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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

Update on Thailand Pesticide Residue Testing on Produce Imports

- The USDA recently provided an [updated GAIN report](#) with additional clarifications and corrections regarding Thailand's implementation of strict pesticide residue testing on imported fresh produce.
- The update highlights that if a single consignment is sampled and found to be noncompliant with Thailand's pesticide residue regulation, the exporter's name and the type of product will be added to the "very high risk" list.
- Exporters whose names are on the very high risk list may continue shipments but must include a certificate of analysis of pesticide residues with each consignment. Exporters can be delisted from the very high risk list following three consecutive consignments that are found to be in compliance with the Thai pesticide regulation; however, the exporter or importer must notify the Thai Food and Drug Administration that they wish to be delisted prior to testing, otherwise the compliant shipment will not count toward the delisting process.
- These measures will be strictly implemented on June 15, 2020 (*BCI Monitor* 5-26-20). Imported cherries are classified as high risk commodities. A Thai FDA official at the port of entry will take a sample to be tested from every shipment. Certain U.S. exporters of cherries are included on the [very high risk list](#) due to past noncompliance issues.

Vietnam Ratifies Trade Agreement with European Union

- On June 8, Vietnam's National Assembly ratified the European Union Vietnam Free Trade Agreement (EVFTA).
- The agreement is the EU's second deal with a member of the Association of Southeast Asian Nations (ASEAN) after Singapore. The EVFTA is expected to enter into force later this year.
- EU tariffs on products from Vietnam will be reduced as follows:
 - The ad valorem tariff on fresh sweet cherries (HS 0809.29) will be eliminated upon entry into force, while the specific duty resulting from the EU entry price system will remain.
- Vietnam's tariffs on products from the EU will be reduced as follows:
 - The 10% tariff on fresh sweet cherries (HS 0809.29) will be removed in six equal annual stages.

European Union Lowers Maximum Residue Level for Dimethoate on Cherries

- The EU recently [published](#) Regulation (EU) 2020/703, amending Regulation (EC) No 396/2005 which governs pesticide residues on food.
- The new regulation officially lowers the maximum residue level (MRL) for dimethoate on cherries from 0.02 ppm to 0.01 ppm (LOD). In 2019 the EU did not approve the renewal of dimethoate, revoking existing authorizations for plant protection products containing the substance in relation to uses on cherries in the EU.
- This change applies from December 16, 2020.

GENERAL ISSUES OF INTEREST TO THE CCB:

Saudi Arabia Announces Tariff Increase

- Saudi Arabia recently [announced](#) it is increasing tariffs on a wide range of products effective June 10, 2020.
- Fresh sweet cherries (HS 0809.29) are not included in the product list.

USDA Requests Comments on Farmers Market Application

- The USDA Agricultural Marketing Service (AMS) [intends](#) to request approval to extend and revise its information collection from the USDA Farmers Market program.
- Since 2005 the USDA Farmers Market Application has been used to collect information from Farmers Market program participants, including business location, types of products to be sold, and weekly sales data. Data is used to track success of markets, marketing strategies, and weather effects on farmers market sales.
- USDA proposes to add a Farmers Market Survey, which is designed to learn about customers and their preferences in order to improve the USDA Farmers Market program.
- Comments on the survey and data collection methods are requested by July 27, 2020 and may be sent to Bruce Summers, AMS Administrator, via the [Federal Register notice](#).

U.S. Begins Section 301 Investigations of Digital Services Taxes in Several Countries

- On June 2, USTR [announced](#) the start of Section 301 investigations of digital services taxes adopted or being considered by several countries. The markets under investigation are Austria, Brazil, the Czech Republic, India, Indonesia, Italy, Spain, Turkey, and the United Kingdom, as well as the European Union as a whole.
- Section 301 of the 1974 Trade Act grants USTR the authority to investigate and respond to actions by a foreign country that may be unfair and negatively affect U.S. commerce. Last year, USTR threatened retaliatory tariffs on certain French agricultural products following its investigation of the country's digital services tax, but postponed the implementation of the tariffs following bilateral negotiations with France.
- Many countries that participate in the Organization for Economic Cooperation and Development (OECD) have been working toward a multilateral agreement addressing digital services taxes.
- Additional information has been published by USTR via a [Federal Register notice](#). USTR is accepting comments on this issue through July 15, 2020.