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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

U.S.–Japan Agreement Ratified

- The upper house of the Japanese Diet (the legislature) has approved the [U.S.–Japan Trade Agreement](#), clearing the final hurdle to approval.
- The agreement will enter into force on January 1, 2020, according to [a USTR statement](#).
- The agreement will lower or eliminate Japanese tariffs on U.S. products, including cherries. [*BCI Monitor*: 10-11-19]

USMCA Deal Reached

- The Trump administration and Democratic leadership announced that they have agreed on a revised version of the U.S.-Mexico-Canada Agreement (USMCA), with changes to labor and environmental enforcement. Representatives from the U.S., Canada, and Mexico are expected to sign the deal in Mexico on December 10.
- The agreement must be ratified in each country's legislature to enter into force. The Mexican Senate already ratified a previous version of the agreement, but must also approve the recent changes. Canada and the U.S. have not yet ratified it.
- Once the Trump administration introduces a USMCA implementation bill to Congress, it will trigger a 90-day deadline to approve USMCA.
- Implementation of USMCA will mean that the vast majority of trade between U.S., Mexico, and Canada will continue duty-free, as under NAFTA.

China Drafts Labeling Standards

- The Chinese State Administration of Market Regulation (SAMR) has [notified the WTO](#) of proposed [labeling regulations](#) (in Chinese) for imported agricultural products.
- According to the WTO notification, the proposed requirements include labeling the product's origin and manufacturer and importer information, and specify additional labeling requirements for fresh or frozen meat products, including date marking, shelf life, etc.
- Comments on the proposal are due by February 4, 2020 to tbt@customs.gov.cn.

GENERAL ISSUES OF INTEREST TO THE CCB:

Unrest in Hong Kong Reduces Food Purchases

- A [USDA GAIN report](#) states that the ongoing unrest in Hong Kong has caused a recession and a marked drop in food purchasing, with food spending in September 2019 14% lower than in September 2018.
- The report notes that staple food purchases, including fruit, remain stable. The recession could impact the market for imported cherries, which are considered a premium fruit.

WTO Appellate Body Shuts Down

- The WTO Appellate Body stopped functioning on December 10, due to the U.S. blocking the appointment of new judges.
- This is expected to make WTO disputes harder to reconcile, as appealed cases cannot be concluded without a functioning Appellate Body. A WTO member unsatisfied with the outcome of a dispute case could appeal to the non-functioning Appellate Body, keeping the case in limbo indefinitely.
- The Trump administration wants the WTO to implement structural reforms before adding any Appellate Body judges.

EFSA Opens Mycotoxin Consultation

- The European Food Safety Authority (EFSA) is conducting a [public consultation](#) into the negative effects of Ochratoxin A in food. This mycotoxin is found in grains, preserved meats, and fruit, among other foods.
- The findings of this study will not immediately change regulations, but will be used as the primary risk assessment to develop regulations on Ochratoxin A in food.
- Comments are due by January 24 to an [online portal](#).