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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

Chilean Cherry Sales in China Impacted by Rumors of COVID on Packaging

- Social media reports of COVID-19 detection on a box of cherries in Wuxi, China have led to reduction in the price of fresh Chilean cherries of 59%, reduction in wholesale market sales by 27%, and reduction in retail sales of 70% according to The Association of Fruit Exports of Chile, AG (ASOEX)
- ASOEX released statements on [January 24th](#) and [January 21st](#), detailing the situation in China (in Spanish). At this time of year, Chile represents more than 95% of the available fresh cherry supply and China consumes 93% of Chilean cherry exports.

USDA Releases Consumer Study on Mature, Well-Off Consumers in Hong Kong

- A recent [USDA GAIN report](#) includes a consumer research study the Foreign Agricultural Service (FAS) commissioned on the food preferences of mature, well-off consumers in Hong Kong, defined as the population over 60 years old and with a monthly income of \$6,410 or above.
- Hong Kong is an ageing society, with 31% of the population projected to be over the age of 60 by 2030.
- The study finds that the mature, well-off consumers in Hong Kong are influential as they purchase food for other family members, enjoy trying new and high-quality foods, are health-conscious, and are concerned about food safety.
- According to the report, U.S. fresh fruit is held in particularly high regard, with 88.5% of survey respondents saying they would be likely to purchase.

Sri Lanka Amends Tariff Schedule

- On November 17, 2020, Sri Lanka introduced a revised tariff schedule, effective November 18, 2020.
- The tariff schedule changed in two major ways:
 - A reduction in the Custom Import Duty (CID) rates. Most CID rates were reduced by half, from 30 to 15%. A list of CID rates for 7,803 commodities are available in the [Sri Lankan Official Gazette](#) (in English after introduction).
 - Changes in CESS tariffs, an import levy over a range of commodities. The [updated CESS tariff](#) is either *ad valorem* (i.e., applied on the value) or a specific tax (applied on quantity), whichever is higher.
- As detailed in a recent [USDA GAIN report](#), the following products of interest to CCB will be subject to changes in the CESS tariff:
 - Cherries, prepared or preserved (H.S. 2008.60) face a CESS *Ad Valorem* rate of 50 percent or a CESS Unit Rate of 160 LKR per kilogram.

GENERAL ISSUES OF INTEREST TO THE CCB:

Canadian Food Inspection Agency to Increase Digital Service

- According to a recent [press release](#), the Canadian government will invest in expanded digital services and automated tools for risk management and inspection to improve efficiency for Canadian exporters and importers.
- The Canadian Food Inspection Agency (CFIA) will invest \$162.6 million over the next five years and \$40 million per year on an ongoing basis, representing a 5% increase in the agency's annual budget.

China Maintains Lowered Applied MFN Tariff Rates

- China has published its tentative MFN tariff rates for a range of agricultural products in the 2021 tariff adjustment plan. An unofficial translation is provided in a [USDA GAIN report](#).
- Most tariffs impacting agricultural products maintain MFN tariff rate reductions introduced in the 2020 tariff adjustment plan. An unofficial translation of the 2020 plan is provided in a [USDA GAIN report](#).
- There were no changes in China's current MFN tariff rate for cherries.
- These reductions apply to all countries where no bilateral agreements exist, including the U.S. However, retaliatory tariffs on U.S. products still apply.

USDA Ends Organic Recognition Program with India

- The USDA's Agricultural Marketing Service's (AMS) National Organic Program (NOP) ended the organic recognition arrangement with India's Agricultural and Processed Food Products Export Development Authority (APEDA). Previously APEDA could accredit certification agencies to Indian farms and business to the USDA NOP standards.
- Indian farms and businesses will be allowed to apply for NOP certification through USDA-accredited certifiers with an 18-month transition period.
- Additional details are provided in a recent [USDA GAIN report](#).

India's Draft Amendment on Licensing and Registration Rules for Food Business Operators Notified to the WTO

- The Food Safety and Standards Authority of India (FSSAI) [notified the WTO](#) on January 25, 2021 of [draft regulation amendments](#) (English begins on pg. 70) to the [Food Safety and Standards \(Licensing and Registration of Food Businesses\), Regulations 2011](#) (*BCI Monitor 12-15-20*).
- The regulations will enter into force on either January 1 or July 1, subject to a minimum of 180 days from their final publication in the official Gazette.
- Comments are due by March 26, 2021 and can be sent by e-mail to regulation@fssai.gov.in.

European Union Conducting Public Consultation on Geographic Indicators

- The European Union (EU) is conducting a [public consultation on Geographic Indicators](#) (GI).
- The consultation, detailed in a recent [USDA GAIN report](#), is part of the EU's plan to revise and strengthen its GI legislation under the Farm to Fork Strategy.
- The EU currently protects over 3,400 specific agricultural and foodstuff products through the EU quality schemes which include Geographic Indication (GI), Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), and Traditional Specialty Guaranteed (TSG). They are also considering the creation of an EU GI protection system for non-agricultural products.
- Comments are due by April 9, 2021.