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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

ITC Investigation into a U.S.-Japan Trade Agreement

- The U.S. International Trade Commission (ITC) has initiated an investigation into a U.S.-Japan Trade Agreement per the request of the U.S. Trade Representative (*BCI Monitor* 10-30-18).
- The ITC is looking into the probable economic effects of providing duty-free treatment for currently dutiable imports.
- The deadline for filing requests to appear at the public hearing is November 26, 2018. The public hearing will take place on December 5, 2018 and the deadline for filing all written statements is December 13, 2018.
- More information is available at the following *Federal Register* [notification](#).

EU Negotiating Mandate for Talks with the U.S. Expected in 2019

- European trade ministers are hopeful that they will be able to send the European Commission a mandate to negotiate a trade agreement with the U.S. by early 2019.
- A report from the U.S.-EU Executive Working Group is expected to be published by the end of 2018, and a negotiating mandate would then follow.
- EU Trade Commissioner Cecilia Malstrom is in Washington, DC this week to meet with USTR Robert Lighthizer to discuss the progress made thus far by the Working Group.
- Austrian Economy Minister Margarete Schambeck told reporters that agriculture will not be part of the mandate as it was not included in the joint statement President Trump and European Commission President Jean-Claude Juncker [released](#) in July.

USMCA to be Signed November 30

- Mexican Economy Secretary Guajardo told reporters that the U.S., Mexico, and Canada will sign the U.S.-Mexico-Canada Agreement (USMCA) on November 30, 2018 on the sidelines of the G-20 summit.
- While Mexico and Canada have both been working to have the Section 232 steel and aluminum tariffs removed before signature, ministers from both nations have said that they would sign the renegotiated NAFTA without their removal.
- The text of the USMCA deal was finalized and released on September 30 in an effort to have the current Mexican President can sign it before leaving office on November 30.

Japanese Agricultural Standards Logos Redesigned

- The Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF) introduced a new Japanese Agricultural Standard (JAS) logo for value-added products with distinguishable specifications, replacing three previous logos with a single design.
- MAFF has had five JAS logos, and the newly introduced logo replaces the logos that identify 1) products with distinguishable qualities or features, 2) distinguishable production methods, and 3) specified distribution conditions (such as temperature control).
- The General JAS logo for food and forest products that satisfy the quality requirements of JAS remains unchanged. The Organic JAS logo for organic products has the word “Organic” added but is not included in the redesign.
- JAS-certification is voluntary and certified products may display a label. The system was established by “The Law Concerning Standardization, etc. of Agricultural and Forestry Products” for food and forest products to specify product specifications to meet the minimum expectations for Japanese consumers.
- More information is available at the following U.S. Department of Agriculture [GAIN report](#).

Draft Brexit Deal Reached

- The European Union (EU) and the United Kingdom (UK) have agreed to a draft deal for the UK’s exit from the EU. Details of the deal have not been made public.
- Prime Minister Theresa May will convene her cabinet on Wednesday to review the deal and to try to secure their backing.
- The major hurdle to reaching a Brexit deal has been avoiding a hard border between Ireland and Northern Ireland. According to media sources, the EU has offered a compromise arrangement that would allow the UK to remain in a customs union with the EU until a trade deal is agreed upon. A trade agreement would eliminate the need for a border on the island of Ireland.
- After the Brexit deadline of March 29, 2019, the UK will be in a customs arrangement with the EU through 2020 as the two parties negotiate the details of their future relationship.

WTO Members Concerned Over Post-Brexit Quotas

- A group of WTO members, including the U.S., Australia, Canada, and China, voiced their concern over the renegotiation of tariff rate quota (TRQ) commitments in response to Brexit in a [joint communication](#).
- The EU is planning to divide its joint WTO TRQ obligations with the UK as the UK does not have its own independent tariff schedule. WTO Members urged the EU to provide further assurances to Members that it will provide clarity on how it intends to account for UK-EU trade, provide for negotiated outcomes that maintain the quality and level of access currently enjoyed to the EU, and most notably, that appropriate compensation will be offered where access is not maintained.
- The joint communication purports that Members would see a “reduction in the quality and level of access provided by the EU to WTO Members” for many sensitive agricultural products under the proposed TRQ [apportionment plan](#) of the EU, which splits the EU’s TRQs by average share used.

U.S.-UK Trade and Investment Working Group Meets

- The United States and the United Kingdom held the fifth meeting of the U.S.-UK Trade and Investment Working Group November 2-7, and the third meeting of the U.S.-UK Small and Medium-sized Enterprises (SME) Dialogue on November 1.
- The Working Group has been laying the groundwork for a future trade agreement between the U.S. and the UK, once the UK has left the European Union (EU) Customs Union. The Working Group continued planning to ensure continuity in trade between the U.S. and UK post Brexit, and covered topics such as industrial and agricultural goods, services and investment, regulatory issues related to trade, and SMEs.
- More information is available at the following USTR [press release](#).