BCI MONITOR

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BRYANT CHRISTIE INC.



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INSIDE THIS ISSUE

- European Union Ratifies Free Trade Agreement with New Zealand
- Brazil Notifies Adoption of Registration Framework for Food and Food Packaging
- European Union Agrees on Provisional Text for Packaging and Packaging Waste Regulation
- Vietnam Notifies Draft Circular on Articles Subject to Pest Risk Analysis

SPECIFIC ISSUES OF INTEREST TO THE CCB:

European Union Ratifies Free Trade Agreement with New Zealand

- On February 28, the European Union (EU) <u>published</u> the <u>EU-New Zealand Free</u> <u>Trade Agreement</u> (FTA) in its Official Journal, signifying its ratification of the agreement.
- The two sides concluded negotiations in June 2022 and signed the FTA in July 2023 (*BCI Monitors 7-5-22, 7-11-23*).
- Upon entry into force, the agreement will eliminate tariffs on all EU exports to New Zealand.
- The EU's 12% tariff on cherries from New Zealand will be eliminated upon entry into force.
- New Zealand introduced the agreement to its Parliament on January 26 and is in the process of ratification. It is aiming to complete the ratification process for the FTA to enter into force by the middle of 2024.

Brazil Notifies Adoption of Registration Framework for Food and Food Packaging

- On March 1, Brazil notified the WTO of its adoption of *Draft Resolution N° 1113* of September 6, 2022 as <u>Resolution of the Collegiate Board (RDC) N° 843 of</u> <u>February 22, 2024</u> (in Portuguese; <u>WTO Notification</u>) and Draft Resolution N° 1114 as <u>Normative Instruction– IN N° 281 of February 22, 2024</u> (in Portuguese; <u>WTO Notification</u>), addressing regulatory gaps in food and food packaging regulations (BCI Monitor 9-20-22).
- *RDC N° 843* sets out the framework and procedures for the registration of food and food packaging in the National Health Surveillance System (SNVS), while accompanying *IN N° 281* establishes the food and packaging categories and provides the respective documentation that must be presented.
- According to machine translation, within IN N° 281:
 - Annex II defines the different categories of food and packaging required to be notified to the National Health Surveillance Agency ANVISA.
 - Annex III defines the different categories of food and packaging for which the start of imports must be notified to the health authority of the State, Federal District, or Municipality.
 - Annex IV defines the different categories of food and packaging not subject to registration with SNVS.
 - Of note, general food packaging, food packaging made of recycled food grade PET, and food with functional or health claims are mentioned in the Annexes. However, based on Annex IV and *RDC N° 843*'s definition, fresh fruit in its natural state is exempted from registration or notification requirements.
 - Annex V establishes documents and procedures for communication and registration with the competent authority.

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• Both regulations enter into force September 1, 2024.

A REPORT FOR THE CALIFORNIA CHERRY BOARD

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European Union Agrees on Provisional Text for Packaging and Packaging Waste Regulation

- On March 4, the negotiators of the European Union (EU) Council and Parliament reached a provisional political agreement on the EU's proposed new Packaging and Packaging Waste Regulation to replace *Directive 94/62/EC (BCI Monitors 12-6-22, 12-13-22, 2-28-23, 11-28-23)*.
- The following analysis highlights topics and measures from the press releases by <u>Council</u> and <u>Parliament</u>.
 BCI will publish a detailed analysis upon publication of the final text in the Official Gazette.
- <u>Packaging bans</u>: Banning single-use plastic (SUP) packaging for unprocessed fresh fruit and vegetables as well as for foods, beverages, condiments, and sauces sold and consumed in restaurants and cafes starting January 1, 2030. The Commission had proposed to ban single use plastic for packages of fresh fruit and vegetables less than 1.5 kg, unless there is a demonstrated need to protect against water loss or turgidity loss, microbiological hazards, or physical shocks. Based on the press releases, it is unclear if the same exemption is kept by Council and Parliament. Also banning very lightweight plastic bags from the market unless they are provided as primary packaging for loose food when this helps to prevent food waste.
- <u>Material bans</u>: Banning food contact packaging containing per- and polyfluorinated alkyl substances (PFASs), so-called "forever chemicals", while seeking alignment with other regulatory proposals related to forever chemicals within 4 years after entry into force. Neither press releases mention a Bisphenol A (BPA) ban which is now regulated under a <u>different draft Commission Regulation</u>.
- <u>Excess packaging:</u> Setting a maximum empty space ratio of 50% in grouped and transport packaging and requiring manufacturers and importers to minimize the weight and volume of their packaging.
- <u>Recyclability:</u> Requiring packaging to be designed for recyclability with the exception of lightweight wood, cork, textiles, rubber, ceramic, porcelain, or wax. Design criteria will be defined in secondary regulations.
- <u>Minimum recycled plastic content:</u> Maintaining the 2030 and 2040 targets subject to an assessment by the Commission of the feasibility of the 2040 targets. Compostable plastic packaging and packaging whose plastic component represents less than 5% of the packaging's total weight are exempt from those targets.
- <u>Bio-based packaging</u>: Tasking the Commission to assess the state of technological development of biobased plastic packaging to define sustainability requirements for bio-based content in plastic packaging.
- The provisional agreement will now undergo review by all members of EU Council and Parliament, and if formally adopted by both bodies, it will enter into force 20 days after publication in the Official Gazette. Based on the Council's press release, it shall become effective 18 months after entry into force, with some measures being enforced even later. Note that this *Regulation*, in contrast to the *Directive* it is replacing, does not need to be transposed by individual Member States into national law. It shall apply to all Member States on the day it enters into force.

Vietnam Notifies Draft Circular on Articles Subject to Pest Risk Analysis

- On March 5, Vietnam's Ministry for Agriculture and Rural Development (MARD) <u>notified the WTO</u> of its <u>Draft Circular</u> (WTO Attachment with changes in red; both in Vietnamese) amending Circular No. 30/2014/TT-BNNPTNT, on the list of regulated articles subject to pest risk analysis before importation into Vietnam.
- According to machine translation, a draft amendment of potential interest to CCB includes:
 - Adding the means of transportation and preservation of objects subject to plant quarantine to the list of objects subject to plant quarantine (Article 1). It is unclear what "means of transportation and preservation of objects" refers to.
- Comments can be sent to the U.S. SPS Inquiry Point at <u>us.spsenquirypoint@fas.usda.gov</u>. The WTO comment deadline is May 4, 2024.
- The proposed date of publication and adoption is June 1, 2024. The amendments would enter into force 45 days from its date of publication.