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A REPORT FOR
THE CALIFORNIA
CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:

China's Documentation Requirement Granted a Two Year Transitional Period

- On September 22, China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) [notified](#) the World Trade Organization (WTO) of its decision to provide a transitional period for the new certification requirements for foods imported into China.
- AQSIQ decided upon a transitional period for the measures from October 1, 2017 to September 30, 2019 after taking into account comments received.
- The "Measures for the Administration of Certificates Attached to Foods Exported to China (Draft)" were [notified](#) the WTO in June, and are set to go into effect beginning October 1, 2017. The measures require that all food products imported into China be accompanied by an official certificate affirming the food is fit for human consumption, and produced under the supervision of the competent authority or the specified institutions of the exporting country.
- This certificate document would need to be issued by a government authority, or government-authorized institution, and include the following information in English or Chinese: 1) Food producer (name, address, etc.); 2) Product specifications (brand name, product specifications, packaging, etc.); 3) Transportation details (importer, exporter, points of departure and destination, transportation means, container and seal number, etc.); 4) A statement that the food was produced under the supervision of the competent authority, and is fit for human consumption.

World Trade Organization Dispute Panel Established on Chinese Farm Import Quotas

- The World Trade Organization's (WTO) Dispute Settlement Body (DSB) on September 22 [agreed](#) to establish a panel to rule on a complaint filed by the U.S. regarding China's administration of its tariff rate quotas (TRQs) for certain imported farm goods. Thus far, 15 WTO members, including The European Union, Canada, and South Korea, have reserved their third party rights to participate in the panel proceedings.
- TRQs allow a country to import a pre-determined volume of a commodity at a lower duty rate while maintaining a higher duty rate on additional imports of the same commodity. While acknowledging WTO rules do not require TRQs to be filled, the U.S. argues China's administration of its TRQs for rice, wheat, and corn lack transparency and are unpredictable.
- The U.S. first [requested](#) consultations with China in December 2016 regarding the country's administration of TRQs for rice, wheat, and corn, alleging China is breaking its WTO commitments (*BCI Monitor* 12-13-16).

South Korea Requests Second Session of KORUS Joint Committee

- On September 21, South Korean Trade Minister Kim Hyun-chong formally requested a second special session of the Korea-U.S. Free Trade Agreement's (KORUS) joint committee.
- In a letter to U.S. Trade Representative Robert Lighthizer, Kim noted that he hopes working-level consultations can take place regarding the details of the meeting, and asked that the second session be held in Washington, DC.
- The Office of the U.S. Trade Representative [announced](#) that the second special session under KORUS will be held on October 4, 2017.

Update on North American Free Trade Agreement Negotiations

- The Trump Administration officially notified Congress of expected changes to trade remedy law as a result of the North American Free Trade Agreement (NAFTA) negotiations. The notification is required under the 2015 Trade Promotion Authority Law, which requires the U.S. Trade Representative to notify key congressional committees of any potential changes to U.S. trade remedy law at least 180 days before a trade agreement is signed. The law also requires that Congress is notified 90 days before any agreement is signed, and that it is published 60 days before signing.
- According to media sources, the Trump Administration is aiming to sign the renegotiated NAFTA agreement on March 21, 2018. Consequently, Canada, Mexico, and the U.S. would need to conclude negotiations this December to be on pace with that timeline. Currently, the NAFTA signatories are wrapping up the third round of negotiations.
- Additionally, the Office of the USTR is requesting comments concerning an environmental review of the proposed renegotiation of the NAFTA. The request for comments was [published](#) to the U.S. *Federal Register* on September 26, and the comment period closes on November 27, 2017.

USDA Notifies of International Sanitary and Phytosanitary Standard-Setting Activities

- On September 21, the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) published a [notice](#) in the *Federal Register* informing the public of upcoming international standard setting activities related to plant and animal health.
- The notice includes descriptions and agendas for the following organizations: 1) World Organization for Animal Health (OIE, formerly known as the Office International des Epizooties); 2) International Plant Protection Convention (IPPC); and 3) North American Plant Protection Organization (NAPPO). For each organization, the notice includes a list and description of sanitary and phytosanitary (SPS) standards under consideration or planned for consideration as well as a statement of whether the U.S. is participating or plans to participate in the consideration of the standard. The notice also summarizes the recent activities of each organization.

Update on the Trans-Pacific Partnership Negotiations

- On September 21, the 11 Trans-Pacific Partnership (TPP) members ended a two-day meeting in Tokyo, Japan where progress towards ratifying the agreement was made. At the meeting, working groups on legal, intellectual property, and other issues discussed requests made by members to freeze parts of the original agreement, particularly clauses introduced at the request of the U.S.
- Negotiators are also working to change the ratification requirements. Originally, the agreement required ratification by at least six countries accounting for 85 percent of the combined gross domestic product of members; however, since the U.S. withdrew, that condition cannot be met and needs to be modified.
- The 11 TPP members agreed to meet again in Japan next month with the goal of reaching a broad agreement. It is also expected that a TPP ministerial meeting will be held on the sidelines of the November Asia-Pacific Economic Cooperation (APEC) meeting set to be held in Danang, Vietnam.