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A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD

## GENERAL ISSUES OF INTEREST TO THE CCB:

**Canadian Cherries Granted Japanese Market Access**

- All varieties of fresh cherries from the Canadian province of British Columbia have recently secured market access to Japan, according to an Agri-Food Canada [press release](#).
- Currently, Canada and the United States face the 8.5 percent most favored nation tariff rate in Japan. However, once the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) enters into force, Japan's tariff of 8.5 percent on fresh cherries will be eliminated for Canada over 5 years.
- In 2017, Japan imported around US \$48 million of fresh cherries from around the world.

**Oriental Fruit Fly Quarantine in Sacramento and Yolo Counties**

- Effective August 21, the U.S. Animal and Plant Health Inspection Service (APHIS) established an Oriental fruit fly (*Bactrocera dorsalis* - OFF) quarantine in the Sacramento area of Sacramento County and in Yolo County, California.
- This action is in response to the confirmation of seven OFF from the Sacramento area by APHIS and the California Department of Food and Agriculture (CDFA) on August 21. The detections were made in residential areas.
- APHIS is applying safeguarding measures and restrictions on the interstate movement or entry into foreign trade of regulated articles from the area in order to prevent the spread of OFF to non-infested areas of the United States. More information is available at USDA's [APHIS Fruit Flies Quarantine Information website](#).

**United States Prepared to Levy More Tariffs on Chinese Goods**

- A plan for tariffs on an additional \$267 billion in Chinese goods has been prepared, according to a September 7 statement from President Trump.
- The newly announced tariffs would be in addition to the 25 percent tariff that has been levied on \$50 billion of Chinese goods and the 25 percent tariff on \$200 billion in Chinese goods expected to come into force any day – the public consultation period for these tariffs concluded on September 6.
- The list of Chinese goods worth \$200 billion subject to tariffs can be found [here](#), and the U.S. goods to be targeted by Chinese retaliation can be found [here](#) (in Chinese).
- Further detail on the new tariff plan has yet to be released by the Trump administration.

### USTR Signals Interest in Beginning Consultations with Congress on Trade Talks with the EU

- U.S. Trade Representative Robert Lighthizer met with European Commissioner of Trade Cecilia Malmström to kick off an executive working group agreed to by President Trump and European Commission President Jean-Claude Juncker at their July 25 meeting.
- Lighthizer, after the meeting, announced that the Trump administration plans to begin consultations with Congress “pursuant to Trade Promotion Authority” on trade talks with the European Union (EU).
- Lighthizer and Malmström plan to meet in late September to continue talks, and teams from both sides will hold discussions on identifying and reducing barriers to trade in October. Ministers in November will come together to finalize the outcomes of the talks, according to the USTR [press release](#).
- Note, these are not formal trade negotiations. All EU member states must endorse a negotiating mandate for the European Commission to enter formal negotiations.

### Farm Bill Update

- The 56-member Farm Bill Conference Committee held its first public meeting on September 5, 2018. The Committee is comprised of nine senators and 47 members of the House. It is tasked with merging the House and Senate versions of the farm bill. The first meeting was designed to allow members of the Committee to make three-minute statements outlining their priorities; there was no debate.
- Last week, House Agriculture Chairman Mike Conway submitted a farm bill proposal to his Senate counterparts. Media sources described the proposal as a significant compromise but noted that more effort will be needed to reconcile the two versions. Senate Agriculture ranking member Debbie Stabenow described the Conway proposal as not something the Senate would accept due to the major differences in the Supplemental Nutrition Assistance Program (SNAP) as well as the commodity, conservation, and energy sections, or “titles”.
- The current farm bill expires on September 30. There are fewer than seven combined working days left on the legislative calendar.

### Update on NAFTA Talks

- High level talks between the U.S. and Canada on the North American Free Trade Agreement (NAFTA) continue this week as both nations hope to wrap up talks by the end of September.
- The major issues that remain to be worked out include. Canada’s continued emphasis on the need for a dispute process within NAFTA and the U.S. goal of gaining greater access to Canada’s dairy market.
- Meanwhile, Democratic members of the House Ways and Means Committee are [questioning](#) how the Trump administration plans to handle the U.S.-Mexico agreement if the U.S. and Canada cannot reach a deal. The U.S. and Mexico reached a bilateral agreement and USTR formally notified Congress of its intention to sign an agreement with Mexico, and potentially Canada, on August 31.

### China Optimizes Re-Inspection Protocols

- On September 5, China’s State Administration for Market Regulation (SAMR) published a [notice](#) (in Chinese) regarding optimizing the sampling inspection protocols for re-inspection if producers or importers/exporters disagree with the sampling results received during inspection.
- An applicant can apply for re-inspection to SAMR within seven business days after sampling results were received. A testing agency for re-inspection will be randomly assigned from a directory.
- During the period when the product is being re-inspected, food producers and importers/exporters are required to control food safety risks, pinpoint the cause of non-compliance, correct the non-compliance, as well as keep a record and inform SAMR.
- An application for re-inspection will not be accepted if: 1) the sampling result concludes that the microbial levels are outside the designated limit; 2) the sample for re-inspection has exceeded its shelf life; 3) the re-inspection application was not filed within the appropriate window; 4) other reasons that cause the backup sample to fail; or 4) other circumstances not covered by Chinese laws or regulations.