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A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

SPECIFIC ISSUES OF INTEREST TO THE CCB:

Chilean Cherry Production Expected to Increase in Upcoming Season

- Chilean cherry production is expected to increase seven percent to 123,870 metric tons (MT) in marketing year (MY) 2017/18, according to a recent U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#).
- Due to greater exportable supplies, export volumes are expected to reach 103,380 MT, an eight percent increase versus MY 2016/17. China remains the top export destination for Chilean cherry exports, accounting for approximately 80 percent of total shipments, and the U.S. is the second-largest importer of Chilean cherries with seven percent of total shipments. In January 2016, South Korea opened its market to Chilean fresh cherries. Imports grew quickly to 1,365 MT, and accounted for around 2 percent of the total shipments of Chilean cherries by volume.
- Cherry production in Chile is concentrated in the regions of Maule and O'Higgins, which together represent 80.5 percent of total planted area. Cherry acreage continues to grow with new planted areas shifting towards high density orchards and the use of higher productivity varieties.

GENERAL ISSUES OF INTEREST TO THE CCB:

European Food Safety Authority Publishes Conclusion on Endocrine Disrupting Properties of Glyphosate

- On September 7, the European Food Safety Authority (EFSA) [published](#) a conclusion on the peer review of the pesticide risk assessment of the potential endocrine disrupting properties of glyphosate.
- In November 2015, EFSA published a conclusion on the peer review of the risk assessment of glyphosate as part of the renewal of approval process. Signs of endocrine activity could not be completely ruled out and a data gap was identified. The European Commission considered it desirable to address this issue via a focused scientific assessment.
- In October 2016, EFSA requested relevant data from the applicant of the renewal of approval of glyphosate, the Glyphosate Task Force. The rapporteur member state, Germany, provided an initial assessment of the data provided. This evaluation was distributed to member states and EFSA for comment. An expert consultation was also conducted in the areas of mammalian toxicology and ecotoxicology.
- The current assessment concluded that glyphosate does not have oestrogen, androgen, thyroid, and steroidogenesis (EATS)-mediated endocrine disrupting properties.
- Furthermore, it was determined that the data gap identified in the previous EFSA conclusion was adequately addressed.

Update on the United Kingdom's Withdrawal from the European Union

- The U.S.-U.K. Business Council has published a set of [policy papers](#) outlining the priorities it has for the future relationship between the United Kingdom and the European Union (EU). The council makes recommendations in several areas including market access for goods, customs and trade facilitation, financial services, movement of labor, and regulatory cooperation in order to minimize potential job losses and disruptions to trade flows.
- The policy papers come amidst the narrow passing of Prime Minister Theresa May's repeal bill which formally ends Britain's EU membership and overturns the supremacy of European law in the country. The repeal bill allows for the transfer of thousands of EU rules into British laws and allows ministers to rewrite these laws as they go, which has led to much controversy as these changes would not face the normal scrutiny in Parliament.
- Since June, the U.K. and the EU have met three times to discuss the U.K.'s departure. Ahead of the third round, the U.K. published [position papers](#) on the U.K.'s negotiating approach to goods on the market and to the confidentiality of and access to official documents.
- The fourth round of negotiations is set for September 25. This round was delayed by a week to give both sides more time to ensure they make progress when they do convene, and it is expected that PM May will give a public speech on her latest strategy for the negotiations beforehand.

U.S. Department of Agriculture Assesses Agricultural Export Opportunities in Brazil

- After contracting over the past two years, Brazil's economy is expected to see mild gains in 2017 with both exports and investment seeing recovery. The economic recovery, in combination with an expanding middle class, is driving consumer interest in higher-value food products. A [report](#) recently published by the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) evaluates challenges and opportunities for U.S. exporters in Brazil.
- In 2016, Brazil imported \$10 billion worth of agricultural products, with wheat, fresh and processed vegetables, dairy products, fresh and processed fruit, and corn being the top five commodities. Over 50 percent of those agricultural imports were supplied by Mercosur countries – Argentina, Paraguay, and Uruguay -- and around eight percent were supplied by the United States.
- Recent consumer trends have shown not only that Brazilian shoppers are interested in finding good deals, but that the quality of the product plays an ever-increasing role in the purchase process. Brazilians are purchasing less in bulk and focusing more on the quality of a product. Organic foods have the potential to prosper. Introducing higher-value products such as organic prepared food options to the Brazilian market addresses both health and sustainability concerns represented in current consumer trends.
- Brazil's economic growth relies heavily on both agricultural exports and consumption. Brazil's economy has become much more diverse in the past decade; however, Brazil's long reliance on a consumption-led growth model, at the expense of investment, especially in infrastructure, could potentially lead to higher transportation and production costs which would put strain on agricultural exports and imports.

Israel Deepens Trade Relations with China

- On September 11, Israel and China signed a \$300 million extension of a financial protocol designed to bolster Israeli exports of environmental and agricultural technologies to China. Israel is the biggest supplier of advanced agricultural technology to China.
- The deal, signed by Israeli Finance Minister Moshe Kahlon and his Chinese counterpart Xiao Jie, is an intergovernmental agreement that provides state guarantees for Israeli banks to provide long-term credit to Chinese importers to make purchases from Israeli exporters. The deal builds on the trade relationship between the two nations, and allows the two sides to expand bilateral economic activity into advanced agriculture technologies and green energy technologies.
- China is the second largest export destination for Israeli goods after the United States, and it is Israel's top trading partner in East Asia. According to media sources, bilateral trade in agriculture is targeted to reach US\$450 million by 2020.