

The California citrus industry is looking forward to receiving significantly improved market access into Japan.

The U.S. and Japan signed a deal earlier this week that will reduce or eliminate tariffs for certain agricultural products.

The California Citrus Mutual (CCM) said on Thursday that the development was "excellent news" for the industry.

Japan has stood out among major citrus markets for having very high tariffs on imports from countries with which it doesn't have a trade deal.

"The California citrus industry has faced a 32% Japanese tariff rate for far too long," said CCM president Casey Creamer.

"As Japan entered into agreements with other citrus producing trading partners the California citrus industry was put at a competitive disadvantage.

"The new market access agreement immediately puts California fresh citrus in a position equal to the agreement reached previously between Japan and other nations."

In 2016 the U.S. citrus industry exported 70,366 metric tons (MT) to Japan, the majority originated from California. In 2018 the tonnage slipped to 48,060MT.

"The agreement does not require Congressional approval, but the Japanese National Diet must vote to concur," Creamer said.

"We trust the Japanese government will fully support their leadership and by January 2020, the agreement will be implemented at the peak of California's export opportunity."

Specific details of the deal have not emerged, but earlier this year Japan indicated that it was willing to offer the U.S. the same terms as member countries of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP, previously the TPP) regarding agricultural tariffs.

Japan doesn't set a duty on lemon imports, but U.S. oranges face a 16% tax from June through November and 32% from December through June. Grapefruit is subject to 10%.

For CPTPP members, orange and grapefruit tariffs will be phased out over six to eight years.