BCI MONITOR
BRYANT CHRISTIE INC.

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A REPORT FOR THE CALIFORNIA CHERRY BOARD

GENERAL ISSUES OF INTEREST TO THE CCB:

U.S. Implements New Section 301 Tariffs

- On July 23, the Office of the U.S. Trade Representative (USTR) announced the implementation of 10-12.5 percent tariffs on 60 markets for failing to impose or effectively enforce bans on the import of goods produced with forced labor. USTR initiated the investigation in March and announced its proposed action in June (*BCI Monitors 3-17-26, 6-9-26*). The tariffs entered into effect on July 24, 2026.
- According to the *Federal Register* notice, a 10 percent rate applies to 17 economies that impose a forced labor import prohibition, have committed to one through an Agreement on Reciprocal Trade, or maintain a partial regime: Argentina, Bangladesh, Cambodia, Canada, Ecuador, El Salvador, Guatemala, Honduras, India, Indonesia, Jordan, Malaysia, Mexico, Pakistan, Sri Lanka, Trinidad and Tobago, and the United Kingdom. A 12.5 percent rate applies to all other investigated economies. Certain products of the European Union, Taiwan, Japan, South Korea, and Switzerland are subject to a rate net of the product's most-favored-nation (MFN) duty.
- An extensive list of products is exempt, including raw materials whose supply could otherwise become unavailable, products that cannot be produced in sufficient quantities domestically or sourced elsewhere, and certain products of economies making forced labor commitments. Exemptions are set out in Annex I and in country-specific parts of Annex II. Consistent with the proposed action, the tariffs also do not apply to products of Canada or Mexico entering free of duty under the U.S.-Mexico-Canada Agreement (USMCA).
- The notice includes a severability provision stating that each tariff action is intended to operate independently, so that if a court invalidates one action, the remaining actions would continue to apply.

USDA Opens Applications for FY 2027 Plant Health and Clean Plant Funding

- On July 27, USDA's Animal and Plant Health Inspection Service (APHIS) announced it is accepting project suggestions for FY 2027 funding under the *Plant Protection Act* Section 7721 program, which provides $90 million to protect U.S. crops and forests from invasive plant pests and diseases.
- Of particular interest, USDA will invest $10 million through the National Clean Plant Network (NCPN), which provides growers with healthy, disease-free propagative material for high-value specialty crops including berries, citrus, and fruit trees. Applications are open to land-grant universities, non-land-grant colleges of agriculture, state and federal agencies, and non-governmental organizations through October 19, 2026.
- The remaining $80 million supports plant pest and disease surveillance, detection, and rapid response programs, with project suggestions accepted through September 21, 2026.

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U.S. to Impose 50% Section 338 Tariffs on Canadian Imports

- On July 20, U.S. Trade Representative (USTR) Ambassador Jamieson Greer issued a statement after President Trump signed three proclamations imposing an additional 50 percent tariff on Canadian imports under Section 338 of the *Tariff Act of 1930*, citing Canada's discriminatory treatment of U.S. exports of motor vehicles, alcoholic beverages, and dairy. The action marks the first use of Section 338, which authorizes duties of up to 50 percent to offset a foreign country's discrimination against U.S. commerce. The tariffs cover nearly $20 billion in Canadian imports and take effect 30 days after signing, on August 19, 2026.
- The three proclamations respond to Canadian restrictions on U.S. exports: provincial bans on U.S. alcoholic beverages, tariff-rate quotas on U.S.-made vehicles, and tariff-rate quotas on U.S. dairy products, particularly cheeses. According to a White House fact sheet, the tariffs apply regardless of whether a good originates under the U.S.-Mexico-Canada Agreement (USMCA), a departure from other recent U.S. tariff actions. They will not apply to energy, potash, products subject to Section 232 tariffs, and certain other goods such as fish and critical minerals.
- Canadian Prime Minister Mark Carney characterized the tariffs as a violation of USMCA and said the two sides agreed to intensify negotiations over the coming weeks. Canadian provincial premiers were reportedly divided on retaliation, with some advocating restrictions on Canadian energy and potash exports to the U.S. and others opposing the use of those resources as leverage.