



Newsletter

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INDIA IMPLEMENTS TARIFFS ON APPLES FROM THE UNITED STATES

In early 2018, India notified the World Trade Organization of their intention to impose a retaliatory tariff on U.S. apples, among 27 other goods, in response to America's tariffs on steel and aluminum from India. The proposed tariff of 20% will be added to the existing 50% tariff, thus totaling a 70% tariff on fresh apples to India. The tariff was initially set to be implemented on August 4, 2018, but was delayed 7 times following this date. However, India finally made a move to officially apply the tariff on June 16, 2019. Although California does not export a significant volume of apples to India, Washington state exported about 8 million boxes in 2018 making it one of the largest export markets for U.S. apples to date. Unfortunately, Washington has been down about 66% in total export volume to India this year, and expects export activity to slow even further following the recent tariffs. The CAC will continue to monitor the India market situation and will provide industry updates accordingly. For more information, please contact the Commission office.

U.S.-MEXICO-CANADA FREE TRADE AGREEMENT

On November 30, 2018, during the G-20 Summit, President Trump, Canadian Prime Minister Justin Trudeau, and former Mexican President Enrique Peña Nieto officially signed the U.S. Mexico Canada Free Trade Agreement, otherwise known as the USMCA. Although it has been signed by the three leaders, and officially ratified by Mexico, this agreement must still make its way through Congress for approval. Both Republican and Democrat members of Congress have their issues with the USMCA, however, the Trump administration's top trade official and current U.S. Trade Representative, Robert Lighthizer, has increased his outreach on Capitol Hill in recent weeks. At this point, it seems that both sides of the aisle are hopeful that the administration and House Democrats could reach some sort of resolution to get the USMCA through Congress with bipartisan support before the summer 2019 recess. The U.S.'s recent decision to lift the Section 232 tariffs on steel and aluminum against both Mexico and Canada will hopefully increase the chances of Congressional approval as well. The removal of these Section 232 tariffs have been a top priority of the Commission and the U.S. Apple Association, and we are now focusing our efforts on securing Congressional support of the USMCA. For more information regarding the USMCA, please contact the Commission office.

U.S. IMPLEMENTS TARIFFS ON \$300 BILLION WORTH OF CHINESE GOODS, CHINA RETALIATES

On May 10, 2019, the U.S. increased tariffs on \$200 billion worth of Chinese goods following a failed attempt to negotiate a trade deal between the two countries. The U.S. imposed tariffs consisted of an increase from 10% to 25% on the third released list of goods. This list includes fresh, dried, pureed, and "otherwise prepared or preserved" apples. These tariffs went into effect on all products shipped from China to the U.S. beginning on May 10, 2019. China retaliated shortly after with an additional \$60 billion worth of tariffs on U.S. goods, effective June 1, 2019. Despite the U.S.'s announcement of these additional tariffs on Chinese goods, the retaliatory rate of tariffs on apples remains unchanged at the current 40%. These new retaliatory tariffs were on products contained within China's list 3 (annex list 1-4), on which apples were not present. The Commission will continue to remain in contact with officials at the U.S. Embassy in China regarding the current trade situation, and will provide updates to the industry accordingly. Please contact the Commission office for more information or with any questions at this time.

NEW APPLE TREE INSURANCE POLICY

On June 5, 2019, the Board of the Federal Crop Insurance Commission (FCIC) approved a new crop insurance policy that covers apple trees. U.S. Apple's Risk Management Task Force has been working with AgriLogic Consulting, LLC, to develop the insurance that would address the needs of growers. This new apple tree policy is separate from the insurance policy in existence since the 1990's, which only covers fruit. This new program will provide a tree-based dollar amount of insurance with liability being established on a per tree basis. The program will be offered in the 2021 crop year with an initial sales closing date beginning of April 15, 2020. For more information, please contact the Commission office.

MEXICO INSPECTOR

In late July, the Mexico inspector will arrive in California to review the California/Mexico apple export program. In ordinance with the California/Mexico work plan, the Mexico inspector must certify all packing sheds and fumigation chambers intending on exporting apples to Mexico. Thanks to the Commission's efforts, there is a reduction in oversight from Mexico, and this is the last year the inspector will visit California. Rather, APHIS will handle all inspections for Mexico

moving forward. If you would like to be added to the list of acceptable packing sheds, please let the Commission office know. If you have any further questions regarding the Mexico Export Program, please contact Elizabeth Carranza at the Commission office.

NEW BOARD SET FOR 2019 – 2020

Congratulations to the California Apple Commission's Board of Directors for the 2019 – 2020 year!

District 1	District 2	District 3	PUBLIC MEMBER
PRODUCER MEMBER	PRODUCER MEMBER	PRODUCER MEMBER	
Robert Jackson	Chris Britton	Jeff Colombini	Steve Blizzard
Lance Shebelut	Virginia Hemly-Chhabra	Steve Chincholo	
HANDLER MEMBER	HANDLER MEMBER	HANDLER MEMBER	
Bill Denevan	VACANT	Tim Sambado	
ALTERNATE MEMBER	ALTERNATE MEMBER	ALTERNATE MEMBER	ALTERNATE MEMBER
VACANT	Doug Hemly	VACANT	VACANT

The California Apple Commission is actively searching for a mid-term Handler Alternate for District 1. If you are interested in any of these positions or have any questions, please telephone the Commission office at (559) 225-3000.

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TAIWAN TRAINING SEMINAR

On July 16, 2019, the California Apple Commission will hold the Taiwan training seminar at Prima Frutta in Linden, CA. The seminar is organized in conjunction with USDA-APHIS with the intent on training the necessary personal from different packing sheds in the process of detecting Codling Moth as outlined by the Taiwan work plan. If you would like to participate in the seminar or have any questions, please contact the Commission office.

APPLEBITES Bacon Apples



Ingredients:

- 2 California apples, cored
- 1/4 cup brown sugar
- 1 teaspoon cinnamon, or to taste
- 4 slices cooked bacon, crumbled

Directions:

1. Build a campfire and allow the fire to burn until it has accumulated a bed of coals. Rake the coals into a flat bed on one side of the fire. Alternatively, preheat an outdoor grill.
2. Place apples in a loaf pan. Combine brown sugar and cinnamon in a bowl; spoon into each apple.
3. Place the loaf pan into the campfire or grill; cook for about 3 minutes. Carefully remove the pan from the fire and sprinkle bacon over apples. Place in the fire or on the grill for about 5 minutes more.

Recipe courtesy of www.allrecipes.com

CALENDAR OF EVENTS

- USAEDC
 - Date: July 10-12, 2019
 - Arlington, Virginia
- Taiwan Training Seminar
 - July 16, 2019
 - Linden, CA
- U.S. Apple Association Apple Crop Outlook & Marketing Conference
 - August 22-23, 2019
 - Chicago, IL



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