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A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD

## SPECIFIC ISSUES OF INTEREST TO THE CCB:

### CDFA Seeks Public Comment on Specialty Crop Block Grant

- The California Department of Food and Agriculture (CDFA) is accepting public comments and suggestions on the Specialty Crop Block Grant (SCBG).
- CDFA will use comments on [the program's priorities](#) from specialty crop producers to ensure that the SCBG is used effectively.
- Comments can be submitted to [grants@cdfa.ca.gov](mailto:grants@cdfa.ca.gov) by August 16 and CDFA will be conducting [listening sessions in four locations](#).

### European Food Safety Authority Recommends Chlorpyrifos Ban

- The European Commission is currently reviewing the application for renewal of the common pesticide chlorpyrifos, used in the U.S.
- The European Food Safety Authority (EFSA), which was consulted on the issue, [identified possible negative impacts to human health](#) and declared that "no safe exposure level can be set" for the pesticide.
- EFSA is not ultimately responsible for approving or banning pesticides, but its recommendation will be considered by the European Commission's pesticide approval system.

## GENERAL ISSUES OF INTEREST TO THE CCB:

### U.S. To Add 10% Tariff to Chinese Products

- On August 1, President Trump announced tariffs of 10% on \$300 billion of Chinese products that had not previously faced tariffs, to begin September 1. The decision ends the pause in the U.S. - China trade war that was agreed to in June.
- The list of affected products will be based on [the list released in May](#), but could be changed before the tariffs are implemented.
- Fresh cherries are not targeted by the new tariffs, as China does not export fresh cherries to the U.S.

### China Cancels U.S. Agricultural Purchases

- The Chinese Ministry of Commerce has responded to President Trump's threat to raise tariffs, declaring that Chinese companies [will suspend imports of U.S. agricultural products](#) (in Chinese).
  - As there is no official translation of the statement, the full scope of the ban on U.S. agricultural imports is not clear, and interpretations have varied.
  - The suspension does not have an end date.
- Furthermore, the Chinese Ministry of Commerce will consider imposing additional tariffs on imports of U.S. products, and may revoke tariff exemptions that it had previously granted. (*Continues on next page*)

Bryant Christie Inc. – Seattle

1418 Third Avenue, Suite 300  
Seattle, WA 98101  
Phone: (206) 292-6340 Fax: (206) 292-6341

Bryant Christie Inc. – Sacramento

2005 "I" Street, Suite 200  
Sacramento, CA 95811  
Phone: (916) 492-7062 Fax: (916) 492-7061

- The ban on U.S. agricultural products is considered an alternative to tariffs, as China does not import enough products from the U.S. to respond with retaliatory tariffs on a dollar-per-dollar basis.

#### **U.S. Accuses China of Currency Manipulation**

- On August 5, the Chinese central bank allowed the Chinese renminbi to decline to approximately 7.03 renminbi to the U.S. dollar, its lowest value in over a decade.
- This was widely perceived as a response to U.S. tariffs, as a weaker renminbi will make Chinese products more affordable for foreign consumers, partially offsetting the tariffs. It will also make imported products less affordable for Chinese consumers, hurting U.S. exports to China.
- In response, the Trump administration announced that it would label China a currency manipulator, which China denies. The U.S. intends to refer the issue to the International Monetary Fund (IMF), although the IMF's powers in this area are highly limited.
- This decision escalates tensions in the trade war, and could lead to further tariffs.
- In May, the Commerce Department proposed using countervailing duties on countries that use currency manipulation. If this policy is approved, the U.S. could use its designation of China as a currency manipulator as a rationale to further increase tariffs on Chinese goods.