

AUGUST 31, 2021

INSIDE THIS ISSUE

- **U.S., Australia, Paraguay, and Colombia Propose WTO Session on Pesticide MRLs**
- **Korea and MERCOSUR Enter 7th Round of FTA Discussions**
- **USDA Releases Stone Fruit Annual Reports for Poland**
- **USDA Publishes Update to Coronavirus Food Assistance Program**
- **Taiwan Notifies Draft Changes to Pest and Wood Packaging Regulations**
- **China Publishes Draft Seed Law Update**
- **EU to Open Negotiations on Trade in Organic Products**
- **USDA Publishes Q2 2021 EU Green Deal Update**
- **Thailand Announces Consultation on Assessing the Efficiency and Safety of Recycled Plastic Packaging**

SPECIFIC ISSUES OF INTEREST TO THE CCB:

U.S., Australia, Paraguay, and Colombia Propose WTO Session on Pesticide MRLs

- The U.S., Australia, Paraguay, and Colombia recently proposed a thematic session to the WTO SPS Committee titled [Trade Facilitative Approaches to Pesticide MRLs, Including Substances Not Approved for Use in an Import Market](#).
- The proposed session would cover different approaches used by WTO members to address issues associated with pesticide maximum residue limits (MRLs). This is aimed to provide an opportunity for members to share their experiences and best practices in facilitating safe trade, such as harmonizing with Codex MRLs (including as a default), establishing import tolerances, and other tools used to develop least restrictive approaches to pesticide MRLs in agricultural trade.
- The session would also invite key private sector perspectives, including those involving transition periods and channels of trade.
- As more information becomes available on the proposed session, BCI will continue including updates in the *BCI Monitor*.

Korea and MERCOSUR Enter 7th Round of FTA Discussions

- South Korea and MERCOSUR, a South American trade bloc including Brazil, Argentina, Paraguay and Uruguay, [announced](#) (in Korean) a 7th round of free trade agreement (FTA) negotiations taking place this week.
- South Korea, the second largest importer of U.S. fresh sweet cherries in 2020, has been actively seeking out trade deals since its first FTA was reached in 2004, with Chile. The country is also seeking to become an associate member of the Pacific Alliance, which includes Chile, Colombia, Peru, and Mexico.
- The U.S. – Korea Free Trade Agreement (KORUS) entered into force on March 15, 2012. U.S. cherries enter Korea tariff-free.

USDA Releases Stone Fruit Annual Reports for Poland

- This week, the USDA released a [Stone Fruit Annual Report on Poland](#).
- Sour cherries comprise approximately 75% of Poland's 99,000 acres devoted to cherry production. However, the country does have an increasing growing area for sweet cherries, with forecasted growth from 24,700 acres to 27,200 acres between MY 2020/21 and MY 2021/22.
- Sweet cherry production is expected to increase 9% from 44,000 MT in MY 2020/21 to 48,000 MT in MY 2021/22.
- Depending on the year, Poland is either a net-importer, or net-exporter of sweet cherries. In MY 2018/19, Poland exported 4,410 MT of cherries contrasted with exports of 429 MT and imports of 4,632 MT in MY 2020/21.
- Most Polish cherries are exported to Germany or Belarus. Poland imports cherries from Greece, Serbia, Austria, Germany, Spain, and Turkey.

USDA Publishes Update to Coronavirus Food Assistance Program

- The U.S. Department of Agriculture (USDA) recently [published](#) a rule in the U.S. Federal Register revising the Coronavirus Food Assistance Program (CFAP) 2.
- The new rule amends CFAP 2 regulations to allow contract producers to use eligible revenue from the period of January 1 through December 27, 2018, instead of that period in 2019. This is intended to provide flexibility for contract producers who had reduced revenue in 2019 compared to a normal year for their operation. The update also extends the application deadline until October 12, 2021.
- The USDA announced the CFAP in April 2020 and subsequently announced the CFAP 2 in September 2020 to support farmers and consumers during the COVID-19 pandemic (*BCI Monitor 9-22-20*). Most [specialty crops](#), including cherries, are eligible for funding as sales commodities.

Taiwan Notifies Draft Changes to Pest and Wood Packaging Regulations

- Taiwan's Bureau of Animal and Plant Health Inspection and Quarantine [notified the WTO](#) of draft amendments to: 1) *Quarantine Requirements for the Importation of Plants or Plant Products*; and 2) *Quarantine Requirements for Wood Packaging Material used in Imported Commodity*.
- The WTO notification and a [summary](#) outline the changes to regulated pests and plants, including:
 - Changes to regulated plants or quarantine areas for *Pseudomonas syringae syringae*, *Xylella fastidiosa*, and *Arabis mosaic virus*
 - Quarantine requirements for host plants or plant products of *Fig mosaic virus*, *Impatiens necrotic spot virus*, and *Orchid fleck virus*
 - The addition of two insects (*Contarinia maculipennis*, *Pseudaulacaspis dendrobii*), two weeds (*Muhlenbergia capillaris*, *M. reverchonii*), and one virus (*Impatiens necrotic spot virus*, *Tospovirus*)
 - The addition of two treatment methods for wood packaging
- The dates of adoption and entry into force have yet to be determined. Comments are due by October 25, 2021. Submissions can be sent to the U.S. SPS Inquiry Point at spsenquiry@fas.usda.gov.

GENERAL ISSUES OF INTEREST TO THE CCB:

China Publishes Draft Seed Law Update

- China recently published [draft amendments](#) (in Chinese) to its Seed Law. The USDA has provided an English translation and summary of the amendments and the original law in a recent [GAIN Report](#).
- The draft amendment includes the following major changes:
 - Expands the scope of plant variety protections (PVP) from only propagation materials to include harvest materials
 - Expands the scope of protections from only production, propagation, and sales to also include processing (seed treatment), offering for sale, import, export, and storage, etc.
 - Establishes a system for essentially derived varieties (EDV), which can be granted new plant variety protection
 - Increases in punitive damages for infringement of PVPs
 - Clarifies and strengthens legal responsibility for investigation of non-compliant production behaviors
- Comments are due by September 20th via the [National People's Congress website](#). To be included in U.S. comments, contact Elaine Wu at the U.S. Patent and Trademark Office at Elaine.Wu@uspto.gov.

EU to Open Negotiations on Trade in Organic Products

- The [European Commission's decision](#) to authorize the opening of negotiations in order to reach agreements on organic trade with several countries was added to the Official Journal of the European Union on August 31. In addition to the United States, the EU will seek to negotiate with Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, New Zealand, South Korea, and Tunisia. Agreements are already in place with Switzerland, Chile, and the United Kingdom.
- The [U.S.-EU Organic Equivalence Arrangement](#) entered into force on June 1, 2012. Under the new EU Organic Regulation 2018/848, entering into force on January 1, 2022, only trade agreements may govern EU organic trade. Thus, in order to trade in organics, the U.S. and EU must transform the current U.S.-EU Organic Equivalence Arrangement into a Trade Agreement by January 1, 2027.

USDA Publishes Q2 2021 EU Green Deal Update

- On August 25, the USDA FAS published its quarterly update on the European Union Green Deal, including actions taken in regard to the Farm to Fork (F2F) Strategy, Biodiversity Strategy, Climate Target Plan, EU Methane Strategy, and Circular Economy Action Plan.
- April through June developments under the European Commission's 2021 Work Program include (among others):
 - In April, the Council and Parliament agreed on a final text of the [EU Climate Law](#), setting a 55 percent net GHG emission target for 2030 and a 2050 EU-wide climate neutrality target. For entry into force, it must next be officially adopted by the Member States and European Parliament.
 - In April, the European Food Safety Authority (EFSA) published [new guidance](#) on what information to give consumers about storing food and time limits for consumption. The new guidance will be used to revise date marking rules under F2F.
 - In June, the European Parliament adopted a non-binding resolution on the [Biodiversity Strategy](#).

Thailand Announces Consultation on Assessing the Efficiency and Safety of Recycled Plastic Packaging

- Thailand's Ministry of Public Health (MOPH) has [announced a consultation](#) (in Thai) regarding draft guidelines for evaluating the efficiency of plastic recycling processes and the safety of recycled plastic for food contact materials. It is focused on developing a quality standard for recycled plastics and establishing an effective review process for permitting plastic containers made of recycled pellets.
- Comments on the draft are due by September 30, 2021. Submission details are provided in the announcement.