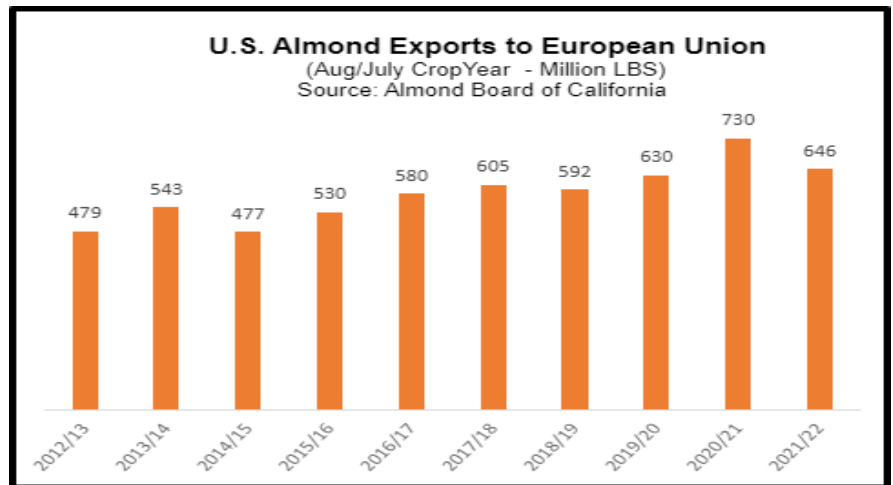




Market Profile: European Union

Trade

- Tree nuts are the largest agricultural export to the EU (value basis): soy and almonds are the top individual export commodities.
- #2 export region for California almonds in FY 21/22.
- Spain was the second largest export market for California almonds in FY 21/22, receiving about 227 million pounds of shipments and a major transshipment point for the EU.
- Spain is also the 3rd largest producer of almonds.



Market Overview

- ABC has invested \$17 million in the EU for FY 22/23 focused on consumer outreach in four countries: UK, France, Germany, and Italy.
- ABC has an office and staff member in the UK that coordinate EU activities and promotions.
- Europe leads in global new product introductions; in 2021, 48% of global almond introductions were in Europe, twice that of any other market.

Key Issues

- A streamlining of supply channels with the recognition of Pre-Export Checks (PEC), although there continue to be inconsistencies in Member State approaches to import controls.
- California almonds are the only U.S. commodity recognized under EU food import control legislation for pre-export checks, in effect since August 1, 2016. The program reduces import controls to < 1%.
- It remains to be seen how transshipments between EU and UK will be affected post-Brexit.
- The EU maintains a 90,000 MT tariff rate quota (2%) on almonds; the tariff for kernels is 3.5% and for inshell is 5.6%.
- The UK has established a 2% tariff rate for kernel and inshell almonds.
- Pesticide cut-off criteria and hazard-based approach to risk assessments are not scientifically supported and are resulting in elimination of chemical tools necessary to maintain plant health.
- EU's Green Deal and aspirational 'Farm to Fork' strategy has laid out several ambitious goals for the coming decade. This includes increasing focus on sustainability, organic production, phaseout/elimination of chemical tools and implementing an ecolabel scheme for all products.