



June 9, 2023

INC London Attracts Large Participation

Numerous ABC and almond industry members attended the INC congress in London from May 22-24. The well-attended sessions provided updates on the production for a variety of nut and dried fruit sectors. A sustainability award was introduced this year, with numerous submissions from associations and companies around the globe. Like Dubai, the London meeting was an opportunity to reconnect with numerous trade contacts on a variety of issues affecting California almond exports. After the congress event, ABC staff were in Brussels for meetings with the US Mission as well as the USTR representative to the EU Commission and FDA officials. A key focus of discussions was on the continued policy of Spain and Italy to inspect greater than 1% of consignments shipped under the Pre-Export Checks program – which is not in line with EU legislation. For more info, please contact jadams@almondboard.com.

USTR Chief Ag Negotiator, Doug McKalip, Makes a visit to California

After speaking at the recent Agri-Pulse Conference, ABC was able to arrange orchard visits for USTR Chief Ag Negotiator Doug McKalip. The almond and walnut orchards outside of Sacramento were the perfect venue to discuss the impact of tariffs and technical issues on the shipment of almonds. An important point that was highlighted was the fact that despite increases in shipments to several key markets, growers are operating at a considerable economic loss. Ambassador McKalip was keen to learn more about the impact on rural communities in the area, as well as the competitive situation with Australian and European production. USTR is focusing on IPEF negotiations and in parallel is discussing a trade agreement with Kenya.

ABC will be holding further discussions with USTR on specific market access issues during the industry delegation trip to DC taking place later this month.

Highlights from MRL Harmonization Workshop

Several GTRA staff attended the annual MRL seminar put on by the California Specialty Crop Council that was held this year in San Diego. Participation

included attendees from overseas, regulatory agency staff, chemical registrant companies, and commodity and trade associations. A big focus was on EU Farm-to-Fork policies, specifically, Sustainable Pesticide Use Directive, applying environmental factors to MRL settings, which contravene existing WTO norms, and applying Mirror Clauses to imported products.

There was a growing understanding among attendees that in addition to building alliances with EU businesses and trade groups, stakeholders who rely on exports to the EU must also liaise with each other and respective governmental agencies to counter the EU's growing ambitions and attempts to influence policies in international fora such as CODEX and WTO, as these would have a far-reaching impact on international food trade. For more information, please contact akulkarni@almondboard.com.

Transportation/Labor Union Update:

Due to lower container freight volumes coming into the United States, some west coast ports have been dropping shifts and slowing productivity. Additionally, ILWU has continued to undertake sporadic “job actions” as a leverage mechanism in the ongoing labor negotiations. Previously, these had been limited to actions at the Ports of LA/Long Beach, however, this tactic spilled over to Oakland in early June leading to a closure for a shift. Negotiations between the two sides have continued to drag on, with some progress being reported despite the occasional disturbances at the port. For more information, please contact bdensel@almondboard.com

Infestation Concerns being Raised

There is a growing concern among EU/UK trade regarding insect infestation of shipments. This issue seems to impact all tree nuts and seeds. For California almonds, there have been four Rapid Alerts issued in the EU since January 2022 for insect infestation. ABC is engaging with trade to get more information regarding conditions when there seems to be more infestation cases, to ascertain potential causes – e.g. shipment delays in the past 2-3 years, possible efficacy issues with fumigants, handling practices upon arrival, etc.

This issue will be discussed at the upcoming TRAC meeting. For any questions, please contact akulkarni@almondboard.com.

One more China Facility Registration Issue...

The majority of ABC almond handlers have uploaded mandatory information needed to finalize China's facility registration requirements. However, GACC recently sent out a notification to Chinese importers recommending they urge global suppliers to complete their registrations before June 30 (that includes uploading a self-assessment checklist) authority.

While FDA will NOT sign off on this audit report, it recommends that all processors upload a signed copy of the GACC self-assessment checklist as "supplemental" information in their GACC account on the cifer.singlewindow.cn portal. In a [report published on June 1](#), USDA recommended that US processors who initially registered with GACC "complete" their registrations by June 23, 2023 to allow time for FDA processing or risk "potential disruptions." For more info, contact kschneller@almondboard.com.

The Australia-UK FTA Enters into Force

The AUKFTA that was signed at the end of Dec 2021, entered into force on May 31, 2023. This comprehensive FTA is another win for Australia immediately eliminating the 2% MFN tariffs on Aussie almonds. In the past 6 years, the UK imported around 48 m lbs of almonds. The US provided around 31 m lbs with 64% market share compared to imports from Australia averaging 1.6 m lbs at around 3% market share.

Update on US-Kenya Strategic Trade and Investment Partnership

The US and Kenyan delegations recently published a list of [summary texts](#) currently being discussed including a "First Tranche on Agriculture" that includes a broad set of provisions designed to open or expand opportunities for agricultural producers to access markets and advance food security. Kenya maintains high tariffs on imported nuts from 10% for inshell to 25% shelled almonds and for processed almond products in addition to a 15% infrastructure levy, 3.5% Import Declaration Fee, 2% Railway Fee, and 16% VAT. For more details, contact kschneller@almondboard.com

UNITED Act

U.K. Prime Minister Sunak will meet with President Biden to discuss bilateral economic relations, among

[other topics](#). Ahead of the visit, several Members of the House [introduced legislation](#) granting the President, in consultation with Congress, the power to negotiate and enter into a comprehensive free trade agreement (FTA) with the U.K. Titled the "Undertaking Negotiations on Investment and Trade for Economic Dynamism (UNITED) Act", the bill would require the Administration to launch FTA talks within 180 days of passage to address "tariff and nontariff barriers affecting any industry, product, or service sector."

Corn Refiners Report on Trade Agreements and U.S. Competitiveness

This excellent [report](#) provides a great update on current global trade negotiations, highlighting how the US is falling behind. The US has completed four trade agreements since 2010, including the modernization of an existing agreement; China has entered 10 new agreements and updated two agreements, Japan has entered seven, the EU has entered eight, and Canada has entered nine.

The report concludes that "*Shifting US trade policy into a more forward-leaning posture to open foreign markets and expand trade fosters US global competitiveness and in turn secures benefits for the US economy, American workers, and consumers.*"

Upcoming Events:

June 14:	Turkish Team Visit Modesto
June 14:	TRAC Meeting Modesto
June 15:	BOD Meeting Modesto
June 19-23:	ABC/Industry Delegation to DC
Jun 26-Jul 1:	CODEX Pesticide Meeting Beijing
July 11-14:	USAEDC/Attache Conf in DC
Aug 2-4:	CFNA Conf in China

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