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**A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****U.S. and China Agree to Postpone Tariff Increase**

- On the sidelines of the G20 summit, President Trump and Chinese President Xi Jinping agreed to hold off on any escalation of tariffs for 90 days to allow both sides to attempt to reach agreement on issues such as forced technology transfer, intellectual property protection, non-tariff barriers, services, and agriculture. According to media sources, President Trump considers the 90-day clock to have started on December 1, 2018.
- The U.S. will not increase the third round of 301 tariffs from 10 percent to 25 percent on January 1, as previously proposed. China will also hold off its scheduled tariff increase on U.S. goods. Fresh cherries were not included in the third round of tariffs.
- Note, the U.S. and China are not currently proposing to remove the existing tariffs, only to not increase tariffs while discussions are ongoing. The arrangement is similar to that announced with the European Union in July.
- According to White House statements, China has verbally promised to buy an unspecified amount of American agricultural, energy, and industrial products, with purchases of agricultural goods to start right away. No specifics from either the U.S. or China have been provided on the types of purchases that will be made; however, the U.S. press and futures markets anticipate that the first agricultural purchases will be of U.S. soybeans.

**Argentine Cherries Gain Market Access to China**

- The governments of China and Argentina signed a series of bilateral agreements during the recent G20 summit in Argentina, including an export protocol for cherries.
- Argentina's Minister of Agriculture Luis Miguel Etchevehere and Chinese Ambassador to Argentina, Yang Wanming signed the export protocol which will allow exports from several Argentine regions including Mendoza, Nequen, and Patagonia. Negotiations for the export protocol first began in September 2012.
- With the export protocol signed, shipments to China are expected at the beginning of next year. Only cherries that undergo cold treatment will be allowed to be shipped at first. However, in Spring 2019, Chinese inspectors are scheduled to visit several regions of Argentina to declare them as free from Mediterranean fruit fly, which would allow for Argentine cherries to be shipped and treated through other methods.

### Renegotiated NAFTA Signed on November 30

- On November 30, the Presidents of United States, Mexico, and Canada signed the reworked North American Free Trade Agreement (NAFTA), now known as the United States-Mexico-Canada Agreement (USMCA).
- The leaders signed USMCA on the sidelines of the G20 Summit in Argentina after over a year of tense negotiations. Before taking effect, the Agreement requires ratification by all three countries' legislatures.
- President Trump has told reporters that he intends to formally notify Mexico and Canada of his plan to withdraw from the previous NAFTA agreement and stated that Congress will have a "choice of the USMCA or pre-NAFTA, which worked very well." Lawmakers on both sides of the aisle have taken issue with certain provisions in the USMCA, and President Trump's promise to terminate the existing free trade agreement is seen as a way to force Congress to pass the renegotiated agreement.
- President Trump has 60 days to report to Congress the changes to U.S. law that will be required in order to comply with the Agreement, and the International Trade Commission (ITC) has 105 days to complete an investigation into the economic impacts USMCA will have on the United States.
- The Section 232 steel and aluminum tariffs remain unresolved; however, USTR Lighthizer told reporters that the three nations will focus on a resolution to the tariffs now that the Agreement is signed. He offered no timeframe for the discussions.

### Agreement in Principle on the 2018 Farm Bill

- On November 29, House and Senate negotiators announced that an agreement in principle has been reached on a new farm bill. With less than 10 days left in the legislative calendar for 2018, lawmakers are trying to quickly schedule a vote in the House and the Senate.
- One of the major hurdles for consolidating the House and Senate versions of the bill was the Supplemental Nutrition Assistance Program (SNAP). Ultimately, the work requirements for SNAP that were introduced in the House version of the bill were scrapped.
- Funding levels for the Market Access Program (MAP), Technical Assistance for Specialty Crops Program (TASC), and the Emerging Markets Program (EMP) are expected to remain as they were in the previous farm bill which expired on September 30, 2018.

### USDA Announces 2019 Trade Missions

- The U.S. Department of Agriculture (USDA) has announced that it will sponsor seven agricultural trade missions in 2019 in an effort to expand export opportunities for U.S. agriculture. Trade missions will take place in Taiwan, Canada, Colombia, Vietnam, Kenya, Mexico, and the United Kingdom throughout the year.
- While the dates of the trade missions are subject to confirmation, a preliminary schedule is available at the USDA FAS [website](#).

### Brexit Vote to be Held December 11

- On December 4, Prime Minister Theresa May's government was found in contempt of Parliament for withholding internal legal advice received over Brexit. Last month, Parliament ordered the government to release the full legal advice given to Cabinet on Theresa May's Brexit deal by the government's chief legal advisor, the attorney general.
- This week the government refused to do so, prompting the contempt motion. The government must now comply and publish the full advice on December 5.
- The contempt vote was quickly followed by another successful motion that gives Members of Parliament (MPs) greater power over the details of a Brexit deal. Parliament is to vote on May's Brexit Withdrawal Agreement on December 11, 2018. If the Withdrawal Agreement is voted down, as it is widely expected, MPs will be able to make amendments to any subsequent "Plan B" delivered by the government.
- Shortly after the votes, Prime Minister Theresa May opened a five-day debate in the House of Commons on the Brexit deal.

### New Zealand to Introduce New Biosecurity Fines

- Beginning early next year, arriving vessels as well as transitional and containment facilities will face new infringement offences for sloppy biosecurity practices that expose New Zealand to risk from harmful diseases and pests.
- The new offences will introduce fines of \$400 for individuals and \$800 for other entities, such as companies, for low-level offences that are not significant enough to warrant prosecution. More information is available at the following [press release](#).