

# ABC Global Update

## First Quarter Shipments

The 2014/2015 first quarter export shipments are down 12% compared to last year at 345.5 million pounds. Domestic shipments for the month of October set an all-time single month record at over 64 million pounds.

	Million Lbs. Aug-Oct 2014	% Change from Last Year
<b>W. Europe</b>	<b>120,642,627</b>	<b>-8%</b>
Germany	34,988,865	-3%
Spain	33,388,224	-20%
Netherlands	13,858,611	14%
Italy	10,435,364	-16%
UK	6,403,425	-10%
Belgium	5,964,635	13%
France	4,724,572	-5%
<b>E. Europe</b>	<b>5,968,165</b>	<b>-65%</b>
<b>Asia Pacific</b>	<b>154,288,525</b>	<b>-10%</b>
India	55,617,805	66%
China	52,336,547	-40%
Japan	13,021,188	-13%
Vietnam	12,236,359	15%
South Korea	11,609,374	-14%
<b>Middle East</b>	<b>40,479,366</b>	<b>-21%</b>
UAE	23,933,855	-3%
Turkey	10,870,643	-43%
<b>Total Exports</b>	<b>345,504,921</b>	<b>-12%</b>

## India's FSSAI Under Pressure

ABC's engagement with the Food Safety and Standards Authority of India (FSSAI) regarding concerns over labeling for bulk consignments of almonds is not unique. Growing media coverage about legal challenges, product approval delays, frequent changes in labelling norms and other similar issues in the food industry have resulted in a decision by the Prime Minister's Office (PMO)

to intervene and find tangible remedies to mitigate the difficulties. Several ministries have raised concerns that while protecting food safety, FSSAI cannot be a hurdle to food processing.

In conjunction with a US-India Business Council delegation to India last month, meetings were held with a number of ministries to discuss food industry efforts and support for development in India. Meetings with FSSAI officials provided an opportunity to express support for food safety efforts, but concerns about the way regulations are being interpreted and implemented. It was agreed that greater consultation and stakeholder involvement was needed to identify problems and find practical implications. Meetings with other government ministries clearly reflected the importance the new Modi government has placed on encouraging public-private partnerships, as well as the direction to ministries to find ways of cutting down layers of approval and bureaucratic requirements. Authorities were interested in hearing from industry about their experiences, as well as practical solutions to import and processing situations.

## China 4<sup>th</sup> Plenary Focuses on Rule of Law

The 4<sup>th</sup> Plenary Session of China's Central Committee held in October was the first time a plenary session focused on the rule of law as its central theme. This is an important signal that China is going to become more focused on ensuring laws are

enforced, and greater accountability is practiced. In fact, during a food safety conference in Shanghai last week, several Chinese officials emphasized the "rule of law" as they discussed requirements outlined under China's food safety act. China has faced a number of food scandals recently, ranging from contamination to food adulteration, which has undermined consumer confidence.

At the plenary session, overall goals and specific tasks were identified, including:

- Legislation will be sped up in some key areas, including the Anti-Corruption Law.
- China will set a list of powers for government officials and ban administrative authorities from exercising any extralegal powers.
- All officials shall accept legal liability for damages caused by their delinquency.
- China will implement comprehensive law enforcement to strengthen food safety management efforts by integrating the law enforcement agencies that have similar roles and functions.
- Judicial officials shall undertake lifelong responsibilities for legal cases they handle.
- China will establish a judicial official accountability system for cases in which people were falsely sentenced.

FAS Publishes Tree Nut Report on World Markets and Trade

In October, the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) published a [report](#) on global tree nut markets and trade.

Total world almond production for 2014/15 is forecast to increase 5% to 1.1 million metric tons (MT) shelled almonds due to increases in production in the United States and the European Union (EU). Global exports are anticipated to increase by nearly 5 percent.

U.S. production is expected to increase by 5% to 953,000 MT, and exports are forecast to increase 3% to 625,000 MT, with most increases in shipments going to China. Exports to Russia are expected to decrease due to the import ban on many agricultural goods, including almonds, from the U.S. and other western countries.

Australia's production is expected increase 7% to 75,000 MT as newer trees mature. Exports are forecast to increase by 8% to 60,000 MT with strong demand in China and India.

EU production is expected to increase 20% to 75,000 MT as Spanish production overcomes adverse effects from unfavorable weather conditions in the previous year.

Further details on the global nut markets and trade can be found in the FAS report linked above.

#### FAS Publishes Tree Nut Report on Turkey

On October 16, the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) published a [report](#) on Turkey's tree nut market.

In the 2013/14 marketing year (September-August), Turkey produced 18,000 MT of almonds and exported 8,000 MT. Turkey almond production is forecast to decrease

30% to 12,600 MT in the upcoming 2014/15 season due to adverse weather conditions. The top producing regions are the Aegean, Southeastern Anatolia, and the Mediterranean regions.

Per capita of almond consumption is approximately 0.9 kilograms per year (about two pounds per year)

The U.S. continues to be the dominant supplier of almonds to the Turkish market, with a 96% of the import market share. Other suppliers include Iran, Chile, and Israel. Total imports for MY 2014/15 are expected to reach 24,000 MT.

Importers prefer in-shell almonds due to the lower reference value for calculating tax on the cost, insurance and freight. Importers then export them as shelled almonds to North African and Middle East countries. It has been reported that many Iranian nuts enter illegally.

The FAS post forecasts that almond imports will rise to 24,000 MT in MY 2014, especially due to reduced production.

The report notes that the Turkish Ministry of Forestry and Water Affairs has prepared the "Almond Action Plan" for 2013-2017 to increase domestic production and combat the continuously increasing import level and price of almonds. As part of this plan, Turkey can provide free land and partial interest-free financial support to establish new almond orchards.

Currently, Turkey does not have a marketing organization for almonds; however, the Turkey Dried Fruits and Nuts Traders and Businessman Association (TUKSIAD) promotes domestic almond production and consumption.

#### New Deputy Under Secretary for Farm and Foreign Agricultural Services Announced

Alexis Taylor was named the Deputy Under Secretary for Farm and Foreign Agricultural Services (FFAS) to replace Darci Vetter who has taken a position with USTR. Ms. Taylor was formerly the Chief of Staff for FFAS where she worked to implement provisions of the 2014 Farm Bill.

#### Upcoming Travel

- **October 31-November 8:** Karen Lapsley in Seoul, Korea for meetings and KNS Conference
- **November 1-7:** Julie Adams and Guangwei Huang in Beijing and Shanghai for agency and regulator meetings, and to attend the China International Food Safety Conference
- **November 3-11:** Becky Serano in Korea for agency meetings
- **November 10-14:** Gabriele Ludwig in Europe for meetings with the European Commission and to attend Frucom/Waren Verein meetings
- **November 16-19:** Julie Adams, Becky Serano, Christi Costa, Betty Sue Issacs in Baltimore for the U.S. Ag Export Development Council annual conference
- **November 17-21:** Tim Birmingham in Lima, Peru for Codex Committee on Food Hygiene meeting.

#### Special Note

ABC offices will close Thursday, November 27, 2014 for Thanksgiving and reopen Monday, December 1, 2014.

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