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## A REPORT FOR THE CALIFORNIA CHERRY BOARD

## SPECIFIC ISSUES OF INTEREST TO THE CCB:

### CDFA Proposes Pest Rating for Apple Bitter Rot

- The California Department of Food and Agriculture (CDFA) proposed changing the [pest rating](#) from *Colletotrichum godetiae* (apple bitter rot), a pest which affects cherries, from Q (no rating) to B (moderate).
- Comments on the proposed pest rating are due by April 4, 2020 to CDFA.

### South Korea Recognizes History of Compliance for Cherries

- On February 18, the Korean Ministry of Food and Drug Safety published a [notice](#) (in Korean) recognizing imported products with a history of conformity. These foods are considered safe according to the notice, although it is unclear if any requirements will change. The list includes U.S. cherries.

### China Introduces Emergency Customs Measures

- Chinese ports and customs officials have implemented temporary measures at ports of entry and customs checks to control the coronavirus epidemic. However, these measures vary between jurisdictions, according to [Chinese General Administration of Customs announcements](#) (in Chinese).
- In order to reduce person-to-person contact, the consignor and consignee are no longer required to be present at the site of a customs inspection, and all communication should be conducted online, according to a February 11 [customs announcement](#) (in Chinese).
- Lanzhou, a major trading hub in Northwest China, has prioritized shipments of perishable products and will not process any enterprise registration changes until the state of emergency is lifted. It is not clear whether other customs points have done the same.

### Coronavirus May Cause Refrigerated Container Shortage

- Media have reported that there will likely be a shortage of refrigerated shipping containers starting in March, due the coronavirus outbreak in China.
- Many shipping containers are held up in China in transit or quarantine, according to a recent USDA GAIN report. Trade press in the agriculture, supply chain, and logistics industries report shortages of refrigerated containers. Furthermore, Chinese manufacturers that make shipping containers have been constrained by labor shortages and mandatory quarantines, limiting the number of new containers on the market.

## GENERAL ISSUES OF INTEREST TO THE CCB:

### Australian Cherry Production and Exports Decreased

- Fruit industry media reports that Australian cherry production in the 2019/20 season was 20% lower than in 2018/19, due in part to wildfires that destroyed farmland in 2019. Exports outperformed domestic sales but still decreased 12% by volume.

### No U.S.-India Deal at Meeting; Talks to Continue

- A partial trade deal between the U.S. and India, similar to the U.S.-China Phase One agreement, failed to materialize at the Trump-Modi summit in India. Such a deal was widely expected two weeks ago [*BCI Monitor*: 2-11-19] but was not completed.
- It is unclear why no deal was made, although India's recent tariff increases and ongoing trade disputes with other countries show a trend towards protectionism.
- The White House released [a statement](#) on the meeting saying that negotiations on a bilateral trade agreement will continue.

### U.S. and EU Aim for Partial Deal by March 18

- On February 14, the office of the U.S. Trade Representative [announced revisions to U.S. tariffs](#) on EU products, increasing tariffs on airplane parts but not agricultural goods. The Trump administration previously threatened to increase tariffs as high as 100%.
- The U.S. and EU aim to complete negotiations on a partial free trade deal by March 18, when the new U.S. tariffs on EU airplane parts come into effect, according to EU Trade Commissioner Phil Hogan.
- A partial deal, like the Phase One U.S.-China Agreement, would likely address the U.S. tariffs and some EU import restrictions, but not EU tariffs.

### British Food Industry Predicts Worker Shortage in 2021

- The [National Farmers' Union](#) criticized the UK government's post-Brexit immigration policy, saying it will lead to a seasonal worker shortage and hurt the British fresh produce industry. This includes cherries, which are grown in the UK for the domestic market. In 2019, the UK produced approximately 6,500 metric tons of cherries.
- The [Food and Drink Federation](#), which represents the processed food sector, criticized the proposal for leaving out important food industry workers, like bakery assistants.

### UK to Introduce Import Controls and VAT for EU Products in 2021

- The UK government [confirmed](#) that it will introduce import controls including phytosanitary regulations and charge a value-added tax on imports from the European Union starting on January 1, 2021.
- This will affect the UK's cherry market. The UK imported \$28 million in cherries from EU countries with zero tariffs in 2018, 55% of its total cherry imports. Starting in 2021, these cherries could be subject to trade barriers and taxes if the UK and EU fail to reach a trade agreement.
- It is not clear how new import controls will apply to Northern Ireland, where special provisions will be put in place to prevent a hard border with Ireland.