

SEPTEMBER 4, 2018

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## A REPORT FOR THE CALIFORNIA CHERRY BOARD

## GENERAL ISSUES OF INTEREST TO THE CCB:

### Trade Mitigation Programs Launched

- On September 4, the U.S. Department of Agriculture (USDA) [launched](#) the assistance to farmers suffering from damage due to trade retaliation. Producers of certain commodities can now sign up for the Market Facilitation Program (MFP) and the USDA will also begin to purchase identified commodities under the food purchase and distribution program.
- The USDA is still working determine how to address market disruptions for producers of sweet cherries.
- The USDA has also begun accepting proposals for the Agricultural Trade Promotion Program (ATP), which aims to help U.S. producers find and access new markets for their products. Applicants can submit proposals for the \$200 million ATP program on a rolling basis until November 2, 2018.
- Details on ATP and how to apply can be found on the USDA Foreign Agricultural Service [website](#).

### Update on NAFTA Talks

- Canadian Foreign Affairs Minister Chrystia Freeland will return to Washington, DC, on September 5 in hopes of making progress in the North American Free Trade Agreement (NAFTA) negotiations.
- While the U.S. and Mexico have concluded negotiations on bilateral issues, the U.S. and Canada have several outstanding issues including dairy market access, procurement and intellectual property, and trade remedy dispute settlement (Chapter 19). On September 4, Canadian Prime Minister Justin Trudeau told reporters that Canada will not sign an agreement that does not include a dispute settlement mechanism.
- The Office of the U.S. Trade Representative (USTR) has 90 days to finish NAFTA negotiations and submit the retooled text to Congress. USTR started the clock by submitting a [notification](#) to Congress on Friday of its intent to sign a trade deal with Mexico that could include Canada. The notice was sent after NAFTA talks with Canada ended abruptly and failed to produce a deal before the Friday deadline. Numerous procedural hurdles exist to the adoption of a U.S.-Mexico trade agreement that excludes Canada.

### KORUS Agreed Outcomes Text Published

- On September 3, the Office of the U.S. Trade Representative has published the [agreed outcomes](#) of the negotiations to amend the Korea-U.S. Free Trade Agreement (KORUS).
- The two nations reached an agreement in principle on KORUS in March and have been working to finalize certain technical areas of the agreement.

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### *KORUS Agreed Outcomes Text Published*

- Korea will now initiate the next step in its own domestic procedure, which is to open for public comment the provisional Korean translations of the outcomes to amend KORUS. Once that is complete, and translations are certified by both governments, the documents can then be finalized for signature.

### **Light Brown Apple Moth Boundary Changes**

- The Light Brown Apple Moth LBAM (*Epiphyas postvittana*) quarantine boundaries have changed in several southern California counties.
- Changes for Los Angeles county can be found in grids [455](#), [456](#), and [469](#).
- Changes for Orange County can be found in grids [470](#) and [482](#).
- Changes for Ventura county can be found in grids [421](#) and [437](#).
- Changes for San Diego county can be found in grids [510](#) and [511](#).
- For more information on LBAM, as well as the Southern California, Northern California, and full state quarantine maps, please see the California Department of Food and Agriculture [website](#).

### **Update on Australian Stone Fruit Sector**

- Australian cherry production is expected to increase 12.5 percent to 18,000 metric tons (MT) in marketing year (MY) 2018/19. Australia's cherry exports are projected to increase 40.0 percent to 7,000 MT in MY 2018/19 from the previous season's export figure of 5,000 MT.
- Hong Kong and China continue to account for around half of Australia's cherry exports. Hong Kong is still the leading export destination for Australian cherries as it does not require stringent import protocols for biosecurity. China has grown in importance since airfreight shipments were allowed for the first time in late 2017.
- California is the primary supplier of cherries to Australia. Imports from the U.S. are typically marketed between July and September and 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 GAIN [report](#).

### **United Kingdom Releases Brexit Guidance Documents**

- The United Kingdom (UK) Government has published 25 technical notices designed to help businesses and citizens prepare for a scenario in which the UK leaves the EU without an agreement (a "no-deal" scenario). These notices are the first batch to be published by the UK, with more to be published in September.
- The notices cover a range of topics including: [Trading with the EU](#), [VAT for Businesses](#), [Trade Remedies](#), [Classifying Goods in the UK Trade Tariff](#), [Producing and Processing Organic Food](#), and [Developing Genetically Modified Organisms](#), among others.
- The technical notice on trading with the EU states that in the event of a no-deal Brexit, "trade with the EU will be on non-preferential, World Trade Organization terms." However, the notice does not address what would happen if there was no agreement with other World Trade Organization members. The UK still needs to complete the formal process of agreeing to schedules, as well as tariffs and quotas, with all other WTO member countries by March.

### **Request for Comments on China's Compliance with WTO Commitments**

- The Office of the U.S. Trade Representative (USTR) is requesting comments from interested parties on China's compliance with commitments made in connection with its accession to the World Trade Organization (WTO).
- Topics of interest include trading rights, import regulations, subsidies, technical regulations, sanitary and phytosanitary measures, and rule of law issues.
- For more information please see the following *Federal Register* [notice](#). The deadline for comments is September 19, 2018.

### **Canada Holding Public Consultation on Free Trade Agreement with ASEAN**

- On September 8, 2017, Canada and the Association of Southeast Asian Nations (ASEAN) agreed to launch exploratory talks for a free trade agreement (FTA), and the first set of face-to-face exploratory discussions took place July 11-12, 2018, in Singapore.
- Until October 16, 2018, the Government of Canada is [seeking the views](#) of the Canadian public and interested Canadian stakeholders on the scope of potential negotiations toward a possible FTA agreement with ASEAN.