



ABC GLOBAL UPDATE

June 2022

Transportation-Logistics Update

The Almond Alliance along with other agricultural export leaders has met with significant ocean carriers such as CMA/CGM, OOCL, MAERSK, the Ports of LA, LB, and Oakland, railroads - UP & BNSF, to find immediate solutions to current industry shipping logjams.

Using ABC data, the Almond Alliance was able to show that there is the demand to warrant alternatives to shipping out of the Port of Oakland. As a result of these meetings, the Alliance was able to bring the parties together to offer a viable alternative. The new route would have shippers directly book with the ocean carrier OOCL for drop off at the Oakland ramp. The product would be railed directly to LA/LB for final loading and shipment to various Asian markets (currently, service to India is not being offered). Concurrently, an additional rail service from the Central Valley directly to LA/LB is under development. Additional information on that rail service will be provided as details become available.

Additional information will be released by the Almond Alliance. Visit their website [here](#) to stay up to date.

Additionally, the gridlock surrounding the Ocean Shipping Reform Act in Congress is expected to be resolved in the next few weeks. The House is planning on taking up the version of the Bill passed by the Senate earlier this year. While this version does not include as strong of provisions that bar carriers from “unreasonably” declining export bookings, it includes

stronger provisions related to reining in detention and demurrage fees.

MRL Conference highlights more Challenges for Ag

Industry members attending the annual Minor Crops MRL Conference discussed challenges related to import tolerances, risk assessments and sustainable ag production. Increasing efforts to define “sustainable” food chains and acceptable processes and production methods will impact not only producers but also ag trade. It was highlighted that consumers generally do not appreciate the importance of chemical tools in mitigating food loss in the field resulting from insect pressures, drought, etc. – which impacts developing countries.

Concern was expressed over the need for expedited approvals and reviews for chemical tools, to reduce the burden on industry and agency reviews. It was pointed out that about 14% of global noncompliance would “go away” if science-based Codex MRLs were followed.

A presenter from Mexico raised awareness that there are number of shifts in how pesticides are to be regulated within Mexico. Those shifts include a ban on imports of glyphosate thus precluding its use by Mexican growers, along with efforts to increase organic production and reduce pesticide use within Mexico. To date it’s not clear if these changes will impact MRLs and thus imports, but if the outlined changes take effect, then Mexican growers will likely push for import MRL changes.

Pakistan bans imports of Almonds

On May 19, Pakistan announced a formal import ban on various products, including agricultural products, in an effort to lower its trade deficit and preserve foreign currency reserves. **Imports of nearly all products under Chapter 08, including almonds and all other nuts**, are banned. In 2021, the U.S. exported 2,714 MT of shelled almonds and 1,698 MT of in-shell almonds to Pakistan.

More information can be found in a recent [USDA GAIN report](#). ABC staff are following up with USDA/FAS offices in Pakistan and USTR.

White House launches Indo-Pacific Economic Framework

On May 23, the White [House formally launched](#) the Indo-Pacific Economic Framework (IPEF) with 12 initial partners: Australia, Brunei, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam. Together, they represent 40 percent of global GDP. Canada and Taiwan are not included in the framework (despite [a letter](#) from 52 Senators urging that the island be included). Of those included, 7 are part of the Trans-Pacific Partnership (CPTPP) and 11 are part of the Regional Comprehensive and Economic Partnership (RCEP, China’s 15-member regional FTA).

The White House published an [accompanying fact sheet](#) and transcript of a [press briefing](#) with USTR’s Katherine Tai, Commerce Secretary Gina Raimondo, and the

NSA Jake Sullivan. The framework includes four pillars including trade, supply chains; clean energy; decarbonization, and infrastructure; and tax and anti-corruption. The framework explicitly does not include increased market access through tariff reduction. In the press briefing, Ambassador Tai said, “We will see commitments with IPEF partners that facilitate agricultural trade through science-based decision making with the adoption of sound, transparent regulatory practices. This will help our farmers, our ranchers, and our fishers gain certainty for getting their products to the region.”

ABC is closely following IPEF discussions, particularly how they could address some of the technical issues almonds face in key Asian export markets.

Update on China’s Decree 248

USDA recently sent out an update on China’s Decree 248 foreign food facility registration process. Decree 248 was implemented on January 1, 2022 and requires all food processors around the globe that export to China be registered with China’s Customs Authorities (GACC). Most almond handlers have already registered via FDA’s Export Listing Module and were listed on the GACC website.

Any food product exported to China needs to be included under the facility’s GACC approval number which is required on packaging for products shipped to China, and also needed for customs clearance. ABC is currently working with FDA and GACC to help 40+ handlers obtain passwords needed to access their GACC accounts. Passwords are needed to include additional products, including HS and CIQ codes and to finalize the registration process that will be valid for the next 5 years.

If you are shipping to China and have NOT yet registered, or you need more

information, please contact kschneller@almondboard.com.

Ag Groups call for Tariff Relief to Ease Inflation and Facilitate Exports

Over 40 industry and association groups including the Almond Alliance sent a letter to USTR Ambassador Tai calling for the suspension, reduction or elimination of tariffs in order to ease the burden of retaliatory tariffs on U.S. agricultural exports. The letter was timely since USTR is currently reviewing the renewal of U.S. Section 301 tariffs on \$350 billion of imports from China (which are scheduled to expire this year) and on Section 232 tariffs on steel and aluminum implemented in 2018.

Several countries including China, India, and Turkey retaliated with tariffs on various imported U.S. agricultural products including almonds. The letter points out that rolling back 301 and 232 tariffs would increase market access for U.S. food and agriculture exports and reduce costs for critical machinery, fertilizer, agricultural chemicals and other food and agriculture input, easing the uncertainty felt by all rural America.

Proposed WTO Ministerial Priorities Shift to Food Security

The WTO’s 12th Ministerial Conference will finally be held June 12-15 in Geneva, and it will likely be dominated by the fallout from the Russian invasion of Ukraine and the pandemic. This is the fourth time that the meeting has been rescheduled due to the pandemic. The WTO was established in 1994 as successor to the General Agreement on Tariffs and Trade (GATT) that sets global rules for trade among 164 member countries. Since then, it has only produced one large multilateral agreement on Trade Facilitation signed in 2015. This was a small agreement compared to the failed DOHA agreement and with a broken Appellate Body process, many

wonder about the relevance of the WTO going forward.

Members have indicated that they would like to include language about WTO reform and e-commerce, but they remain far from an agreement on either and have little time left before MC12. For more background on the WTO and path forward, please take a look at the CSIS commentary here.

Glyphosate (Roundup) and the EU

On May 30, the European Chemicals Agency (ECHA) published a report stating that, “Based on a wide-ranging review of scientific evidence, the committee again concludes that classifying glyphosate as a carcinogenic is not justified.” With the ECHA committee opinion concluded, it is now up to the EU Food Safety Authority (EFSA) to give its pesticide risk assessment. However, even though the current registration of glyphosate in the EU expires at the end of 2022, this is only expected to come in summer 2023 after the agency recently announced a delay in the assessment process due to an avalanche of stakeholder feedback. Thus, it is unlikely that the EU will make any changes to the glyphosate MRL before their registration review process is completed.

Upcoming Travel and Events

- June 12-15** WTO 12th Ministerial
- June 14-17** Brock, Keith at the AgTC Conference in Tacoma
- June 15** Leadership/BOD Tour of Port of Oakland
- June 20-24** ABC delegation meeting in DC with authorities
- July 13-14** USAEDC Attache Conference in Virginia

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