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INSIDE THIS ISSUE

- **USDA GAP Audit Recognized by Global Food Safety Initiative**
- **USDA Realigning Economic Research Service with Office of the Chief Economist**
- **Update on NAFTA**
- **U.S. Second Tranche of 301 Tariffs; Chinese Response**
- **India Delays Retaliatory Tariffs**
- **U.S. Doubling Section 232 Steel Tariff for Turkey**
- **New Singapore Food Agency to Oversee Food Safety and Security**
- **Singapore and Mercosur Launch Free Trade Agreement Negotiations**

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

USDA GAP Audit Recognized by Global Food Safety Initiative

- The U.S. Department of Agriculture (USDA) [announced](#) on August 13 that its Harmonized Good Agricultural Practices (GAP) Plus+ audit program for specialty crops is now accepted as technically equivalent by the Global Food Safety Initiative (GFSI).
- The USDA program fulfills the technical requirements of GFSI, the Food and Drug Administration's Food Safety Modernization Act Produce Safety Rule, the industry-driven Produce GAP Harmonization Initiative, and industry best practices in the United States.
- USDA is the first to achieve recognition under GFSI's new technical equivalence for government entities. More information regarding the Harmonized GAP is available at the USDA AMS [website](#).

USDA Realigning Economic Research Service with Office of the Chief Economist

- The Secretary of Agriculture Sonny Perdue [announced](#) on August 9 plans to further reorganize the U.S. Department of Agriculture (USDA). The Economic Research Service (ERS), currently under USDA's Research, Education, and Economics mission area, will realign with the Office of the Chief Economist under the Office of the Secretary.
- Additionally, the ERS and the National Institute of Food and Agriculture (NIFA) will be relocated. The USDA is quickly working to implement its plans to move both the agencies. In a Federal Register [notice](#) that will be published on Wednesday, USDA is requesting comments from state and local governments, industry, academia, and interested parties on potential locations.

Update on NAFTA

- The U.S. and Mexico are getting close to reaching a deal on the North American Free Trade Agreement (NAFTA), according to a recent statement from the White House Council of Economic Advisors Chairman Kevin Hassett.
- U.S. and Mexican negotiators will meet again this week in Washington, DC to discuss bilateral issues. While it was reported that Canada would be joining the talks this week, it appears that Canada is still on the sidelines of the current discussions.
- Mexico is pushing to secure a deal by the end of August in order to have the current Mexican administration sign the agreement.

(Continues on Next Page)

Update on NAFTA

- There have been reports that the U.S. is insisting that autos that do not meet NAFTA's rule of origin face a higher tariff than the U.S.'s 2.5 percent World Trade Organization (WTO) bound rate. Mexico opposes the proposal as it has opposed the U.S.'s continual push for the automotive rule of origin to contain a higher regional value content requirement, as well as a higher national content requirement.

U.S. Second Tranche of 301 Tariffs; Chinese Response

- On August 7, the Office of the U.S. Trade Representative (USTR) [announced](#) that the second tranche of the Section 301 tariffs on Chinese products will take effect August 23, 2018. The final list, worth roughly \$16 billion, rounds out the first wave of U.S. tariffs on \$50 billion of Chinese imports. The U.S. action covers 279 tariff lines and includes goods such as chemicals and electronics.
- The Chinese Ministry of Commerce on August 8 [announced](#) an updated list of \$16 billion in U.S. products that will be subject to an additional 25 percent tariff also beginning August 23, 2018. The Chinese list includes 333 tariff lines and includes chemicals, energy equipment, and tractors.
- The finalized second tranche of U.S. tariffs on Chinese goods can be found [here](#).
- The finalized second tranche of Chinese tariffs on U.S. goods can be found [here](#) (in Chinese).

India Delays Retaliatory Tariffs

- India's Ministry of Finance issued a [notification](#) on August 3, 2018 delaying the implementation date of tariff increases for certain U.S. origin goods.
- The tariff increases, in retaliation for the U.S. Section 232 steel and aluminum tariffs, were set to go into effect August 4, 2018. The new implementation date for the tariff increase is September 18, 2018.
- Cherries were not included in India's retaliation. To view the list of goods subject to additional duties, please see the following World Trade Organization [notification](#).

U.S. Doubling Section 232 Steel Tariff for Turkey

- On August 10, President Trump [announced](#) that the tariff on steel imported from Turkey will be doubled to total 50 percent. Under Section 232 of the Trade Expansion Act of 1962, the tariffs for steel and aluminum were increased for Turkey to 10 percent and 25 percent, respectively, on March 8, 2018. While President Trump mentioned also doubling the tariff for aluminum products, the proclamation published by the White House does not mention such a move.
- In response to the original Section 232 tariffs, Turkey imposed [retaliatory tariffs](#) (in Turkish) on U.S. goods in June. Cherries were not included in the retaliation. Turkey has yet to announce a response to the most recent tariff increase.

New Singapore Food Agency to Oversee Food Safety and Security

- On April 1, 2019, the new Singapore Food Agency (SFA) will be formed to oversee food safety and security.
- The SFA will be under the Ministry of the Environment and Water Resources and take over the food-related aspects of the Agri-Food and Veterinary Authority of Singapore (AVA), the National Environment Agency (NEA), and the Health Science Authority (HSA). The AVA currently administers Singapore's [Sale of Food Act](#). In the interim, the AVA will continue to carry out its existing function. As part of the re-organization, AVA will also revisit and fine-tune regulations and processes.
- For more information regarding the function of the SFA, please see the following Ministry of National Development [press release](#).

Singapore and Mercosur Launch Free Trade Agreement Negotiations

- Singapore and Mercosur [launched negotiations](#) for a Mercosur-Singapore Free Trade Agreement (MSFTA) on July 23, 2018. Both sides announced the launch on the sidelines of the Pacific Alliance Summit.
- Mercosur is comprised of Argentina, Brazil, Paraguay and Uruguay, representing a collective market of more than 260 million people and a GDP of US\$2.5 trillion. Singapore has a GDP of US\$305.8 billion and is a major transshipment point in Asia. Singapore's total trade in goods with the Mercosur countries amounted to US\$3.97 billion in 2017.