

August 11, 2023

2022/23 Year in Review – Hot Topics

Chinese facility registrations: A major challenge this year was implementation of China's Decree 248 requiring food facilities exporting food to China to finalize online CIFER registrations by June 30, 2023. ABC took the lead in assisting FDA complete these registrations managed by China's General Administration of Customs (GACC). It was often hit and miss – since Jan 2022, at least 50-60 containers of almonds worth more than \$10 million were held up in China due to minor administrative issues related to GACC registrations. Through persistence and collaboration with FDA and USDA, the majority of the containers were eventually released into China.

By the end of June, 65 handlers had finalized their registrations with GACC (valid for the next 5 years). ABC is now working with FDA to develop a system to assist “new” companies to register with GACC.

Regulatory issues in Europe: ABC continues to monitor Farm to Fork and Green Deal policies that will impact almond exports to EU. Several Farm to Fork policies are facing headwinds within Europe due to a variety of factors: the Pandemic, economic conditions, and the impact of the ongoing war in the Ukraine on energy and food prices. ABC has worked with European partners to ensure industry concerns are shared with government officials.

Import inspections in EU were another challenge this year, due to inspection inconsistency and increased infestation detections resulting from large crops combined with logistical challenges. This past year, ABC worked with USDA/FAS to help clear about 10 stuck shipments due to lack of PEC certification, incorrect interpretation of import control rules, and so on. ABC is continuing to monitor the situation and is providing input to the EU Commission regarding import control guidance which should help harmonize industry experience across member states.

Formal Comments and Submissions: This past year the Global Trade and Regulatory Affairs (GTRA) team, in conjunction with the Almond Alliance, was busy providing comments on various pieces of proposed regulations at home and abroad. Topics have included pesticide registrations at EPA, USDA nutrition programs, Farm Bill priorities, FDA labeling issues, sustainability labeling at the UN Food and Agriculture Organization (FAO), and Philippine tariff schedules.

Global Trade Strategy: This past year, a more comprehensive trade strategy was developed to guide priorities. Rolled out to committees and the Board, the strategy identifies potential tariff reductions and technical barriers, while leveraging industry partner associations to amplify almond priorities – a key element to finding solutions to technical barriers to trade as we expand exports into new horizon markets.

GTRA has engaged with several international delegations including a Vietnamese team of importers and processors, a Pakistani delegation at the Gulfood Show in Dubai, the Turkish Nut Trade Association and most recently a Vice Minister's delegation from China's Ministry of Agriculture and Rural Affairs (MARA).

Representing ABC and California Almonds: GTRA staff are building and maintaining relationships around the globe. This included at U.S. Ag Export Development Council meetings where ABC staff addressed market access issues and shared information with USDA/FAS officials as well as the FAS staff posted around the globe. Team members participated in the Specialty Crops Council MRL Workshop to discuss the influence of EU proposals on the use of pest control tools.

Through INC, staff represented the global nut industry at a CODEX pesticide meeting, and continues to engage with ESA, FRUCOM and other global associations.

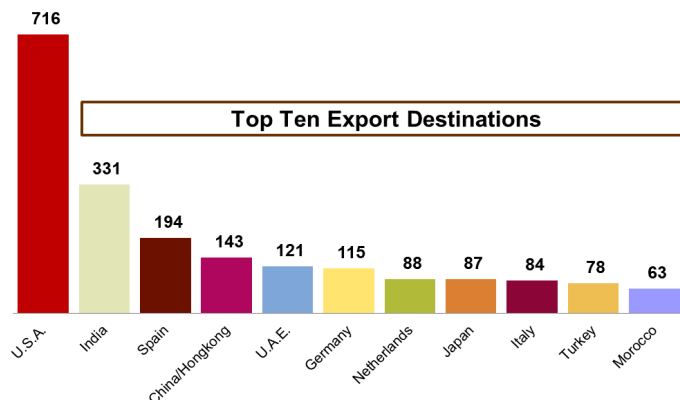
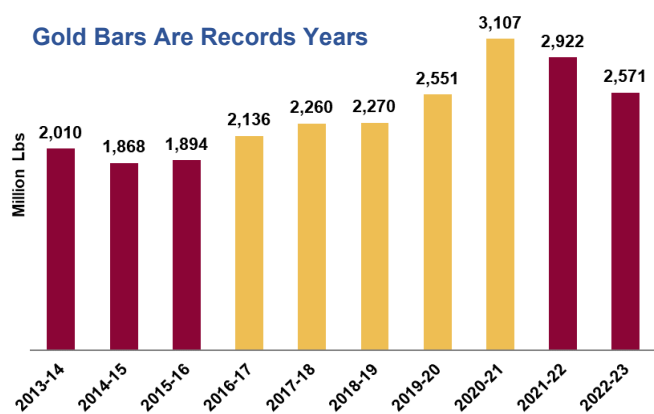
GLOBAL UPDATE



Production: 2.571 billion pounds

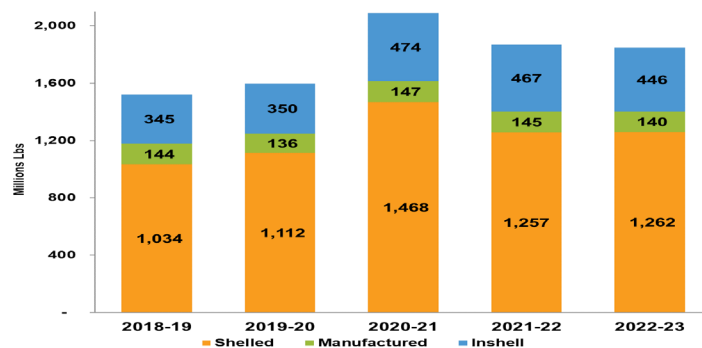
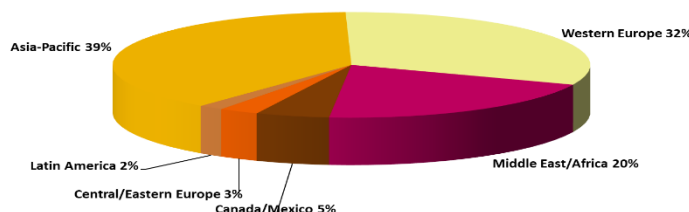
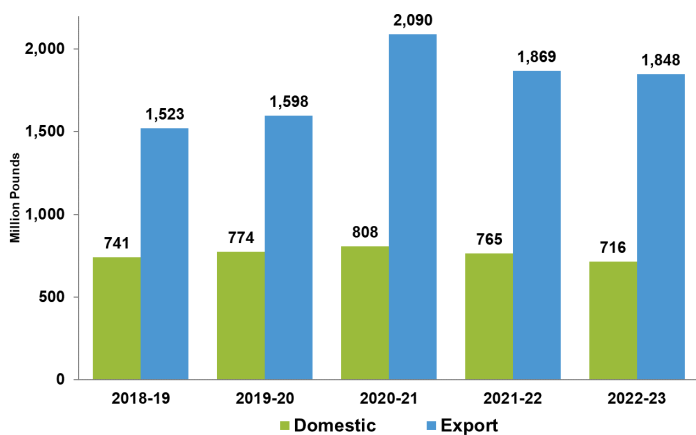
Export Shipments: Top 10, Region, & Products

Gold Bars Are Records Years



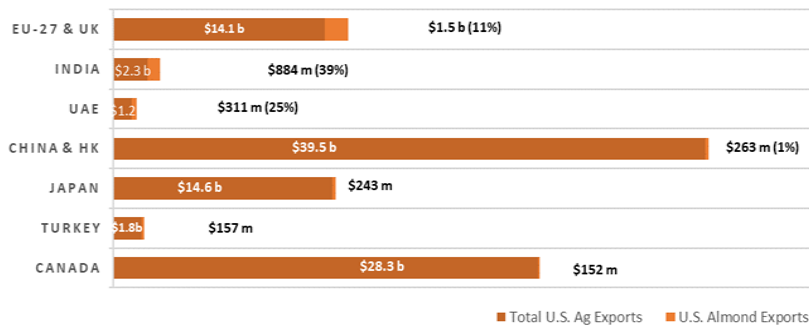
Total Shipments: 2.56 billion pounds

Domestic 28%; export 72%



U.S. Agricultural Exports by Value, Calendar Year 2022

U.S. AGRICULTURAL EXPORTS BY VALUE, JAN-DEC 2022



EU: Almonds #2 ag export (\$1.5b) behind soybeans (\$2.9b)

India: Almonds #1 ag export (\$884m), nearly half of all U.S. ag exports (39%)

UAE: Almonds #1 ag export (\$311m), accounting for 25% of all U.S. ag exports

China + HK: Almonds #2 tree nut export (\$263m) and #15 ag export overall

Japan: Almonds #11 ag export overall (\$243m)

Turkey: Almonds are the #3 ag export overall (\$157m)

Canada: Tree nuts are a small sector agricultural category export (\$693m); almonds #1 tree nut (\$152m)

Your GTRA Team

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