

# ABC Global Issues Update

## Update on European Union Proposed Criteria on Identifying Endocrine Disruptors

On February 28, 2017 the European Commission's (EC) Standing Committee on Plants, Animals, Food and Feed (SCoPAFF) again failed to reach a qualified majority on the [proposal](#) on endocrine disruptor (ED) criteria. The proposal was originally published on June 15, 2016 and its aim was to define the criteria for identifying endocrine disrupting substances in plant protection and biocidal products within the European Union (*BCI Monitor* 6-24-16). The proposal also allowed for a derogation (exemption) for use of identified EDs where human risk of exposure is within acceptable limits.

In early December, the EC split the proposal into two separate parts: a proposal for setting ED criteria, and a proposal to amend the derogation. Splitting the proposal in two leaves a chance that the criteria could be approved, but the derogation proposal may be refused. According to a recent USDA FAS GAIN [report](#), the adoption of ED criteria but rejection of the derogation proposal would make it quite difficult to establish Maximum Residue Levels (MRLs), or import tolerances, and would likely lead to trade disruptions.

European Union Member States have been divided on the proposal with some in favor of the criteria and the derogation, while others, particularly France, Sweden, and Denmark, have been strongly opposed because they believe that the burden of evidence is too high to prove that a substance is an endocrine disruptor.

At this time, the European Commission has given no indication on how, or when, it will move forward with the proposal.

## U.S. EPA Denies Petition to Ban Chlorpyrifos

On March 29, the U.S. Environmental Protection Agency (EPA) denied a petition that sought to ban the use of the insecticide chlorpyrifos.

In October 2015, the EPA proposed to revoke all tolerances and cancel registrations for chlorpyrifos. This was in response to a petition filed by the Natural Resource Defense Council and Pesticide Action Network North America that had been bought to the EPA by a decision from the Ninth Circuit Court of Appeals.

According to an EPA [statement](#), that proposal "relied on certain epidemiological study outcomes, whose application is novel and uncertain, to reach its conclusions." During public consultations, various stakeholders from government, academic, and industry questioned certain data that EPA had relied on to support the proposed revocation.

In the near term, chlorpyrifos tolerances and registrations are expected to stay in place. EPA is now expected to instead complete a review of chlorpyrifos under its ongoing registration review procedures, which are scheduled to be completed in October 2022.

## White House Prepares for NAFTA Renegotiation

The Trump administration has published a draft letter to Congress stating how it will renegotiate the North American Free Trade Agreement (NAFTA), a formality required before a congressionally mandated 90-day consultation period can begin.

The notification signals that the White House is moving closer to fulfilling its pledge to renegotiate NAFTA with Canada and Mexico. The U.S. believes NAFTA could be renegotiated as two separate bilateral agreements or as another three-way agreement, although Mexico still hopes for trilateral discussions, according to Commerce Secretary Wilbur Ross and Mexican Economy Minister Ildefonso Guajardo Villarreal.

Ross, this week, told the House Ways & Means Committee that the Trump administration will follow the Trade Promotion Authority (TPA) law when renegotiating NAFTA, and intends to submit a final agreement to Congress for a vote. However, even with the draft being circulated among congressional members, it could be weeks before it is formally sent to Congress. Key members of the Senate Finance Committee have said neither the notification nor the consultation period will likely be executed without a confirmed U.S. Trade Representative (USTR) in office. Since the USTR would serve as the lead negotiator, the Committee believes it would be too difficult to move forward with talks while President Trump's nominee, Robert Lighthizer, remains unconfirmed.

With President Trump citing the trade deficit with Mexico as a big reason to renegotiate NAFTA, talks are expected to focus on decreasing that deficit, and increasing total trade. The letter shed light on specific aspects of NAFTA that the administration wants to renegotiate such as tightening rules of origin laws, respecting domestic procurement preferences, putting in place a safeguard mechanisms, and eliminating provisions that allow for Mexico or Canada to challenge U.S. trade remedy decisions.

It is predicted that talks for all three countries could begin as soon as middle to late June, especially since Mexico has already begun a 90-day domestic consultation period. However, a concrete start date has yet to be determined.

**Aflatoxin Requirements by Country**

Aflatoxin requirements vary by country. The Almond Board has put together a backgrounder outlining these requirements. Industry members can download a copy from almonds.com or by clicking [here](#). If you have any questions, please contact Beth Van Meter at [evanmeter@almondboard.com](mailto:evanmeter@almondboard.com).

**British Prime Minister Triggers Article 50 to Begin European Union Withdrawal Talks**

On March 29, 2017, United Kingdom (U.K.) Prime Minister Theresa May sent a [letter](#) to the European Council President Donald Tusk triggering Article 50 of the Treaty of Lisbon, thereby initiating the U.K.'s withdrawal process from the European Union. In her letter, May stated that the U.K. wants to minimize uncertainty for businesses and citizens alike as the complicated negotiations begin. She hopes the EU and the UK will strike a deal to prevent the two sides from having to fall back

on the World Trade Organization's most-favored nation terms.

For the European Union, the first step will be the adoption of guidelines for negotiations by the European Council. These guidelines will set out the overall positions and principles for the EU. Negotiators will have two years—or until March 29, 2019—to draw up a deal for the U.K.'s future relationship with the European bloc.

If the U.K. and EU are unable to reach a deal in the two-year time frame set out in Article 50, it could have a dramatic impact on trans-Atlantic businesses, according to Marjorie Chorlins, the executive director of the U.S.-UK Business Council and Vice President of European Affairs at the U.S. Chamber of Commerce. Already, United States businesses have themselves outlined a [list of priorities](#) for the U.K. to achieve in the negotiations including unobstructed market access to the EU, minimal disruptions in labor movement, and transparent tax policies.

Additionally, since the EU sets rules regarding agriculture for all of its members, the forthcoming withdrawal may lead to significant changes in the agricultural policies of the U.K. On March 30, the U.K. government published proposals to convert thousands of EU laws and regulations into U.K. law. The proposals will pave the way for lawmakers to begin deciding which laws will be kept, altered, or discarded of the EU statutes that currently apply. A formal bill titled the "Great Repeal Bill" will be formally introduced to parliament later this year to remove the 1972 law which allowed EU laws to be applicable in the U.K., and will transpose existing EU laws into U.K. legislation.

**Save the Date! 2017 MRL Conference**

The annual MRL Harmonization Workshop will be held May 31 and

June 1 at the Hyatt-Fisherman's Wharf in San Francisco. The workshop is an excellent opportunity to engage with U.S. government authorities, and to learn more about current and/or emerging global pesticide issues.

We will keep you posted as more information becomes available.

**Upcoming Travel**

- **April 8-15, 2017**  
Julie Adams, Guangwei Huang, and Nan Nan in China for CNSA Trade Show and stakeholder meetings.
- **April 21-29, 2017**  
Gabriele Ludwig in Beijing, China for Codex meeting on pesticide residues.
- **April 30-May 3, 2017**  
Beth Van Meter in Mexico City, Mexico for Codex meeting on food import on export inspections and certification systems.

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