

SEPTEMBER 25, 2018

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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

USDA Announces Specifics for Sweet Cherries in the Market Facilitation Program

- On September 21, the U.S. Department of Agriculture (USDA) announced the addition of fresh sweet cherries to the trade mitigation package.
- Beginning Monday, September 24, producers of fresh sweet cherries will be able to apply for the Market Facilitation Program (MFP) payments at a local Farm Service Agency office.
 - The initial MFP payment rates for fresh sweet cherries are \$0.16 per pound.
- MFN payments are capped per person or legal entity at a combined \$125,000. For more information, please see the following USDA [press release](#) or *Federal Register* [notice](#).

Update on Farm Bill

- Senate Committee on Agriculture Chairman Pat Roberts, on September 24, told reporters that Congress will likely not pass the new farm bill before the current one expires on Sunday, September 30.
- The Farm Bill Conference Committee has been working throughout September to reconcile the Senate and House versions of the farm bill.
- According to media sources, legislators have found a way to reconcile differences in the commodity title, which includes programs such as Agriculture Risk Coverage and Price Loss Coverage; however, no progress has been made towards a consensus on SNAP work requirements and waivers.
- An extension of the current 2014 farm bill is not yet being considered. While certain farm bill programs such as the federal crop insurance program are permanently authorized, other smaller farm bill programs could run out of funding on September 30. Programs such as the Foreign Market Development (FMD) program and the Technical Assistance for Specialty Crops (TASC) are among those at risk.

New Zealand Country of Origin Labeling Bill

- On September 19, New Zealand [notified](#) the World Trade Organization (WTO) of a [final report](#) on its proposed “Consumers’ Right to Know (Country of Origin of Food) Bill.”
- The Bill would require a regulated food’s country or place of origin to be disclosed, specifically where it was harvested, not where it was merely packaged, manufactured, or processed.

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New Zealand Country of Origin Labeling Bill

- Regulated foods that will require place of origin labeling include foods that are:
 - One type of fresh or frozen fruit, vegetable, meat, fish or seafood;
 - Fresh (even if previously frozen) or frozen;
 - No more than minimally processed (cut, minced, filleted, or surface treated); and
 - Packaged or unpackaged.
- The Bill would come into force 6 months after the date of its notification in the New Zealand Gazette. The Bill applies to food sold by food retailers and online sales from online food retailers. It is not applicable to food sold by wholesalers or to food sold at restaurants, cafeterias, takeaway shops, or places where food is sold for immediate consumption.
- Detail such as the definitions of foods, what it means for a food to be ‘minimally processed’, and requirements for how disclosure can be made (e.g. through labels or signage) will be set out in the regulations which will be made after the Bill is passed. There will be some flexibility in details such as the font, size and color of disclosure requirements.
- Currently, country of origin labeling is voluntary in New Zealand.
- Final date for comments is November 19, 2018.

Renegotiated KORUS Signed

- On September 24, President Trump and Korean President Moon Jae-In signed the renegotiated U.S.-Korea Free Trade Agreement (KORUS) on the sidelines of the United Nations General Assembly Meeting.
- Major changes to the agreement include an extended phase out of the U.S. tariff on trucks, greater access for U.S. automobile exports, and an improvement to the customs verification procedures for conducting verification of origin of exports under KORUS.
- For more information on the updated KORUS agreement, please see the following USTR [Fact Sheet](#).

Update on NAFTA Talks

- The U.S. and Canada have been working throughout September to reach a deal for a trilateral North American Free Trade Agreement (NAFTA). However, ministerial-level meetings between Canadian Foreign Affairs Minister Chrystia Freeland and U.S. Trade Representative (USTR) Robert Lighthizer garnered little progress last week.
- USTR Lighthizer, on September 25, told reporters that the U.S. and Canada must “come to grips” with a number of issues, including the dispute settlement mechanism in Chapter 19 of the current agreement and the Canadian dairy management system, as the deadline for the U.S. to finalize a deal with Mexico approaches.
- The text of the U.S.-Mexico deal must be finalized and released by September 30 to ensure the current Mexican government can sign it before leaving office in November. President Trump sent a notification to Congress on August 31 of his intent to enter into a trade agreement with Mexico, and with Canada “if it is willing” by the end of November 2018.
- There is still uncertainty if a deal with Mexico alone would comply with the Trade Promotion Authority law, and U.S. legislators are divided on a NAFTA without Canada.

U.S. to Hold Public Meeting Ahead of Codex Committee Session on Food Hygiene

- The U.S. Codex Office is sponsoring a public meeting on October 9, 2018 to provide information and receive public comments on agenda items and draft U.S. positions to be discussed at the 50th session of the Codex Committee on Food Hygiene.
- The Codex Committee on Food Hygiene will meet in Panama City, Panama on November 12-16, 2018.
- Items such as a proposed draft code of practice for food allergen management and a proposed draft guidance for the management of foodborne crises/outbreaks will be discussed. More information is available at the following [Federal Register notification](#).

Australia and Indonesia Conclude Negotiations for a Free Trade Agreement

- Australia and Indonesia have concluded negotiations on the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). Negotiations initially began in 2010 and were reactivated in March 2016.
- The agreement provides preferential access for a number of Australian agricultural products, such as frozen beef, dairy, and vegetables. Additionally, it provides a framework for addressing non-tariff measures and allows for automatic issuance of import permits for certain agricultural products.
- No specific tariff reductions have been announced for cherries. More information regarding the IA-CEPA can be found on Australia’s Department of Foreign Affairs and Trade [website](#).