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GENERAL ISSUES OF INTEREST TO THE CCB:

Chilean Officials Working to Reopen Vietnam to Fruit Exports

- Representatives from Chile's Association of Fruit Exporters (ASOEX) are hopeful that Chilean fruit exports to Vietnam may resume later this year, according to a recent ASOEX [press release](#).
- Chilean producers have been unable to export fruit to Vietnam since August 2015 at which time Vietnam suspended the issuance of export permits due to fruit fly outbreaks in Chile.
- This optimistic assessment follows a successful visit by phytosanitary inspectors from Vietnam's Plant Protection Department (PPD) from August 22-26 to evaluate Chile's fruit fly eradication program. This is the third meeting between ASOEX, Chile's Agriculture and Livestock Service (SAG), and Vietnam's PPD to provide information about Chile's fruit fly eradication efforts and facilitate a re-opening of the Vietnamese market.
- Both Chile and the U.S. face a 10 percent tariff when exporting fresh sweet cherries to Vietnam. If the Trans-Pacific Partnership (TPP) is implemented, Vietnam's tariff on U.S. cherries will be eliminated in equal annual stages over two years. According to the provisions of the Vietnam-Chile Free Trade Agreement (VCFTA), which entered into force in 2014, Vietnam's tariff on Chilean cherries will be eliminated in equal annual stages over ten years. In 2015, U.S. fresh sweet cherry exports to Vietnam reached a value of approximately \$2.7 million while the value of Chilean fresh sweet cherry exports to Vietnam amounted to approximately \$395,000.

France Calls for Suspension of U.S.-European Union Transatlantic Trade and Investment Partnership Negotiations

- France will request a cessation of negotiations for the U.S.-European Union (EU) Transatlantic Trade and Investment Partnership (TTIP) when EU trade ministers meet to discuss the status of the talks in Bratislava, Slovakia in late September 2016, according to media sources.
- In public comments, French Trade Minister Matthias Fekl announced France will deliver a formal request to the European Commission to immediately suspend TTIP negotiations with the U.S. A growing number of officials from France, Germany, and other EU member states have asserted that TTIP negotiations are failing, largely as a result of the unwillingness of U.S. negotiators to compromise with EU negotiators on certain outstanding issues.
- EU Trade Commissioner Cecilia Malmström and U.S. Trade Representative (USTR) Michael Froman—who continue to hold biweekly discussions on the status of TTIP negotiations—responded by saying talks are progressing and that negotiations would continue unabated.
- That said, upcoming elections in the U.S., Germany, and France—as well as Britain's recent decision to leave the EU—are complicating attempts to advance TTIP negotiations.
- The next round of talks has not been officially scheduled as representatives prepare to assess the future of the negotiations in Bratislava, Slovakia from September 22-23, 2016.



**A Report for
the California
Cherry Board**

Morocco to Require Compliance with International Standard for Wood Packaging

- Morocco recently [notified](#) the World Trade Organization (WTO) of a proposed order stipulating phytosanitary and regulatory requirements for wood packaging used in international trade.
- The proposal, issued by Morocco's National Office for Food Safety (ONSSA), includes the following requirements: 1) wood packaging material must be marked correctly in accordance with International Standards for Phytosanitary Measures "Regulation of Wood Packaging Materials" ([ISPM 15](#)); and 2) wood packaging manufacturers must be registered at the national level.
- Over 70 countries currently abide by the ISPM 15 standards developed by the International Plant Protection Convention (IPPC).
- According to the WTO notice, comments are due by October 1, 2016. The proposed date of official publication is November 1, 2016. The order is expected to enter into force six months after publication.

U.S.-Mexico Joint Study Explores Opportunities to Increase Bilateral Agricultural Trade

- The U.S. Department of Agriculture (USDA) and Mexico's agricultural secretariat recently published a [joint study](#) exploring opportunities to facilitate greater bilateral agricultural trade between the two countries.
- The tariff and quota elimination measures under the North American Free Trade Agreement (NAFTA) have helped U.S. agricultural exports to Mexico increase from \$3.6 billion in 1993 to \$17.7 billion in 2015. That said, the trade-liberalizing provisions of NAFTA—including the elimination of tariffs and quotas—were fully implemented in 2008. As a result, new means of trade facilitation are needed to facilitate further growth of U.S.-Mexico agricultural trade.
- The joint study identifies six areas of opportunity for enhancing bilateral agricultural trade between the U.S. and Mexico, including: 1) increasing the consistency of agricultural-related aspects of border crossings and inspections; 2) further developing risk-based inspection systems; 3) augmenting pre-clearance and pre-inspection systems as well as joint inspection facilities; 4) preparing for new transportation infrastructure and shipping routes; 5) streamlining complementary activities for Single Window Environments; and 6) creating formal avenues for regulatory innovation.
- According to the authors of the joint study, these modifications would improve the ease and efficiency of cross-border agricultural trade between the U.S. and Mexico without compromising regulatory standards.

U.S. Department of Agriculture Updates Agricultural Trade Outlook

- The outlook for U.S. agricultural exports is expected to improve in 2017, according to the latest U.S. agricultural trade outlook [report](#) published by the U.S. Department of Agriculture's (USDA) Economic Research Service (ERS). This update includes revised fiscal year (FY) 2016 estimates as well as the first forecast for U.S. agricultural exports in FY 2017.
- Agricultural exports in FY 2017 are forecast to reach \$133 billion. This would amount to an increase of \$6 billion compared to the revised FY 2016 estimate of \$127 billion. High-value consumer-oriented items—horticultural products in particular—are expected to account for a significant portion of export growth in FY 2017. As a result of improving exports, the U.S. agricultural trade surplus is forecast to rise to \$19.5 billion in FY 2017, a 40 percent increase compared to FY 2016.
- USDA Secretary Tom Vilsack issued a [statement](#) in support of the improved outlook, noting that implementation of the Trans-Pacific Partnership (TPP) would further strengthen the position of U.S. agricultural exporters in upcoming years.