

DECEMBER 06, 2016

INSIDE THIS ISSUE

- CDFA Implements MedFly Quarantine Area in Los Angeles County
- Turkey Notifies of Proposed Food Irradiation Regulation
- U.S.-Mexico WTO Tuna Labeling Dispute: Panel Report to be Issued by May 2017
- Ecuador Reaffirms Timeline for Phase-out of Tariff Surcharge
- WTO Members Discuss Proposed Agricultural Reforms Ahead of 2017 Ministerial

**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

California Department of Food and Agriculture Implements MedFly Quarantine Area in Los Angeles County

- The California Department of Food and Agriculture (CDFA) recently implemented a Mediterranean Fruit Fly (MedFly) quarantine zone in Los Angeles County surrounding the neighborhoods of Arleta and Panorama City. The quarantine zone entered into effect on November 29 and was subsequently expanded on December 2 as a result of multiple trapped flies in the area. A map of the quarantine area is available [here](#).
- Medfly is known to attack over 250 types of fruits and vegetables, including cherries. Consignments passing through the zone and freight forwarders located in the zone are required to employ safeguard measures.

Turkey Notifies of Proposed Food Irradiation Regulation

- Turkey recently [notified](#) the World Trade Organization (WTO) of a draft regulation concerning irradiation standards and related requirements for various food products, including fresh fruits and vegetables.
- The [regulation](#) (9 pages, in Turkish) establishes food irradiation principles, identifies radiation facility registration requirements, and provides guidelines regarding the labeling, transportation, and storage of irradiated products.
- According to the WTO notice, comments are due by January 14, 2017. The proposed dates of adoption and entry into force of the regulation are January 20, 2017 and February 20, 2017, respectively.

U.S.-Mexico WTO Tuna Labeling Dispute: Panel Report to be Issued by May 2017

- The compliance panel formed to determine the outcome of a World Trade Organization (WTO) dispute between the U.S. and Mexico regarding U.S. tuna labeling provisions expects to issue its final report by mid-May 2017, according to a recent WTO [notification](#). This is the latest development in the ongoing WTO dispute between the U.S. and Mexico which has found U.S. dolphin-safe tuna labeling rules to be discriminatory against Mexico.
- To determine whether current U.S. tuna labeling requirements are compliant with WTO standards, both the U.S. and Mexico separately requested a compliance panel to review U.S. amendments to its tuna labeling provisions published in March 2016. A single set of panelists will review both requests simultaneously in an attempt to issue a final decision by May 2017.
- The panel requests by the U.S. and Mexico occurred after Mexico formally requested authorization to impose retaliatory tariffs on various U.S. exports worth \$472.3 million annually, a figure which was promptly disputed by the U.S. Consequently, the same panelists who will review the aforementioned compliance requests will also determine a final retaliation amount.

(Continues on next page)

U.S.-Mexico WTO Tuna Labeling Dispute: Panel Report to be Issued by May 2017

- If the final decision of the panel finds current U.S. tuna labeling requirements to be incompliant with WTO standards, Mexico will be granted authorization to impose retaliatory tariffs on a range of U.S. exports in accordance with the amount specified by the panel.

Ecuador Reaffirms Timeline for Phase-out of Tariff Surcharge

- At a World Trade Organization (WTO) Balance of Payments [meeting](#) on November 29, Ecuador reaffirmed its intention to phase-out the country's temporary tariff surcharge on imported goods by June 2017.
- In March 2015, Ecuador imposed a 45 percent tariff surcharge on imports of final consumer goods as an emergency measure to safeguard its balance of payments. The surcharge—an ad valorem tax applied in addition to existing applicable tariffs—was subsequently lowered to 40 percent in January 2016 and to 35 percent in October 2016. The remaining surcharge rates are scheduled to be reduced by one-third by April 2017 and completely phased-out by June 2017.
- At the meeting, certain WTO members questioned if the temporary measures are compliant with WTO rules. Consultations will continue when members meet in April 2017 to reassess the situation.

World Trade Organization Members Discuss Proposed Agricultural Reforms Ahead of 2017 Ministerial

- Agricultural negotiators representing World Trade Organization (WTO) members met from November 16-17 to discuss several agriculture-related proposals and work toward potential outcomes at the 11th WTO Ministerial Conference scheduled for December 2017 in Buenos Aires. This was the fourth such meeting to occur since the last ministerial conference took place in Nairobi, Kenya in December 2015.
- The representatives discussed: 1) submissions which would impose new limits on members' ability to provide trade-distorting domestic subsidies for agriculture; 2) ideas to address market access barriers for agricultural trade; and 3) issues relating to food security and the WTO's special safeguard mechanism, which allows members to place temporary restrictions on imports.
- In comments made following the meeting, Ambassador Vangelis Vitalis of New Zealand, chair of the agricultural negotiations, stated he was encouraged by the increased level of engagement among members regarding agricultural issues. However, other representatives expressed doubts about what could be achieved by the December 2017 conference. Different priorities among developed and developing countries, as well as the disagreement between China and the U.S. regarding domestic subsidies, continue to hamper efforts to reach a broad consensus on agricultural reforms.