

# ABC Global Update

## Global shipments are up 5% YTD

Export Shipments for August 2013-January 2014 are up 3% over last year at over 751.9 million pounds. Domestic shipments are up 11.6% breaking monthly shipping records 5 of the last 6 months.

China/Hong Kong continues as the leading export market with 119 million pounds shipped through the first half of the 2013/14 crop year. This is a decrease of 27% from last year. Spain is the second largest market with 92.5 million pounds followed by Germany with 72.1 million pounds shipped.

	Million Lbs. Aug 2012- Jan 2014	% Change from Last Year
<b>W. Europe</b>	<b>282,419,795</b>	<b>25%</b>
Spain	92,455,215	35%
Germany	72,140,400	17%
Italy	28,757,275	59%
Netherlands	26,148,491	35%
UK	15,065,492	9%
France	12,155,531	-1%
Belgium	10,829,961	16%
<b>Central/E. Europe</b>	<b>34,614,094</b>	<b>-1%</b>
Russia	22,166,460	-12%
<b>Asia-Pacific</b>	<b>282,561,797</b>	<b>-17%</b>
China/Hong Kong	119,371,648	-27%
India	60,894,328	-28%
Japan	38,759,790	19%
South Korea	27,299,916	14%
Vietnam	13,927,161	20%
<b>Middle East</b>	<b>102,675,116</b>	<b>21%</b>
UAE	48,071,804	8%
Turkey	37,459,769	46%
<b>Total Exports</b>	<b>751,998,370</b>	<b>3%</b>

## 2014 Farm Bill Passes Congress

The United States Senate passed the 2014 Farm Bill Conference Report on Tuesday, February 4, by a vote of 68 to 32. This follows passage by the House of Representatives on Jan. 29 by a vote of 251-166. The bill now goes to the President who has indicated he will sign the measure into law.

The Agricultural Act of 2014 is expected to cost \$956 billion over the next ten years, but includes savings of over \$23 billion. Senate Agriculture Chairwoman Debbie Stabenow said "This farm bill contains the greatest reforms to agricultural programs in decades. We have finally ended direct payment subsidies. Instead, we shift to a responsible, risk management approach that only gives farmers assistance when they experience a loss."

The 2014 Farm Bill continues funding for key programs such as the Specialty Crop Block Grants, the Specialty Crop Research Initiative, pest and disease mitigation programs, conservation, and trade. The 2008 Farm Bill was the first to include specific provisions for specialty crops and this bill either maintains or strengthens those provisions. The legislation will determine agricultural policy for the next five years.

## AgTC Ag Shipper Workshops

The Agriculture Transportation Coalition (AgTC) will hold two workshops next month for Ag shippers. Workshops will be held in Fresno on February 26, 2014 and in Sacramento on February 27, 2014 from 9:30am to 2:00pm. Topics will include:

- Ocean and rail capacity, service equipment availability, and costs
- Trucking issues
- Rail service
- Export regulations
- West coast port updates

## • Port labor landscape

The cost of attendance for AgTC members is \$25 (\$125 for non-members). To register, please visit [www.agtrans.org](http://www.agtrans.org).

## TPP Update

On January 13, South Korea's Deputy Trade Minister Choi Kyong-lim met with Acting Deputy U.S. Trade Representative (USTR) Wendy Cutler in Washington, D.C. to hold high-level talks on South Korea's interest in potentially joining the Trans-Pacific Partnership (TPP) agreement.

The meeting touched on the implementation of the U.S.-South Korea Free Trade Agreement (KORUS). Resolving outstanding implementation issues of KORUS and other bilateral difficulties was given as a prerequisite for South Korea joining the TPP in late 2013, when Seoul first expressed interest in the agreement.

The meeting was also used to discuss the necessary domestic procedures that the U.S. would need to undertake to allow South Korea to join the agreement. The timing of this and the other consultations South Korea will have to make with other TPP members was discussed in relation to the timing of the completion of TPP.

Cutler emphasized that the current focus of the U.S. and others is on the timely completion of the TPP negotiations. It remains unclear whether this timeline will allow South Korea to join the TPP agreement prior to its completion.

In other news, Taiwan's Executive Yuan announced in late December that a task force has been convened to complete all basic preparations for joining the TPP by July 2014.

Taiwan's Premier Jiang Yi-huah briefed the task force and heads of ministries to propose fast, concrete and precise solutions, and to speed up the

implementation of their plans to complete domestic preparations for TPP this year.

The hurdles and opportunities from trade liberalization and market opening were assessed for a variety of issues, including technical regulations, standards and conformity assessments, protection of intellectual property rights, rules for food safety inspection and animal/plant inspections and quarantine.

### Congressional Leaders Introduce Trade Promotion Authority Bill

On January 9, Chairman of the Senate Finance Committee Max Baucus (D-MT), Ranking Member Orrin Hatch (R-UT) and House Ways and Means Committee Chairman Dave Camp (R-MI) proposed a trade promotion authority (TPA) bill which would allow completed international trade agreements to be presented to Congress for an up-or-down vote, without amendment or filibuster.

Congressional leaders have been working to introduce this bill before the conclusion of Trans-Pacific Partnership (TPP) trade talks, which are expected to be completed sometime early this year.

In a [press release](#) from the Senate Finance Committee, it is noted that the bill, entitled the Bipartisan Congressional Trade Priorities Act of 2014, includes stricter requirements for Congressional consultation and access to information than previous TPA bills.

The bill also includes stronger language on currency, introducing a negotiating objective that directs trade partners to avoid currency manipulation. However, this language only presents a negotiating option, and will not impede the TPP agreement, which currently does not include currency manipulation provisions.

Sander Levin (D-MI), a top ranking member of the House Ways and Means Committee, announced that he will oppose the bill, and is working on his own version of the legislation. Observers note that this may leave the proposed TPA bill unsupported by other House Democrats.

### USTR Reports on China and Russia Published

The Office of the U.S. Trade Representative (USTR) issued two separate reports on [China](#) and [Russia's](#)

compliance to World Trade Organization (WTO) commitments. This marks the first annual report for Russia, which officially ascended as a WTO member in late 2012.

The [report on Russia](#) focuses on Russia's implementation of WTO commitments since its accession, and identifies actions being taken by USTR in areas where a concern with Russia's implementation has been identified. It is noted in the agricultural section that, although Russia has put in place the legal framework allowing compliance with its WTO commitments, its implementation remains problematic, and has yet to fully apply international standards in some cases. In circumstances in which Russia applies a more stringent standard, there has been a failure to provide a science-based, objective risk assessment.

In the [report on China](#), the section on agriculture notes that China remains among the least transparent and predictable of the world's major markets for agricultural products, mainly due to selective intervention in the market by China's regulatory authorities. This is marked by sanitary and phytosanitary measures with what seem to be questionable scientific basis and a generally opaque regulatory regime. These issues particularly affect exports of U.S. beef, pork and poultry.

Both reports have been submitted by the USTR to U.S. Congress for review. For more information and details on these reports, please see the USTR announcements and reports linked above.

### Upcoming Travel

- **February 1-14, 2014**

Caroline Stringer in Europe for a Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS) meeting, trade and regulatory meetings.

- **February 13-18, 2014**

Stacey Humble and Molly Spence in Amsterdam, the Netherlands for the Food 3000 trade show.

- **February 17-21, 2014**

Julie Adams, John Talbot, and Richard Waycott in Cochin, Delhi, and Mumbai India for trade meetings.

- **February 22-25, 2014**

Julie Adams, John Talbot, and Richard Waycott in Dubai, UAE for the Gulf Food trade show.

- **February 25-28, 2014**

Sudarshan Mazumdar in Modesto for the India Media Bloom Tour.