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INSIDE THIS ISSUE

- **World Trade Organization Issues Report Regarding Indonesia Import Restrictions**
- **European Union Invites Trading Partners to Help Evaluate Pesticide Legislation**
- **Canada Notes Concerns Regarding EU's Hazard-Based Criteria for Endocrine Disruptors**
- **U.S. Trade Representative Releases Updated Negotiating Objectives**
- **U.S. Department of Agriculture Provides Update on Myanmar Pest Risk Analysis Requirement**
- **Second Meeting of the U.S.-U.K. Trade and Investment Working Group**

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

World Trade Organization Issues Report Regarding Indonesia Import Restrictions

- On November 9, the World Trade Organization (WTO) Appellate Body issued its [report](#) in the cases brought by the United States and New Zealand against Indonesia. The Appellate Body upheld a prior panel decision over complaints that more than 18 Indonesian import licensing measures are prohibitive to imports of certain agriculture products.
- The prior [panel report](#) agreed with each of the 18 claims raised, determining that the related Indonesian policies represent restrictive or prohibitive trade barriers and are incompliant with WTO rules. These policies include: 1) restrictions on agricultural imports to avoid competition with domestic producers; 2) additional restrictions on the use, sale, and distribution of certain imported agricultural products; and 3) limited time periods for import license applications as well as short validity periods for such licenses (*BCI Monitor* 1-03-17).
- The Appellate Body also upheld the initial panel finding that the measures were not justified under General Agreement on Tariffs and Trade (GATT) Article XI which provides exemption for import restrictions designed to remove temporary surpluses of like domestic agriculture products. It also determined that the import licensing measures were not designed to ensure food imports met Halal standards as Indonesia argued.
- The Office of the U.S. Trade Representative called the decision a “resounding victory for the United States that should result in increased export opportunities for U.S. farmers,” in a recent [press release](#). In effect since 2012, the licensing regimes have impacted U.S. fruits, vegetables, flowers, dried fruits and vegetables, juices, cattle, beef, poultry, and other animal products.

European Union Invites Trading Partners to Help Evaluate Pesticide Legislation

- On November 17, the European Union [notified](#) the World Trade Organization (WTO) of an invitation to all WTO members to contribute to an evidence-based evaluation of *Regulation (EC) No 1107/2009* and *Regulation (EC) No 396/2005* in order to assess if they are still fit for purpose and meet the needs of citizens, businesses, and public institutions.
- The evaluation is being conducted as part of the European Commission’s Better Regulation Agenda, and invites the EU’s trading partners to contribute by responding to a stakeholder survey.
- The survey is [available online](#) and open to stakeholders until December 31, 2017. The report is expected to be completed in the beginning of 2019. Further information can be found in the WTO notification and at the [European Commission’s webpage](#) dedicated to the evaluation.

Canada Notes Concerns Regarding EU's Hazard-Based Criteria for Endocrine Disruptors

- On November 17, the World Trade Organization (WTO) circulated communications from [Canada](#) regarding concerns over the European Union's (EU) hazard-based approach to pesticide regulations and, in particular, the EU's [proposed endocrine disruptor \(ED\) criteria](#).
- Canada expressed concern over the EU's July 4, 2017 vote to approve hazard-based criteria for identifying EDs (*BCI Monitor* 7-11-17), which was subsequently [rejected](#) by the European Parliament on October 4, with opposition members calling for even stricter criteria (*BCI Monitor* 10-10-17). This would ultimately result in denying or withdrawing more pesticides and their corresponding MRLs without conducting relevant risk assessments.
- Additionally, the EU has indicated that pesticides identified as endocrine disruptors will be precluded from the establishment of new MRLs or import tolerances, including MRLs established by Codex. With EU MRLs then being lowered to the limit of determination or default MRL, Canada asserts that the ED criteria will harm global agricultural productivity and international trade without providing meaningful human health and environmental benefits.
- Instead, Canada urges the EU to set MRLs and import tolerances on the basis of complete risk assessments, as set out in *Regulation (EC) No 395/2005*, and to take its international trade commitments into account when setting MRLs.
- Further information on the EU's proposed ED criteria and its potential impact on trade can be viewed in the linked WTO notification from Canada. Next steps and future regulatory developments can be found in the ED [section](#) of the European Commission's website.

U.S. Trade Representative Releases Updated Negotiating Objectives

- On November 17, The Office of the U.S. Trade Representative (USTR) updated the North American Free Trade Agreement (NAFTA) [negotiating objectives](#).
- The new objectives update the previous objectives published in July 2017, as required under the Trade Priorities and Accountability Act of 2015.
- The objectives include increased market access for agriculture, new transparency and administrative measures, expanded investment and intellectual property objectives on the chapters of competition and small and medium sized enterprises. Notably, a trade deficit reduction objective is included in addition to trade distortion prevention measures. More information is available at the following USTR [press release](#).

U.S. Department of Agriculture Provides Update on Myanmar Pest Risk Analysis Requirement

- On November 6, the Myanmar Plant Protection Division (PPD) accepted the pest risk analysis (PRA) information for U.S. wheat grain used for food and feed, bringing the total number of U.S. commodities approved for import into Myanmar to five. Commodities such as cherries still have until 2018 to submit the pertinent PRA information.
- On January 1, 2017, the Myanmar government, led by the PPD, imposed new pest risk analysis (PRA) requirements for imported plant related commodities. Under the new directive, PPD authorities prohibited the import of plant and plant related products unless the exporting country provided PRA information that explained how it dealt with pest outbreaks and ensured the safety of the commodities.
- More information is available at the following U.S. Department of Agriculture Foreign Agricultural Service GAIN [report](#).

Second Meeting of the U.S.-U.K. Trade and Investment Working Group

- The second meeting of the U.S.-U.K. Trade and Investment Working Group concluded on November 15 in London. The Working Group, established in July 2017, is focusing on providing commercial continuity for U.S. and U.K. businesses, workers, and consumers as the U.K. leaves the European Union.
- The delegations were led by officials from the Department for International Trade and the Office of the U.S. Trade Representative and included representatives from a wide range of U.S. and U.K. government agencies.
- The U.S. and the U.K. are working closely in areas such as promoting small and medium-sized businesses, promoting intellectual property, strengthening U.S.-U.K. financial regulatory cooperation, as well as industrial and agricultural goods.
- According to a recent [press release](#) from the Office of the U.S. Trade Representative, the Working Group meetings have quickly developed into a key mechanism to deepen the already strong bilateral trade and investment relationship, and to prepare for a potential, future free trade agreement.