# **BCI MONITOR**

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BRYANT CHRISTIE INC.



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## **SPECIFIC ISSUES OF INTEREST TO THE CCB:**

#### UK Ratifies UK-Australia and UK-New Zealand FTA

- On March 23, the United Kingdom (UK) adopted the <u>Trade (Australia and New</u> <u>Zealand) Act 2023</u>, ratifying the <u>free trade agreement (FTA) with Australia (AUS)</u> and <u>New Zealand</u>.
- The UK's 12 percent most favored nation (MFN) tariff applied to cherries from <u>Australia</u> will be eliminated immediately. The MFN applied to cherries from <u>New</u> <u>Zealand</u> will be reduced to 9% from July 16 – June 15 and to 4.5% from June 16 – July 15 at entry into force and gradually phased out until January 1, 2026.
- On 22 November 2022, the UK-AUS FTA had <u>passed</u> the Australian Parliament.
- The Act entered into force upon publication.
- The FTA will enter into force 30 days or on a mutually agreed date after the UK and Australia have confirmed completion of their domestic processes to each other.

#### U.S. Restates Specific Trade Concerns at WTO

- This week, the U.S. submitted several Specific Trade Concerns to the WTO of potential relevance to CCB, including the following:
  - The U.S. repeated <u>concerns</u> regarding China's continued lack of response to U.S. requests for scientific justification of how Chinese Decrees 248 and 249 address food safety and public health concerns. The Decrees – in force since January 1, 2022 – established a broad range of requirements to export to China including registration of food manufacturers, processors, and storage facilities of specified food products.
  - With the European Union, the U.S. repeated concerns over <u>maximum</u> residue levels (MRLs) and pesticide policies and the use of <u>import</u> pesticide tolerances to achieve environmental outcomes in third countries.
  - With India, the U.S. repeated concern regarding the <u>requirement of GM-</u> <u>free certification</u> for certain agricultural products, not including cherries.

## **GENERAL ISSUES OF INTEREST TO THE CCB:**

#### **UK Genetic Technology Act Enters into Force**

- The <u>Genetic Technology (Precision Breeding) Act 2023</u> received Royal Assent and entered into force on March 23, 2023. The legislative process for the act began in May 2022 (*BCI Monitor 5-31-22*).
- The Act, which applies to England and Wales only, establishes a streamlined regulatory system to permit the utilization of certain genetic engineering technologies in agricultural commodities, while maintaining stricter regulations for genetically modified organisms (GMOs).

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Additional information is provided in a UK government press release.

# A REPORT FOR THE CALIFORNIA CHERRY BOARD

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#### EU Publishes Draft Green Claims Directive

- On March 22, the European Commission (EC) <u>published</u> a <u>proposal for a Directive on Green Claims</u>, regulating the use of voluntary, explicit claims about environmental impacts of a product, service or trader itself (Article 1(1)).
- The Directive will apply to imported and domestically produced products.
- While it will apply to food packaging, environmental claims on food products shall be regulated under the EC's proposal on a legislative framework for a Union sustainable food system (Commission adoption of draft regulation planned for Q3 2023). Claim regulations for specific products such as organic food will prevail over this proposed *Directive on Green Claims*.
- The proposed Directive requires Member States to verify that claims are substantiated with scientific evidence which has identified all relevant environmental impacts and any trade-offs between them. Article 3 lists all requirements to be met by the claim in detail. If the label compares products to other products, it has to also comply with Article 4.
- Claims based on aggregated scores for the product's impact on a specific environmental topic such as biodiversity, climate, water consumption, etc. shall only be permitted if the EU sets rules for the calculation of the scores.
- Environmental labels shall be transparent, verified by a third party, and regularly reviewed.
- Development of new schemes will be limited to public EU wide schemes and private schemes that can
  prove a higher environmental ambition than those on the market already. New schemes have to seek EC
  approval.
- The EC provides more information on a <u>webpage</u> dedicated to green claims, through an <u>FAQ</u> and in a <u>factsheet</u>.
- Comments on the draft Directive can be submitted through the <u>EC's Have Your Say Portal</u> until May 19, 2023. The feedback period is being extended every day until this adopted proposal is available in all EU languages.
- The draft Directive will now be discussed and voted on by the two co-legislators, the European Parliament and Council. After approval by both legislative bodies, it will be published in the Official Journal of the European Union. It shall enter into force on the 20th day following its publication, be transposed by the EU Member States 18 months after entry into force and be effective in the Member States 24 months after entry into force.

#### UK and EU Take First Step to Implement Windsor Framework

- In a development that will alter customs procedures for Northern Ireland, on March 24, the EU-UK Joint Committee under the Withdrawal Agreement adopted <u>Decision No 1/2023 laying down arrangements</u> <u>relating to the Windsor Framework</u>. The United Kingdom (UK) and the European Union (EU) released a joint statement.
- The Decision entered into force on March 25. The Framework's new and expanded trusted trader scheme will start on September 30, 2023 according to the <u>EU's press release</u>. The UK parliament provides an <u>overview of the adoption process</u> on its page. Both governments are now working towards adopting national legislation to fully implement the Windsor Framework.
- Both the EU and UK have published numerous guidance documents regarding the framework, including the following of relevance to the food industry:
  - o UK
    - Food Retail Green Lane Sector explainer
    - <u>The Windsor Framework: a new way forward</u>
  - o EU
    - Factsheet
    - Position paper on agri-food, plants, and pet animals
    - Questions and Answers: political agreement in principle on the Windsor Framework, a new way forward for the Protocol on Ireland / Northern Ireland