



October 2022

EU Regulatory & Trade Update

The overall aflatoxin rejections for California almonds in Europe have trended down, from 32 in 2017-18 to 2 so far this year. However, the industry continues to face other challenges associated with aflatoxin rejections, namely, denial of goods returned to origin for rejected shipments in some EU countries such as Spain and Denmark. This is an issue ABC has been actively working with EU regulators to harmonize across all member states so shippers can opt to bring rejected shipments back if they choose to do so. The ongoing discussions on revising Articles 66 and 67 import control procedures promises to harmonize handling of rejected goods across EU member states. ABC will keep the industry updated on any developments in this regard.

In other EU regulatory news, the implementation of some of the Farm-to-Fork related regulatory proposals have slowed down, but not completely paused, as the EU grapples with the fallout from Ukraine-Russia war. ABC has responded to stakeholder consultations and shared industry viewpoints on important issues such as the possibility of applying EU environmental and health regulations to imported products and creating a mutually acceptable sustainability framework.

ABC has received inquiries from industry members regarding European Commission Recommendation 553/2022 related to monitoring alternaria toxin levels in foods, including tenuazonic acid (TeA) for tree nuts. According to Dr. Jim Adaskaveg, Professor of Microbiology and Plant Pathology at University of California, Riverside, there is very low concern about Alternaria on almond producing inoculum levels to reach detectable mycotoxin levels. Primarily, the almond tree may be affected with "Alternaria leaf spot" disease but there is rarely any evidence of hull infections. In general, the kernels are well protected by the shell and hull and spore contamination would have to be extremely high to detect mycotoxins. ABC has initiated testing of infected samples to generate baseline data.

ABC has invited our EU regulatory affairs consultant, Prospero, to provide updates on current EU status in implementing its Green Deal strategies during an international trade panel at the

Annual Conference coming up in December. For more information, contact akulkarni@almondboard.com.

USDA Tree Nut Annual Reports - Highlights for India and the EU

USDA recently published its annual Tree Nuts Reports for the [EU](#) and [India](#). The EU imported more than \$1.4 billion of almonds from the U.S. in MY 21/22 (93% market share) and only \$82 million from Australia, its second largest supplier. USDA forecasts predict that the EU's two largest almond producers, Spain and Italy, will see significant decreases in production in MY 2022/23. For India, USDA forecasts a slight decrease in Indian almond imports to 148,000 metric tons (MT) for MY 2022/23. The U.S. is the largest almond supplier to India with 84% market share, followed by Australia at 8%. Domestic production is predicted to decrease by 4% to 4,000 MT.

USTR Chief Ag Negotiator On Hold

Last month we reported that Doug McKalip's nomination for chief agricultural negotiator at USTR was moving along smoothly, but since then citing transparency concerns, a Democratic Senator placed a hold on his nomination. This hold may delay McKalip's confirmation. However, Alexis Taylor's Senate Ag confirmation hearing held on Sept 22 went very well. Ms. Taylor is the current Director of the Oregon Department of Agriculture, and was nominated to be the USDA Under Secretary for Trade and Foreign Affairs. There is optimism that she will be confirmed soon after Congress returns after the November elections.

Transportation/Logistics Update

Governor Newsom has signed into law AB4206. The bill addresses under what conditions carriers may impose detention and demurrage fees onto importers and exporters. This addresses how carriers may impose fees due to unsuccessful attempts at booking appointments and changed receiving windows, and when the container cannot be picked up due to other obstructions in the control of the carrier.

For more information please contact the Almond Alliance staff@almondalliance.org or Brock Densel at ABC, bdensel@almondboard.com.

Update on China's Decree 248

USDA recently published an [update report](#) on the implementation of Decree 248. The report encourages new facilities to complete their initial registration process via FDA's Export Listing Module and by setting up accounts using China's [cifer.singlewindow.cn](#) portal, but warned that so far, China has not been approving new facilities that missed the December fast-track registration deadline. Recently, GACC has approved several change requests for ABC handlers who were initially registered before end of Dec. It is our understanding that FDA is working with GACC to find proper procedures to approve new registrants. For more info: kschneller@almondboard.com

USDA FAIRS Report for Egypt

This [annual USDA report](#) for Egypt covers Food and Agricultural Import Regulations and Standards (FAIRS). One of the highlights is related to Egypt's Advanced Clearance Information system (ACI) that was tentatively launched on airfreight in June 2022. The government is expected to fully apply the electronic ACI system in October 2022. This comes after the October 1, 2021, launch of the ACI in sea ports. Traders must register within the designated platforms (CargoX for exporters and ACI for importers). Use of the ACI will no longer require Egyptian embassy authentication on certificates of origin. According to the Minister of Finance, when successfully implemented, the new customs system will reduce the average clearance time from the current 28 days to one day. For more information, contact akulkarni@almondboard.com.

IPEF Update

Trade ministers from 14 countries kicked off formal negotiations on the [Indo-Pacific Economic Framework for Prosperity \(IPEF\)](#) in LA from Sept 8-9, 2022. The IPEF is a US alternative to the CPTPP and is intended to offset Chinese initiatives in the region, even though it will not result in a binding agreement and will not cover market access issues. [USTR and Commerce Dept released a press release](#) with negotiating objectives for the four policy pillars including trade, supply chains, clean economy and fair economy. India was the only country that opted out of joining the trade pillar citing concerns about environment and labor provisions. On September 23, USTR

released its [negotiating objectives](#) for the IPEF trade pillar that will focus on resilience, inclusion, and sustainability.

US-Pacific Islands Forum

On Sept 29, USTR [announced](#) the establishment of a Trade and Investment Dialogue with Pacific-Island countries to address market barriers and opportunities for investment. The meeting also concluded with the establishment of the [Pacific Partnership Strategy](#) to strengthen ties between the Indo-Pacific nations and other countries. As part of these discussions, USTR indicated it is pushing congress to reauthorize GSP that expired in 2018. This could be good news for other trading partners including India.

South Korea Ratifies FTAs with Israel and Cambodia

On September 27, South Korea [announced](#) that its Free Trade Agreements (FTAs) with Israel and Cambodia had been ratified. The FTA with Israel was finalized in August 2019. On September 28, Israel [announced](#) the FTA will enter into force on December 1, 2022. The FTA with Cambodia was finalized in February 2021. South Korea is working with Cambodia to ensure the FTA will come into force by the end of the year.

Upcoming Travel and Events

Oct 13-14	Frucom Annual Meeting in Brussels
Nov 3	TRAC Meeting
Nov 7-9	ESA Nut Production Course in Spain
Nov 16-18	USAEDC 2022 Annual Conference
Dec 6-8	The Almond Conference

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