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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

CDFA Changes LBAM Quarantine Boundary

- On March 10, the [California Department of Food and Agriculture](#) (CDFA) expanded the quarantine area for light brown apple month (LBAM).
- The Ventura County Controlled Area Boundary is expanded in Ventura-Somis, Grids [436](#) and [437](#), effective immediately.

Australia Ends Pre-shipment Inspection Program

- As expected, Australia [announced](#) it will no longer provide offshore pre-shipment inspections for fresh produce from the U.S. starting May 1, 2020.
- Until June 30, the Australian Department of Agriculture will continue to accept consignments that were cleared under the offshore pre-shipment inspection (OPI) program prior to its discontinuation.

South Korea Proposes Food Contact Material Amendments

- South Korea [notified the WTO](#) that it has proposed [amendments](#) (in Korean) to the standards and specifications for food utensils, containers, and packaging (food contact materials).
- According to the notification, the amendment would change the common manufacturing standards, recycled synthetic resins standards, common specifications, usage specifications, and test methods.
- The notification does not cite an adoption date.
- Comments are due by May 3 to the Ministry of Food and Drug Safety's International Cooperation Office at intmfd@sakura.go.kr

GENERAL ISSUES OF INTEREST TO THE CCB:

USTR Publishes Reports on WTO Compliance by China and Russia

- The Office of the U.S. Trade Representative released its [reports](#) on China's and Russia's compliance with World Trade Organization (WTO) rules, criticizing both for unfair trade practices.
- The report on China describes the outcomes of the Phase One U.S.-China Agreement but notes that it does not cover all the concerns with China's trade policy. It also looks ahead to a Phase 2 agreement covering intellectual property and technology transfer.
- The report on Russia criticizes the country for using cumbersome non-tariff barriers, such as licensing requirements and protectionist agricultural policies.

Spain Bans Most Supermarket Discounts

- International media reports that in response to [protests from the agricultural sector](#) over unsustainably low discount prices, the Spanish government has [modified the Food Chain Law](#) (in Spanish), introducing significantly higher fines for retailers that sell food below its cost of production. (*Continued on next page.*)

- This regulation reportedly makes exceptions for expiring and damaged goods. Retail promotions that reduce an item's cost to below its cost of production will only be allowed if the loss in revenue is paid by distribution chains.

China Reports Decreased Trade, Higher Food Prices

- On March 7, the [Chinese General Administrations of Customs](#) (GACC) released its trade data for January and February 2020, which show an 11% drop in total foreign trade compared to 2019.
- Exports decreased 17.2% and imports decreased 4%. Because of the large export decrease, China, which usually has a trade surplus with the rest of the world, carried a trade deficit of \$7.1 billion in these two months.
- The data show a slight increase in trade with the Association of Southeast Asian Nations (ASEAN) countries, while trade with the EU, the U.S., and Japan decreased. Trade with the U.S. fell nearly 20% compared to the same period in 2019.
- While the coronavirus outbreak has disrupted trade throughout China during this period, a GACC official noted that 80.6 percent of surveyed foreign trade companies have resumed work.
- Separately, official statistics show that food prices have increased 15.2% between January 2019 and January 2020, compared to an overall 5.4% increase in price levels. This is due in part to China's aggressive quarantine strategy for the coronavirus, which has disrupted agriculture, food processing, and consumer purchasing behavior.

Codex Updates WTO on Results and Upcoming Meetings

- The Codex Alimentarius Commission [notified the WTO](#) of Codex sessions held since October 2019 as well as upcoming meetings. In particular, the notification notes the results of the [Codex Committee on Food Hygiene](#) and the [Ad hoc Codex Intergovernmental Task Force on Antimicrobial Resistance](#).
- Codex Alimentarius will hold the following meetings in 2020:
 - 32nd Codex Committee on General Principles (Bordeaux, France, 23 – 27 March 2020)
 - 14th Codex Committee on Contaminants in Foods (Utrecht, Netherlands, 20 – 24 April 2020)
 - 25th Codex Committee on Food Import and Export Inspection and Certification Systems (Hobart, Tasmania, Australia, 27 April – 1 May 2020)
 - 41st Codex Committee on Methods of Analysis and Sampling (Budapest, Hungary, 11 - 15 May 2020)