

ABC Global Update

Export Shipments Up Over Last Year!

Export shipments for August 2013-December 2013 are up 4% over last year at nearly 644 million pounds.

China remains the largest export market, down 25% from last year at just over 117 million pounds while Spain holds second place, up 37% over last year at over 76 million pounds.

	Million Lbs. Aug-Dec 2013	% Change from Last Year
W. Europe	233,308,135	25%
Spain	76,413,830	37%
Germany	60,440,136	17%
Italy	22,917,950	55%
Netherlands	21,897,634	39%
UK	12,272,240	4%
France	10,194,539	1%
Belgium	8,825,095	12%
Central/E. Europe	28,006,100	-3%
Russia	17,548,283	-14%
Asia-Pacific	252,671,005	-16%
China/Hong Kong	117,153,100	-25%
India	49,024,399	-26%
Japan	30,610,729	14%
South Korea	22,734,236	24%
Vietnam	13,766,515	24%
Middle East	87,792,516	39%
UAE	39,711,671	37%
Turkey	34,600,862	58%
Total Exports	643,970,477	4%

China Tariff Reduction on Inshell Almonds Extended to 2014

The list of temporary tariff reductions for 2014 has been published, and took effect on January 1, 2014. The reduction of the tariff rate for inshell almonds has been extended, going from 24% to 10%.

Unfortunately, efforts were unsuccessful to achieve a further tariff reduction for both shelled and inshell almonds. ABC will continue to work with the U.S. government and Chinese industry in support of a further reduction.

2014 China Tariff Code Book Released

In December, ABC learned that the recently issued 2014 new tariff book (Tariff Commission: No. 36, 2013) was changed to no longer list almonds as *Ba Dan Xing*. However it now lists almonds as "*Bian Tao Ren*" but not "*Ba Dan Mu*".

Last spring, a Chinese standard was accepted that includes both *Bian Tao Ren* and *Ba Dan Mu* as the official names for almond, enabling brands to use either name on their package labels.

Chinese industry members have expressed concern that the omission of both names could cause confusion with customs officials at the point of import. However, the tariff book is used to classify imported foods according to internationally harmonized codes, and ensure the proper tariff rate is applied – not to mandate retail labeling.

ABC and its legal experts in China are following up with central and regional customs offices to clarify the situation. From preliminary discussions, authorities have not indicated there would be any impediment to import clearance.

The uncertainty caused by the change in the tariff code book is an unfortunate situation, particularly after the name change last year. ABC will continue to work with our legal experts in trying to clarify the implications for almonds in order to avoid any disruptions to trade in 2014. Please contact Julie Adams at ABC if you have any questions: jadams@almondboard.com.

USTR Chief Ag Negotiator, Islam Siddiqui, Resigns

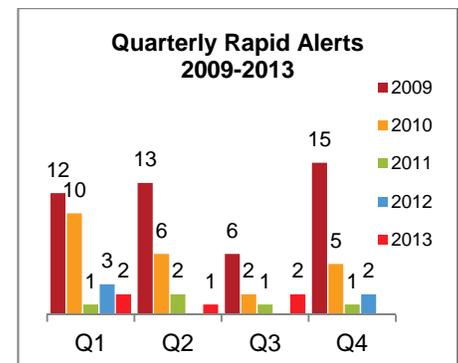
In mid-December, Ambassador Islam Siddiqui resigned his position as Chief Agricultural Negotiator at the Office of the U.S. Trade Representative (USTR) after serving since 2010. Shortly after Ambassador Siddiqui's resignation was announced, President Obama announced he intends to nominate Darci Vetter for the position.

Ms. Vetter currently serves as the Deputy Under Secretary for Farm and Foreign Agricultural Service within the USDA. During her career, she has held numerous roles at both USTR and USDA; she has also served as the International Trade Advisor on the Senate's Finance Committee.

Ms. Vetter's nomination must be approved by the Senate Finance Committee prior to the Senate floor confirmation.

Quarterly EU Rapid Alert Update

Rapid alerts for California Almond shipments which exceeded the EU limit for aflatoxin totaled 5 for 2013. There were 5 total rejections in 2012.



Efforts for Recognition by EU of Almond Pre-Export Certification

At the December conference, ABC staff provided an overview of efforts which currently underway in conjunction with USDA's Agriculture Marketing Service (AMS), Shipping Point Inspection (SPI) and the Foreign Agricultural Service (FAS) to transition from the Voluntary Aflatoxin Sampling Plan (VASP) program to recognition under the EU's Pre-Export Certification legislation. Once granted, the new program would move almonds from "random" import controls under current legislation, to less than 1%. Staff will be working with handlers and European trade, as well as with key port officials, to ensure transition can occur with minimal disruption. It is hoped that the new system, which builds on the existing VASP procedures, can be put into effect in April or May 2014.

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.

Third Round of TTIP Negotiations Conclude

On December 20, the U.S. and European Union (EU) concluded the third round of Transatlantic Trade and Investment Partnership (TTIP) negotiations in Washington, DC.

In a [press release](#) from the European Commission, the EU's Chief Negotiator Ignacio Garcia Bercero commented that they were "very satisfied" with this round of negotiations, which included

discussions on a broad range of topics, such as market access, regulatory aspects and rules.

EU and U.S. negotiators will also begin working on the wording of provisions designed to increase regulatory compliance and to enable regulators to work more cooperatively in drafting new rules in the future. This includes sanitary and phytosanitary rules on food safety, animal and plant health, as well as other technical barriers to trade.

EU Trade Commissioner Karel De Gucht and U.S. Trade Representative Michael Froman are expected to hold a political stocktaking meeting on TTIP in early 2014. The fourth round of negotiations is tentatively scheduled for March 2014 in Brussels, Belgium.

ABC is closely following discussions as implications for U.S. exports could include tariff reductions or eliminations. More broadly, it is hoped that TTIP will result in greater harmonization of the approach to assessing and establishing pesticide MRLs.

Gulf Cooperation Council Proposes Thousands of MRLs

In late 2013, the Gulf Cooperation Council (GCC) released a draft maximum residue limit (MRL) list for pesticides which, if written into legislation, would establish thousands of new MRLs in the GCC countries. The GCC consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

The GCC currently only has three almond MRLs established. For active ingredients that currently have U.S. almond MRLs, the new proposal would establish a total of 33 GCC almond MRLs. Of those 33 MRLs, 19 are proposed at levels that are more restrictive than the current U.S. MRLs.

ABC has provided this information to the USDA/Foreign Agricultural Service and will continue to update industry as developments occur.

Upcoming Travel

• January 17-20, 2014

Julie Adams and Richard Waycott in Naples, FL for the annual Peanut Tree Nut Processor Association meeting.

• January 20-24, 2014

Jenny Heap, Stacey Humble, and Becky Sereno in China for planning and agency meetings.

• 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.