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A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

SPECIFIC ISSUES OF INTEREST TO THE CCB:

Turkish Cherries Gain Korean Market Access

- According to local media and industry reports, the Turkish cherry industry obtained market access to South Korea for the first time in 2019.
- While Turkey is by far the world's largest producer of cherries, its exports have been relatively limited, totaling \$161 million in 2018. Its primary markets are Germany and Russia.
- With a June-September season, Turkish cherries partially overlap with California cherries, creating the potential for competition.

Chile Obtains Vietnamese Market Access for Expanding Cherry Industry

- The USDA post in Santiago, Chile, has released its annual [GAIN Report](#) on stone fruit, summarizing the growth, productivity, and export markets for the Chilean cherry industry.
- According to the report, Chile's cherry industry has shifted aggressively towards exporting to China, with 87% of Chilean cherry production destined for the Chinese market.
- The report projects 15% export growth for Chilean cherries, due to increasing production and strong demand in China.
- Furthermore, the report notes that Chilean cherries recently obtained market access to Vietnam, and will have full market access beginning this season.
- Vietnamese cherry imports were valued at approximately \$23 million in 2018, supplied primarily by the U.S., Australia, and New Zealand.

Japanese Cherry Industry Projected to Decline

- The USDA Post in Tokyo, Japan, has released its annual [GAIN Report](#) on stone fruit, covering trends in the Japanese cherry industry.
- The report projects that cherry consumption will remain flat, with an estimated 6% drop in Japanese production to be offset by increased imports from the U.S.
- The decrease in Japanese production is attributed to long-term trends, including aging farmers and labor shortages, which are expected to continue.
- However, the report also notes that the Japanese cherry industry is focused on developing early-season varieties. These varieties would be available in May, competing with early-season California cherries.

GENERAL ISSUES OF INTEREST TO THE CCB:

USTR Requests Comments on Chinese WTO Compliance

- The office of the U.S. Trade Representative (USTR) is requesting comments on [China's compliance](#) with WTO commitments.
- Areas of interest include import regulations (tariffs, TRQs, import licenses) and internal policies affecting trade (e.g., subsidies, standards and technical regulations, sanitary and phytosanitary measures), as well as broader compliance with WTO commitments.
- Additionally, USTR requests that commenters “specifically identify unresolved compliance issues that warrant review and evaluation by USTR.”
- Comments should be submitted online, per instructions provided in the notice.
- Comments on China’s compliance are due September 18, and a public hearing is scheduled for October 2.

USDA GAIN Report Reveals Details of German Packaging Regulations

- A [USDA GAIN report](#) has been released, providing details on German packaging [regulations](#) (in German) , known as VerpackG, that were introduced in January 2019 and apply to nearly all types of packaging.
- Under the regulations the “entity bearing legal responsibility for the goods when they enter Germany” (typically the German importer, not the food manufacturer) must register with [Zentrale Stelle](#), the agency responsible for food packaging, and must make annual disclosures regarding amounts of packaging used.
- Possible penalties for noncompliance include fines of up to €200,000 (\$221,827) and a sales ban.

U.S. – UK Trade Deal Unlikely Without Solution to Brexit Irish Border Concerns

- In an official [House statement](#) on August 14, House Speaker Nancy Pelosi stated that there is “no chance” of any trade deal with the UK if Brexit threatens the Good Friday Agreement between Ireland and the UK., effectively ruling out any U.S. - UK trade deal under a no-deal Brexit situation.
- On August 19, Senate Minority Leader Chuck Schumer concurred. In a [letter](#) to Secretary of State Mike Pompeo, Schumer categorically rejected any trade deal that would threaten the Irish border.
- These announcements come in response to the Trump administration’s announcement that they would seek industry-specific trade deals with the UK as soon as possible, following talks with British Prime Minister Boris Johnson.

United Kingdom Requests Input on National Food Strategy

- The UK government is developing a [National Food Strategy](#), which will be published in 2020.
- Comments are requested from food producers and businesses, both in the UK and abroad, with a focus on building a reliable, environmentally friendly, and efficient food supply chain
- The Strategy will apply to England, but will consider relationships with other regions of the UK, the European Union, and trading partners.
- Comments are due by October 25 to the [UK Department for Environment, Food, and Affairs](#).