



# ABC GLOBAL UPDATE

May 2022

## USTR Notice of Possible Termination of Section 301 Tariffs

The [Office of the U.S. Trade Representative](#) published a [Federal Register notice](#) on the possible termination of Section 301 tariffs on \$370 billion worth of Chinese goods, beginning a formal review process that could lead to continuation, modification or end to the tariffs. These tariffs were imposed on Chinese goods under Section 301 of the Trade Act of 1974 in four waves starting on July 6, 2018. The statute requires that USTR publish a formal notice of the potential termination of the tariffs before the four-year anniversary of the Section 301 action. If no domestic industry requests that the tariffs continue, they will automatically be terminated. If an interested domestic industry requests that the tariffs remain in place, USTR will launch a formal review that will include a comment process for any interested stakeholders.

While the Biden Administration has converted Section 232 tariffs on steel from the EU, Japan and the UK to Tariff Rate Quotas, the Section 232 tariffs imposed on other countries in 2018 have not been addressed. China and Turkey implemented retaliatory Section 232 tariffs on imports of almonds that remain in place. Some congressional leaders have been pushing the Administration to eliminate unilateral U.S. tariff measures that could help deal with inflation and removal of retaliatory tariffs overseas, while others propose further increases in tariffs. Analysts from the Peterson Institute for

International Economics recently [published a detailed study](#) on trade liberalization that could provide a substantial decrease in inflation for consumer prices by cutting tariffs and other trade restrictions. According to the authors, the largest impact on inflation, could be achieved by eliminating the additional tariffs on over \$300 billion of Chinese goods introduced by the Trump administration via Section 301 which would be the equivalent of a 2.9 percent tariff reduction on all U.S. imports.

## Transportation-Logistics Update

On April 25, a group of agricultural stakeholders, led by the Almond Alliance, sent a [letter](#) to the United States Department of Agriculture, the Department of Transportation and other Federal agencies requesting they convene a meeting between agricultural exporters and ocean carriers to address the current trade imbalance. Other signatories included California Farm Bureau; Western Growers Association; National Milk Producers Federation; U.S. Dairy Export Council; Western United Dairies; and the California Walnut Handlers Alliance.

Working with the Alliance, the Almond Board contributed to the letter by developing data regarding economic impacts of the present situation and the current state of the industry.

On May 4, California Senators Feinstein and Padilla referencing the AAC led effort, [sent a letter](#), to 13 ocean carriers requesting they provide the necessary equipment for

exports and for them to engage with the affected industries to develop a resolution to the export delays.

## ITC Analysis on Economic Impact of Section 301 and 232 tariffs on U.S. Industries

The U.S. International Trade Commission (ITC) issued [a notice on May 5](#) that it has begun a congressionally mandated look at the economic impact of Section 232 and Section 301 tariffs on U.S. industries. A public hearing on this issue will be held on July 21; ITC will receive written comments until August 24, 2022. A public report is due to Congress by March 15, 2023.

Congress requested that the ITC “will include in its report detailed information on U.S. trade, production, and prices in the industries directly and most affected by active tariffs under section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) and section 301 of the Trade Act of 1974 (19 U.S.C. 2232).” While these tariffs result in higher prices for American consumers, they also created collateral damage via retaliatory tariffs on U.S. exports of agricultural and food products, including almonds.

ABC will be evaluating data relevant to the almond industry that should be submitted to the report.

## Meetings in India Renew GOI Contacts

ABC staff were back in India for the first time since February 2020. Meetings were held with US and Indian authorities, as well as several

industry associations. Among issues discussed were GST, non-retail labeling, and application of kernel standards.

**EU Draft Directive on Sustainability and Environmental Claims**

The European Commission (EC) has adopted a [proposed directive](#) regarding environmental and sustainability labeling, amending Directives 2005/29/EC and 2011/83/EU on unfair commercial practices and consumer rights.

Of interest to food business operators is the proposal to ban the display of a sustainability label which is not based on a certification scheme or established by public authorities, labeling products with an environmental claim when the claim only applies to a certain aspect of a product and making generic environmental claims such as ‘eco’, ‘environmentally friendly’ or similar when the excellent performance cannot be proven.

If approved by the European Parliament and Council, Member States will have 18 months from adoption to transpose the Directive into national law and shall apply the provisions 24 months after adoption. The proposal is part of the European Green Deal and the EC’s goal to become a climate neutral continent by 2050.

**EU Opens Consultation on Regulation for Sustainable Food Systems**

The European Commission (EC) is inviting comments from stakeholders on its [regulatory initiative](#) targeting a sustainable EU food system. According to the inception impact assessment, the EC is considering: Requiring foods to meet general minimum standards linked to social and environmental aspects; Requiring imported foods to meet legitimate and proportionate sustainability requirements in

compliance with the WTO; Introducing sustainability labels; and specifying mandatory sustainability requirements for food procurement in public institutions and schools.

Comments can be submitted by filling out an [online questionnaire](#) by July 21, 2022. The EC plans to publish a draft regulation by the end of 2023 to start the legislative procedure in Parliament and Council.

**EFSA Publishes Scientific Advice Related to EU Nutrient Profiling**

The European Food Safety Authority (EFSA) published its [scientific advice related to nutrient profiling](#), informing the European Commission’s regulatory initiatives on healthier food choices and nutrient profiles and on front-of-pack nutrition labeling (BCI Monitor 1-8-21). Draft regulations under these initiatives are expected to be published by the end of 2022.

EFSA did not evaluate or propose a particular nutrient profiling model. EFSA recommends considering the following nutrients for nutrient profiling models in the European Union (EU): Saturated fats, sodium, and added/free sugars, Calories/Energy, Dietary fiber and potassium, and Iron, calcium, vitamin D, folate and iodine.

**WTO DG Talks Trade in DC**

[WTO Director-General Ngozi Okonjo-Iweala met with US Trade Representative Katherine Tai](#) to discuss prospects for the upcoming 12th Ministerial Conference (MC12) that included the WTO’s response to the pandemic including intellectual property, reform of the organization, the looming food shortage crisis and disruptions to global supply chains. She also met with Treasury Secretary Yellen to discuss the global economic situation.

In a separate meeting with a group of US ag industry representatives, the DG expressed her strong concerns

about the impact of the war on trade in food, fertilizer and energy.

**Biden and Trade at Year One: The Reign of Polite Protectionism**

A [CATO report](#) published recently by James Bacchus, former U.S. Representative (D-FL) and former Chairman, World Trade Organization’s Appellate Body, provided a comprehensive evaluation of the current administration’s trade policy including the recommendation that, “our leaders must rise above and pursue a new trade policy for all Americans—a policy that will achieve additional trade liberalization, stop managed trade, halt trade-restrictive industrial policy, renew trade multilateralism, and give restored and unflinching support to the international rule of law in trade.”

**Interview with USTR Katherine Tai**

Click [here](#) for frank video discussion between Market Talk’s Kai Ryssdal and Ambassador Tai who describes her vision for a new world of trade that will protect workers and the environment.

**Upcoming Travel and Events**

- May 25-26 GTRA team in SF for Specialty Crop MRL Workshop
- June 12-15 WTO 12th Ministerial
- June 14-17 Brock, Keith at AgTC Annual Meeting in Tacoma, WA
- June 20-24 ABC delegation in DC for meetings with US authorities, staffers
- July 13-14 USAEDC/Attache Conference in Virginia

**Staff Contacts:**  
 Julie: [jadams@almondboard.com](mailto:jadams@almondboard.com)  
 Gabriele: [gludwig@almondboard.com](mailto:gludwig@almondboard.com)  
 Jesse: [jroseman@almondboard.com](mailto:jroseman@almondboard.com)  
 Keith: [kschneller@almondboard.com](mailto:kschneller@almondboard.com)  
 Abhijeet: [akulkarni@almondboard.com](mailto:akulkarni@almondboard.com)  
 Brock: [bdensel@almondboard.com](mailto:bdensel@almondboard.com)