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A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

SPECIFIC ISSUES OF INTEREST TO THE CCB:

U.S. Department of Agriculture Assesses European Union Cherry Market

- Overall cherry production in the European Union (EU) is forecast to follow the downward trend of the past two years and decrease by 21 percent to a total of 576,346 metric tons (MT) in marketing year (MY) 2017/18.
- Production in Italy is expected to increase 10.6 percent to 105,000 MT and production in Spain is expected to increase 16.5 percent to 100,946 MT. Cherries in Poland, traditionally the EU's largest cherry producer, were strongly affected by heavy frosts in April in May of 2017. As a result, Poland is expected to fall to third place in terms of total cherry production with 90,000 MT.
- EU cherry consumption is estimated to be around 391,000 MT in 2017, with cherries destined for processing decreasing by an estimated 61 percent due to the smaller than average cherry production in Poland. Italy is the largest consumer of fresh cherries. In Italy, as well as Spain, Portugal, France, and Greece, consumption is primarily limited to fresh seasonal cherries.
- Spain remains the biggest exporter of Cherries from the EU, mainly due to its early season harvest. The major destinations for EU cherries are other Member States, Belarus, and Serbia.
- Additional information about cherry production, consumption, and trade in the EU is available in the following U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) GAIN [report](#).

Update on Australian Stone Fruit Sector

- Australian cherry production is expected to be 16,000 metric tons (MT) in marketing year (MY) 2017/18. In the previous marketing year, the production expectation was similar; however, poor weather conditions reduced output to only 10,000 MT. Australia is a relatively small producer of cherries, accounting for approximately one percent of global output.
- Australia's cherry exports are projected to bounce back to 5,000 MT in MY 2017/18 from the previous season's export figure of 2,500 MT, which was 50 percent below the official estimate.
- Hong Kong is the leading export destination for Australian cherries as it does not require stringent import protocols for biosecurity. Hong Kong and China account for around half of Australia's cherry exports, and China continues to be of increased importance since direct exports can now occur under new import protocols. Taiwan and South Korea remain important export markets, and exports to South Korea have reached around 300 MT due to the phase out of tariff duties under the Korea-Australia Free Trade Agreement.
- The United States is the primary supplier of cherries to Australia. Imports from the U.S. are typically marketed between July and September and therefore do not compete directly with Australian cherries, which are available between October and February.
- Additional information about Australia's stone fruit sector is available in the following U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) GAIN [report](#).

GENERAL ISSUES OF INTEREST TO THE CCB:

U.S. Government to Hold Public Meetings Ahead of Codex Committee Sessions

- On August 25, the U.S. Department of Agriculture (USDA) published three notices in the *Federal Register* notifying of upcoming meetings to provide information and receive public comments on draft positions of the U.S. ahead of three separate, official Codex meetings. These include the Codex Committee on Food Hygiene (CCFH), the Codex Committee on Fresh Fruits and Vegetables (CCFFV), and the Codex Committee on Food Labelling (CCFL).
- The USDA meeting concerning CCFH will discuss topics concerned with basic provisions for food hygiene, including those proposed by other Codex commodity committees. This meeting will take place at the USDA's offices in Washington, D.C. on October 11, 2017, and the 49th Session of the CCFH is scheduled for November 13-17 in Chicago, Illinois. For more information on topics covered, attending, and submitting public comments, please see the U.S. *Federal Register* [notice](#).
- The USDA meeting concerning CCFFV will discuss draft standards for certain fruits and vegetables as well as matters arising from Codex and other international organizations on the standardization of fresh fruits and vegetables. The public meeting will take place on September 1, 2017 in Washington D.C., and the 20th Session of the CCFFB will take place October 2-6, 2017 in Kampala, Uganda. For more information on topics covered, attending, and submitting public comments, please see the U.S. *Federal Register* [notice](#).
- The USDA meeting concerning CCFL will discuss drafting provisions on labeling applicable to all foods, and matters referred to the Committee by Codex and other Codex Subsidiary Bodies. The meeting will take place September 13, 2017 and at the FDA offices in College Park, Maryland, and the 44th Session of the CCFL will take place October 16-20 in Asuncion, Paraguay. For more information on topics covered, attending, and submitting public comments, please see the U.S. *Federal Register* [notice](#).
- Documents for all upcoming sessions are available at the [Codex Alimentarius](#) website.

Turkey-Singapore Free Trade Agreement to Come into Force in October

- The [Turkey-Singapore Free Trade Agreement](#) (FTA) was ratified August 21. The FTA was signed by both nations in October 2015 (*BCI Monitor* 10-13-15) and will enter into force on October 1.
- Singapore will eliminate customs duties on all goods originating from Turkey the day the FTA enters into force. Turkey will eliminate customs duties on around 95 percent of products originating from Singapore. Items from the [tariff schedule of Turkey](#) that will see a tariff elimination of interest to the CCB include:
 - Sour Cherries (HS 0809.21)
 - Cherries - Other (HS 0809.29)
- The two sides emphasized regional cooperation as a significant aspect of the agreement, due to the fact that trade between Singapore and the European Union passes through Turkey, and Singapore is a regional hub for Turkey's trade with Southeast Asian countries. Bilateral trade between Turkey and Singapore reached around US\$1.033 billion in 2016.

Office of the U.S. Trade Representative Calling for Comments on Buy American Provisions in Trade Agreements

- In response to President Trump's [executive order](#) on "Buy American and Hire American," the Office of the U.S. Trade Representative (USTR) and the Department of Commerce are conducting industry outreach in order to better understand how the U.S. government procurement obligations under all U.S. free trade agreements and the World Trade Organization's Agreement on Government Procurement affect U.S. manufacturers' and suppliers' access to and participation in the domestic government procurement process.
- The USTR and Commerce Department are requesting comments in preparation for two assessments that will conclude in September and November. Comments will be considered in an assessment regarding the costs and benefits of procurement obligations, which will be completed on September 15, 2017. Additionally, responses to this notice will be considered in the assessment as well as in the final report of findings and recommendations to strengthen the implementation of Buy American Laws that the Secretary of Commerce will submit the President by November 24, 2017.
- The Federal Register [notification](#) regarding this request for comments was published on August 21. Comments regarding Buy American provisions in trade agreements are due on September 18.