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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

Unexpected Hail Storm in Chilean Fruit Producing Regions

- On November 12, a major hail and rain storm struck the O'Higgins, Metropolitan, Maule, and Biobio regions of Chile, damaging a range of fruit crops, including cherries.
- It is estimated that cherry production will decrease between 5 and 8 percent in MY 2018-19. This year, the Chilean cherry crop was already expected to be smaller than last year's record crop of 39 million boxes. Due to cooler weather and rains, estimates prior to the recent hail storm placed the Chilean cherry crop around 31 to 33 million boxes.
- The O'Higgins region was most affected by the storm. Following Maule, O'Higgins is the second largest cherry growing area in Chile. According to the USDA, Maule and O'Higgins account for 44 percent and 35 percent, respectively, of the cherry planted area in Chile.
- Chile's Minister of Agriculture estimates that the damage from the storm ranges from US \$120 million to \$200 million, but that the overall growth in Chile's agricultural sector will not be significantly impacted.

Vietnam Ratifies CPTPP

- On November 12, Vietnam became the seventh country to ratify the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- Shortly thereafter, on November 15, Vietnam officially notified New Zealand, the Agreements' depository, that it had completed its domestic procedures to ratify the agreement. The CPTPP will enter into force for Vietnam 60 days after the official notification to New Zealand – January 14, 2019.
- Australia, Canada, Japan, Mexico, New Zealand and Singapore have already formally ratified the CPTPP and it will enter into force for those nations on December 30, 2018.
- Brunei, Chile, Malaysia and Peru are the four remaining members yet to ratify the pact. The CPTPP will enter into force for these nations 60 days from their official notification of ratification to New Zealand.

Negotiating Objectives for a U.S.-EU Trade Agreement

- On November 15, the Office of the U.S. Trade Representative (USTR) published a request for comments and a notice of a public hearing regarding negotiating objectives for a U.S.-European Union Trade Agreement.
- Comments are due by December 10, 2018.
- The public hearing will be held December 14, 2018.
- For more information and issues of interest to USTR, please see the following *Federal Register* [notice](#).

Negotiating Objectives for a U.S.-UK Trade Agreement

- On November 16, the Office of the U.S. Trade Representative (USTR) published a request for comments and a notice of a public hearing regarding negotiating objectives for a U.S.-United Kingdom Trade Agreement.
- Comments are due by January 15, 2019.
- The public hearing will be held on January 29, 2019.
- For more information, please see the following *Federal Register* [notice](#).

EU and UK Withdrawal Agreement

- The European Union (EU) and the United Kingdom (UK) have agreed to a [Withdrawal Agreement](#), establishing the terms of the UK's withdrawal from the EU, as provided under Article 50 of the Treaty on the European Union.
- The Withdrawal Agreement covers topics including citizens' rights, separation issues, a transition period, financial settlement, governance structure, and terms of a legally operational backstop to ensure there is no hard border between Ireland and Northern Ireland. A summary of what has been agreed to can be found [here](#).
- There will be a transition period for the UK until December 31, 2020. During that time, EU law will remain applicable and the UK will remain in the EU Customs Union and the Single Market. However, on the date of withdrawal – March 19, 2019 – the UK will not be represented in any EU institutions, agencies, and bodies, and will have no part in the decision making of the EU.
- The Withdrawal Agreement includes the possibility for the Joint Committee to extend the transition period. This possibility can only be used once and must be decided by the Joint Committee before July 1, 2020.
- With regard to the backstop, the EU and the UK have agreed to have an agreement, outlining the EU and UK future relationship, concluded before July 1, 2020. If an agreement on the UK and EU future relationship is not concluded, the backstop solution would apply, and a single EU-UK customs territory will be established. The single customs territory would apply from the end of the transition period to when an agreement between the two parties becomes applicable. The single customs territory would cover all goods, except fishery and aquaculture. More information regarding the Ireland/Northern Ireland issue can be found [here](#).
- Once the Withdrawal Agreement is endorsed by the European Council (Article 50), and before it can enter into force, it needs to be ratified by the EU and the UK.

Steel and Aluminum Tariffs Lingering Over USMCA

- With the U.S.-Mexico-Canada Agreement (USMCA) set to be signed at the end of the month, Mexico and Canada have been working towards removing the Section 232 steel and aluminum tariffs on their respective exports.
- This week, Mexico's ambassador to the United States told reporters that he expects that by the time the agreement is signed, there will be either an agreement or a clear solution to the tariffs.
- Mexico and Canada have both responded to the U.S. steel and aluminum tariffs by placing retaliatory tariffs on a range of U.S. goods, including agricultural products.
- There is still much speculation as to whether Canada or Mexico will be completely exempt from the tariffs or will be subject to quotas.

Taiwan Passes Amendments to the Inspection Regulations for Imported Foods

- Taiwan [notified](#) the WTO that it adopted and promulgated amendments to the "[Regulations of Inspection of Imported Foods and Related Products](#)" on October 18, 2018.
- Taiwan notified of the draft amendments on February 7, 2018 (*BCI Monitor* 2-13-18).
- The relevant amendments are as follows:
 - Obligatory Inspection Applicants must submit the Consolidated Import Declaration along with relevant permits when applying for import inspection;
 - Removal of Pre-declaration provisions;
 - Addition of an alternative method of product sampling for applicants who are suspended for applying for the prior release of products;
 - Conditions for applying for prior release of products;
 - Conditions for the payment and refund of guarantee bonds;
 - Time limit for Obligatory Inspection Applicants applying for re-inspection when the imported products do not conform to relevant regulations is set at 15 days.