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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****USTR Notifies Congress of Intent to Negotiate Three Trade Agreements**

- On October 16, the U.S. Trade Representative (USTR) notified Congress of its intent to negotiate three separate trade agreements with Japan, the European Union (EU), and the United Kingdom (UK). The letters USTR sent to Congress are available in the following [press release](#).
- USTR had planned to also notify its intent to launch talks with the Philippines but delayed that notice after Democratic senators raised concerns over human rights abuses in the Philippines.
- In accordance with the Trade Promotion Authority (TPA), the U.S. cannot start talks until 90 days after notifying congress and USTR is required to publish directives for the negotiations at least 30 days before formal trade negotiations begin.

Congressional Vote on USMCA Likely to be Pushed to 2019

- On September 30, the U.S. and Canada reached an agreement for Canada to join the preliminarily agreed upon deal with Mexico to update and revise the North American Free Trade Agreement (NAFTA) and to rename it the U.S.-Mexico-Canada Agreement (USMCA). Pursuant to trade promotion authority (TPA), the preliminary agreement with Mexico was notified to Congress on August 31, 2018, in part to allow for the signing of the agreement prior to Mexico's president-elect Andreas Manuel Lopez Obrador taking office on December 1, 2018.
- The agreement itself has not been completely finalized. USMCA is currently going through legal scrubbing – finalization of the language – and review by all three countries. The final, reviewed text must be submitted to Congress by the end of October to give Congress the possibility to introduce the bill and implement the deal on December 1, 2018.
- Additionally, under TPA, the final agreement must undergo an economic assessment by the U.S. International Trade Commission (ITC). ITC is [requesting comments](#) and filings to request to appear at a public hearing regarding the likely impact of the USMCA on the U.S. economy. Written submissions from the public are due by December 20, 2018 and results are due by mid-March.
- Due to the procedural requirements of TPA, the ITC economic analysis, and a busy congressional schedule, it is expected that a vote on USMCA will not occur until 2019.

Vietnamese Circular Regulating Foods of Plant Origin

- On October 15, Vietnam [notified](#) the World Trade Organization (WTO) of a [Circular](#) (in Vietnamese) detailing the implementation of Articles 41 and 42 of the Law on Food Safety 2010.
- The Circular regulates procedures to inspect food of plant origin, regulates the handling of re-imported foods of plant origin in the event of food safety non-compliance, and includes a sample form that presents the foods safety inspection results.
- The final date for comments is December 14, 2018. The proposed date of adoption is December 2018.

Increased Traceability Requirements in Taiwan

- On October 3, the Taiwanese Food and Drug Administration (FDA) [announced](#) (in Chinese) that revisions to its “[Regulations Governing Traceability of Foods and Relevant Products](#)” were promulgated and entered into force.
- The Taiwanese FDA’s goal was to develop an optimized food safety and traceability system covering production, manufacturing, supply, and distribution for foods. Taiwan [first notified](#) the World Trade Organization (WTO) of the changes on January 15, 2018 (*BCI Monitor* 1-16-18) and most recently [notified](#) the WTO of the changes coming into effect.
- More comprehensive data recording will be required for food products. In addition to the previously required information, food business operators that import or export foods will be required to keep records of the following information:
 - Name, gross weight/volume, reason, disposal of recalled, returned and defective products; returner’s name and address (effective date 01-01-19);
 - Name and gross weight/volume of products inventory (effective date 01-01-19); and
 - Name, gross weight/volume, disposal and reason for discarding of scrap products/raw materials (including expired date ones).
- Unless otherwise stated, changes went into effect on October 3, 2018.

Korea Integrates and Amends Labeling Regulations

- On October 16, Korea [notified](#) the World Trade Organization (WTO) of the newly established “[Enforcement Rules of the Act on Labelling and Advertisement of Food Products](#)” (in Korean).
- Korea integrated three different acts – Food Sanitation Act, Functional Health Foods Act, and Livestock Products Sanitary Control Act – into the single Act.
- In addition to the integration, changes to labeling requirements were made. Letter width, from left to right, must be greater than 90 percent in length compared to the letter from top to bottom. Letter width on an information panel that is less than 100cm², left to right, must be greater than 50 percent in length compared to the letter from top to bottom. The space between letters must be greater than -5 percent.
- Comments are to be submitted 60 days from the WTO notification.

Update on Brexit Negotiations

- Over the weekend, it appeared that the European Union (EU) and United Kingdom (UK) were close to striking a political agreement over Brexit; however, talks broke down on Sunday.
- The issue over the border between Ireland and Northern Ireland remains a major sticking point. Both the UK and EU have said that there must be “backstop” solution to maintain a frictionless border between Ireland and Northern Ireland if the EU and UK governments cannot reach a Brexit deal before the March 2019 deadline.
- The EU is in favor of a backstop with a customs union agreement that would apply only to Northern Ireland, while the UK favors a customs union that would apply temporarily to the whole UK. While in a customs union, the UK would not be able to enter into its own trade agreements and would operate under the EU regulatory regime.
- European Council President Donald Tusk, in his [invitation](#) letter to EU leaders for a summit starting September 17, called a no-deal Brexit scenario “more likely than ever before.” The UK has been preparing for a no-deal Brexit by appointing a minister to oversee the protection of food supplies and has been releasing no-deal Brexit [Guidance Documents](#).