the Generalized System of Preferences (GSP). If Thailand cannot show that it has made progress on the issues that the USTR brought up, the Trump administration may choose to revoke Thailand's GSP status, as it did with India earlier this year.