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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

APHIS Confirms European Cherry Fruit Fly in Niagara County, New York

- On September 7, the Animal and Plant Health Inspection Service (APHIS) [confirmed](#) European cherry fruit fly (ECFF - *Rhaegoletis cerasi*) in Niagara County, New York. Damage associated with ECFF is caused by larval feeding in the fruit pulp which can result in losses of up to 100 percent if left uncontrolled, and is the most serious pest threat for cherries in Europe.
- APHIS has trapped 22 European cherry fruit flies from 14 sites mainly along state and public lands along the Niagara river. The hosts are wild cherry and honeysuckle species. There have been no commercial cherry orchards affected.
- In the past two years, APHIS has confirmed ECFF in Ontario, Canada in several locations including along the border across from Niagara County, New York. In response, APHIS in coordination with the New York State Department of Agriculture and Markets (NYSDAM), initiated delimitation trapping in Niagara county, and increased ECFF surveys throughout upper New York in July 2017.
- APHIS and NYSDAM are assessing the confirmed detections and planning regulatory actions.

Vice President Pence Participates in Second Round of the U.S.-Japan Economic Dialogue

- Vice President Mike Pence and Japanese Deputy Prime Minister Taro Aso met on October 16 for the second round of the U.S.-Japan Economic Dialogue.
- In a [joint statement](#), the two sides “affirmed the importance of strengthening bilateral economic, trade, and investment ties,” and made some progress on bilateral trade issues such as lifting import restrictions on Japanese persimmons and Idaho potatoes. Additionally, Japan agreed to maintain transparency and fairness as it reviews geographical indicators in accordance with the pending European Union-Japan free trade agreement as well as with other countries.
- The U.S. has viewed the dialogue as a possible precursor to a bilateral trade deal, which has been one of the Trump administration’s top priorities following the withdrawal from the Trans-Pacific Partnership (TPP). However, Japan has maintained the hope that the U.S. would rejoin the TPP and has been a leader in the adoption process for the agreement.

Fourth Round of North American Free Trade Agreement Negotiations Concludes

- The fourth round of negotiations of the North American Free Trade Agreement (NAFTA) took place between October 11-17 in Arlington, Virginia. According to a recently published [trilateral statement](#), nearly all initial text proposals have been put forward in negotiations, and the Chapter on Competition has been substantively completed.

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Fourth Round of North American Free Trade Agreement Negotiations Concludes

- However, the U.S., Mexico, and Canada have decided to delay the next negotiating round to work through “significant conceptual gaps” created during this past round. The conceptual gaps refer to proposals the U.S. introduced which include the following:
 - A non-binding state-to-state dispute settlement system which would allow countries to disregard panel decisions,
 - The elimination of tariff preference levels for textiles and inclusion of new language for a short-supply list that would function similarly to the one included in the Central America-Dominican Republic Free Trade Agreement but with fewer articles,
 - The complete elimination of tariffs on all supply managed products to be phased out over 10 years, which targets Canadian dairy, poultry, and egg products,
 - Increased access to Canada’s dairy market, which calls for 10 times more access than what was agreed upon under the Trans-Pacific Partnership (TPP),
 - The tightening of auto rules of origin that includes a 50 percent domestic content requirement and an increased regional value content requirement of 85 percent,
 - A five-year sunset review for NAFTA, which would terminate the agreement after five years if it is not renewed.
- Mexico and Canada have rejected the proposals, but have committed to continuing negotiations. The fifth round of talks will take place in Mexico City from November 17-21 and additional negotiating rounds will be scheduled through the first quarter of 2018.

European Union Eliminates Farm Export Subsidies

- The European Union (EU) has taken the final formal step to implement the decisions taken at the Nairobi World Trade Organization (WTO) Ministerial Conference in 2015 to eliminate farm export subsidies, according to a European Commission [press release](#).
- On October 6, the EU submitted its revised goods schedule to the WTO which reconfirmed the elimination of export subsidies. This will bring the commitments on tariffs and farming subsidies that the EU and the 28 Member States have with their trade partners up to date under WTO rules.
- In June 2017, Australia became the first member to eliminate these subsidies from its WTO schedule of commitment (*BCI Monitor* 6-06-17). The decision to eliminate farm export subsidies effectively prevents WTO member countries from using agricultural export subsidies to distort international trade.

Ministers Prepare for Buenos Aires Ministerial Conference

- Between December 10-13, 2017, the World Trade Organization (WTO) will hold its 11th biannual ministerial conference in Buenos Aires. On Monday and Tuesday of this week, trade ministers met in Marrakesh, Morocco in hopes of identifying areas negotiations should focus on during the December ministerial conference.
- The trade ministers from around 40 countries have identified domestic support for agriculture, fisheries subsidies, and public stockholding for food security purposes as areas of focus where outcomes could possibly be achieved at the upcoming meeting. The U.S. Trade Representative did not attend this meeting.
- Negotiations over domestic support for agriculture have been stalled due to opposing views held between the U.S. and China. The U.S. has requested that China reduce its domestic support before it will agree to make any cuts of its own; however, China continues to insist that negotiations should be based on a 2008 draft text that would require the U.S. to make cuts without requiring similar commitments from China. To make progress on this issue, the European Union and Brazil published a [joint proposal](#) on farming subsidies in July which provided a potential path to reform and touched on the issue of public stockholdings (*BCI Monitor* 7-18-17).

United States Revokes Sudan Sanctions

- On October 6, the U.S. Department of State (DOS) [announced](#) its decision to revoke economic sanctions with respect to Sudan and the Government of Sudan (GOS) in recognition of the Government of Sudan’s sustained positive actions to maintain a cessation of hostilities in conflict areas in Sudan, improve humanitarian access throughout Sudan, and maintain cooperation with the United States on addressing regional conflicts and the threat of terrorism
- The President [issued](#) an Executive Order (E.O.) on July 11, 2017, extending the review period established by [E.O. 13761](#) of January 13, 2017, which set forth criteria for the revocation of certain sanctions on Sudan and the GOS. The new E.O. extended until October 12, 2017 the period of review of the GOS’ actions.
- The Secretary of State issued a [report](#) concluding that GOS has sustained the positive actions that gave rise to E.O. 13761, and the revocation of economic sanctions became effective October 12, 2017.