

JULY 24, 2018

INSIDE THIS ISSUE

- **USDA to Assist Farmers Impacted by Retaliatory Tariffs**
- **Mexican Economy Secretary to Meet with Lighthizer**
- **Singapore Ratifies CPTPP**
- **European Union and Indonesia Trade Negotiations**
- **European Union and New Zealand Trade Negotiations**
- **Draft International Plant Protection Convention Strategic Framework**
- **Korea Amending Act Aimed at Promoting Organic Foods and Environmentally Friendly Agriculture**

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

USDA to Assist Farmers Impacted by Retaliatory Tariffs

- The U.S. Secretary of Agriculture Sonny Perdue [announced](#) on July 24 that the U.S. Department of Agriculture (USDA) will take several actions to assist farmers in response to trade damage from “unjustified retaliation.”
- The USDA will authorize up to \$12 billion in programs to assist agricultural producers to meet the costs of disrupted markets. The USDA will use the following programs to assist farmers:
 - The Market Facilitation Program, authorized under The Commodity Credit Corporation (CCC) Charter Act and administered by Farm Service Agency (FSA), will provide payments incrementally to producers of soybeans, sorghum, corn, wheat, cotton, dairy, and hogs.
 - Under the CCC Charter Act and other authorities, the USDA will implement a Food Purchase and Distribution Program through the Agricultural Marketing Service to purchase unexpected surplus of affected commodities such as fruits, nuts, rice, legumes, beef, pork and milk for distribution to food banks and other nutrition programs.
 - Under the CCC Charter Act authority, the USDA will implement a Trade Promotion Program administered by the Foreign Agriculture Service (FAS) in conjunction with the private sector to assist in developing new export markets for farm products.
- The USDA will go through a rulemaking process over the next few weeks with a goal of fully implementing the Market Facilitation Program, the Food Purchase and Distribution Program, and the Trade Promotion Program by Labor Day – September 3, 2018.
- According to media sources, the programs will be classified as trade-distorting subsidies at the World Trade Organization and will not exceed the allowed \$19.1 billion the U.S. is allowed in domestic support.

Mexican Economy Secretary to Meet with Lighthizer

- Mexican Economy Secretary Ildefonso Guajardo will meet with the U.S. Trade representative Robert Lighthizer on July 26 to discuss the ongoing North American Free Trade Agreement (NAFTA) negotiations.
- Since the imposition of the Section 232 steel and aluminum tariffs, NAFTA talks have largely come to a halt. However, recently the Trump Administration has expressed an increased interest in pursuing bilateral trade deals with Mexico and Canada.

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Mexican Economy Secretary to Meet with Lighthizer

- This will be the first meeting between Guajardo and Lighthizer since the Mexican presidential election. The Canadian Foreign Minister Chrystia Freeland is not scheduled to be in Washington, DC the week of the meeting. The three officials have not met for a ministerial since they failed to conclude the NAFTA negotiation in mid-May.

Singapore Ratifies CPTPP

- On July 19, Singapore became the third nation to ratify the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP).
- Mexico was the first nation to ratify the agreement on April 24, with Japan following suit on July 6, 2018.
- The agreement will enter into force 60 days after six signatories ratify the agreement.

European Union and Indonesia Trade Negotiations

- The fifth round of negotiations between the European Union (EU) and Indonesia took place from July 9 to July 13, 2018.
- Tariff offers were exchanged before the round and progress was made on most chapters of the agreement. Both sides sought clarifications on each other's offer and tariff schedule and agreed to exchange specific requests after summer. Export taxes on raw materials and certain import restrictions continue to be issues where there are substantial differences between the EU and Indonesia.
- Talks also covered details of future arrangements on sustainable development – a contentious issue due to the EU's goal of phasing out palm oil in biofuels by 2021. Indonesia is one of the world's largest palm oil producers.
- For more information, please see the EU [report](#) of the 5th round of negotiations.

European Union and New Zealand Trade Negotiations

- The European Union and New Zealand completed the first round of trade negotiations on July 23, 2018.
- The negotiations were formally launched on June 21, and both sides are aiming for an ambitious agreement covering all aspects of the trade relationship.
- The second round of negotiations is expected to be held in the fall.

Draft International Plant Protection Convention Strategic Framework

- The International Plant Protection Convention (IPPC) has posted its draft [Strategic Framework for 2020-2030](#).
- The U.S. Department of Agriculture Animal and Plant Health Inspection Service (USDA-APHIS) invites stakeholders to provide comments on the document by August 1, 2018.
- Comments should fall into one of three categories: substantial, technical, or editorial. Comments should be [submitted](#) by August 1, 2018, to Stephanie Dubon, International Phytosanitary Standards Deputy Director.

Korea Amending Act Aimed at Promoting Organic Foods and Environmentally Friendly Agriculture

- On July 24, South Korea [notified](#) the World Trade Organization (WTO) of proposed amendments to its "[Act on the Promotion of Environmentally-Friendly Agriculture, Fisheries, and Management and Support for Organic Foods](#)" (in Korean).
- Proposed amendments include improvements to the labeling requirements for organic food and pesticide free agricultural products, certification requirements on sanitation and safety management, extension of the recordkeeping requirement from three months to one year, disciplinary measures for certified businesses that have violations, and the addition of certain organosynthetic agricultural chemicals to the inspection list of harmful components in notified organic agricultural products.
- Final date for comments is 60 days from the WTO notification. The proposed date of adoption is October 2018, or later if necessary.