

DECEMBER 11, 2018**INSIDE THIS ISSUE**

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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD****GENERAL ISSUES OF INTEREST TO THE CCB:****Final Farm Bill Released**

- On Monday, December 10, the farm bill [conference report](#) was released and on Tuesday, December 11, the Senate passed the farm bill legislation – H.R. 2(115) – by a vote of 87-13.
- Senate passage paves the way for a full House vote on the bill on Wednesday or Thursday and for the bill to be sent to President Trump for signing by the end of the week.
- The farm bill is estimated to cost \$867 billion over the next ten years and covers issues such as farm subsidies, food stamps, conservation, rural development initiatives, and trade promotion programs.
- The farm bill adopts the Senate provision that consolidates the Market Access Program (MAP), Foreign Market Development (FMD), Technical Assistance for Specialty Crops (TASC), and Emerging Markets Program (EMP) into one Agricultural Trade Promotion and Facilitation section in the Agricultural Trade Act of 1978. The MAP program is to receive not less than \$200 million annually, FMD is set to receive not less than \$34.5 million annually, TASC is to be funded at \$9 million annually, and EMP is set to receive not more than \$8 million annually.

President Trump Eyeing NAFTA Withdrawal

- On November 30, the Presidents of United States, Mexico, and Canada signed the United States-Mexico-Canada Agreement (USMCA).
- Shortly after signing the Agreement, President Trump 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.
- The U.S. can formally withdraw from NAFTA six months after it notifies Canada and Mexico. The notification has yet to be given, and the White House has not yet provided further details. Several media sources are reporting that a notification could happen in the next few weeks.

New Zealand Country of Origin Labeling

- New Zealand has [notified](#) the WTO that its [Consumers' Right to Know \(Country of Origin of Food\) Act 2018](#) received Royal assent on December 3. New Zealand published a final report on the Act in September (*BCI Monitor* 9-25-18).
- The Act requires food manufacturers to affix country of origin labels to their products. Previously, country of origin labeling in New Zealand was voluntary.
- The Act covers regulated foods, which include a single type of fruit, vegetable, meat, fish or seafood that is fresh or frozen and is no more than minimally processed and is either packaged or unpackaged. Regulated foods include food that is sold at retail, including online; however, restaurants and takeaway shops are exempt.
- The Minister of Commerce and Consumer Affairs has 18 months to recommend the making of regulations. A public consultation will be held before regulations are made. After the regulations are made, the country of origin requirements will have a six-month implementation period for fresh foods, and an 18-month implementation period for frozen foods.

Light Brown Apple Moth Boundary Changes

- The Light Brown Apple Moth LBAM (*Epiphyas postvittana*) quarantine boundaries have changed.
- Effective December 7, a regulated area boundary in San Diego has been expanded and can be found in grids [521](#) and [522](#).
- Effective December 11, the regulated area boundary in Orange County has been expanded and can be found in grids [470](#) and [471](#).
- For more information on LBAM, as well as the Southern California, Northern California, and full state quarantine maps, please see the California Department of Food and Agriculture [website](#).

Vote on Brexit Withdrawal Deferred

- Prime Minister Theresa May has deferred a vote on the Brexit Withdrawal Agreement, initially scheduled for December 11, 2018. May acknowledged that Members of Parliament (MPs) were likely to reject the deal if the vote were held due to widespread concerns over the “backstop” provision, which would leave the U.K. within the European Customs Union, bound by EU rules over which it has no control, and unable to end the arrangement unilaterally.
- May also announced that she would discuss potential changes to the agreement with the European Union (EU). However, it is highly unlikely that the EU will reopen negotiations or make changes to the backstop agreement. The President of the European Council, Donald Tusk, recently told reporters that the EU “will not renegotiate the deal” but is “ready to discuss how to facilitate U.K. ratification.”
- On December 10, the European Court of Justice (ECJ) ruled that the U.K. can withdraw its notification to leave the EU without the permission of other EU countries. The ruling is fueling calls for a second referendum to decide whether the U.K. should remain or leave the EU. The U.K. can withdraw its notification to leave if the Withdrawal Agreement has not come into force and if the two-year Article 50 period has not expired. More information on the ECJ ruling is available [here](#).

Korea Approves Updated KORUS

- On December 7, the Korean National Assembly approved the updated Korea-U.S. Free Trade Agreement (KORUS).
- South Korea and the U.S. signed the updated deal on September 24 after three months of discussions. Major changes to the agreement include an extended phase-out of the U.S. tariff on trucks, greater access for U.S. automobile exports, and an improvement to the customs procedures for conducting verification of origin of exports under KORUS.
- The amendment and modification texts for KORUS are available on the USTR [website](#). The United States has not ratified the updated agreement.