

## ABC Global Update

### Domestic shipments reach a new record for December

Domestic shipments reached an all-time record for the month of December at 48.1 million pounds shipped.

Export shipments remain down at -16% YTD compared to last year. This may also be due to the West Coast port disruptions which have slowed down bookings.

	Million Lbs. Aug-Dec 2014	% Change from Last Year
<b>W. Europe</b>	<b>197,258,332</b>	<b>-15%</b>
Spain	56,198,980	-26%
Germany	55,538,052	-8%
Netherlands	22,243,852	2%
Italy	17,808,222	-22%
UK	11,305,862	-8%
France	8,740,188	-14%
Belgium	8,620,435	-2%
<b>Central/E. Europe</b>	<b>9,265,598</b>	<b>-67%</b>
<b>Asia-Pacific</b>	<b>228,307,186</b>	<b>-10%</b>
China/Hong Kong	79,281,947	-32%
India	67,519,036	38%
Japan	24,862,137	-19%
South Korea	21,737,482	-4%
Vietnam	16,916,981	23%
<b>Middle East</b>	<b>63,022,315</b>	<b>-28%</b>
UAE	35,953,462	-9%
Turkey	16,930,153	-51%
<b>Total Exports</b>	<b>539,507,313</b>	<b>-16%</b>

### US Re-establishes Diplomatic Relationship with Cuba

President Barack Obama announced the re-establishment of diplomatic relations with Cuba on December 17, 2014, a historic shift from decades of U.S. isolation of Cuba.

Components of the new policy include: opening an embassy in Havana, easing restrictions on travel to Cuba for family visits, official U.S. government business and educational activities (tourist travel remains banned), and reviewing Cuba's designation as a state sponsor of terrorism.

The new policy will authorize expanded commercial sales/exports from the U.S. of certain goods and services, but current sanctions in place since 1960 require Congressional action to be removed. Food is exempted from those sanctions; however, rules on how transactions are executed make deals difficult and costly. The new policy allows for U.S. institutions to open correspondent accounts at Cuban financial institutions, lifting the third party banking requirements currently in place. Easing of financing restrictions opens up the market to other products.

Cuba imported nearly \$350 million of U.S. agricultural products in 2013 according to USDA data.

The new policy will also increase Cubans' access to communications. Cuba has one of the lowest rates in the world for internet use.

### India Compliance Date Extended for FSSAI Logo/License Number

ABC is continuing to work with USDA/FAS and Indian authorities regarding labeling requirements for inshell almonds.

In the meantime, on December 17 the Food Safety and Standards Authority of India (FSSAI) issued a notification to extend the deadline to

July 1, 2015 (instead of January 1) for compliance with the requirement that labels on any packages of food products intended for retail sale should bear the FSSAI logo, as well as the food business operator's (importer in the case of imported products) FSSAI registration number.

The notification is on the FSSAI website: <http://www.fssai.gov.in/>

### USITC Report Released on Indian Trade Policies

U.S. exports to and investment in India would be significantly higher if not for Indian policy barriers, according to the U.S. International Trade Commission (USITC) in its report, *Trade, Investment, and Industrial Policies in India: Effects on the U.S. Economy*.

The report is more than 450 pages, and provides information on the effects of a wide range of Indian policies that limit U.S. exports to and investment in India. These policy measures include tariffs/customs procedures, foreign direct investment restrictions, treatment of intellectual property, taxes/financial regulations, regulatory uncertainty, and other nontariff measures, such as unclear legal liability, price controls, and sanitary and phytosanitary (SPS) standards.

Almonds are among the commodities mentioned in the report:

*In a few U.S. agricultural industries, Indian duties do not seem to have a major effect on U.S. exporters' ability to compete in the market. The most notable example is almonds, which accounted for about 41.2 percent of all U.S. agricultural exports to India*

in 2013. In turn, U.S. exports supply about 85 percent of India's almond market. In-shell almond imports face a specific tariff of Rs 35/kg (\$0.58/kg), which is equivalent to an ad valorem rate of around 20 percent. Still, the U.S. almond industry would ideally like to see the tariff lowered further. The industry asserts that when the 4 percent special additional duty (described later) is added to the base duty, India charges a rate that exceeds its bound rate.

USITC is an independent, nonpartisan fact-finding federal agency. The report was prepared at the request of the House Committee on Ways and Means and the Senate Committee on Finance. [Trade, Investment, and Industrial Policies in India: Effects on the U.S. Economy](#) (Investigation No. 332-543, USITC Publication 4501, December 2014) is available from the USITC at: <http://www.usitc.gov/publications/332/publish4501.pdf>.

#### Almond Industry Generates More Than 100,000 California Jobs

According to a new study from the University of California Agricultural Issues Center (AIC), the almond industry supports California's economic well-being by generating more than 100,000 jobs and more than \$21 billion gross revenue across all industries in the state, adding about \$11 billion dollars to the size of its total economy.

Throughout the state – and especially in California's Central Valley – farms and processors not only provide direct employment but also buy goods and services from other local firms that also provide jobs and generate incomes for business owners and employees. That income, in turn, buys local consumer goods and services in addition to paying state and local taxes. These "economic ripples" create "indirect" and "induced" jobs and value.

The Global Update is a publication by the Almond Board of California. For more information, please contact the Almond Board at 209.549.8262 or [regulatoryissues@almondboard.com](mailto:regulatoryissues@almondboard.com). The information reported in this document is correct to the best of our knowledge.

The Almond Board of California welcomes the participation of all industry members and does not discriminate on the basis of race, color, national origin, sexual orientation, gender, marital status, religion, age, disability or political beliefs.

It is also important to note that as almond production has expanded, California almond exports have become increasingly more valuable to the agriculture industry.

The full report can be found online at <http://aic.ucdavis.edu/alfmonds/>

#### USDA-ERS Releases TPP Agriculture Study

USDA's Economic Research Service (ERS) recently published a series of reports regarding its study examining the potential economic impacts of the Trans-Pacific Partnership (TPP) on agriculture. ERS published three reports based on this study: a general report on "[Agriculture in the TPP](#)" as well as specific reports looking at the effects on agriculture in [Japan](#) and [Vietnam](#).

Of note is that the report's focus is on the economic impacts of tariff elimination on agricultural products within the TPP; sanitary and phytosanitary (SPS) measures and other TPP chapters were not reviewed as part of the study.

#### USDA Public Meeting Prior to Codex Meeting on Methods of Analysis, Sampling

On December 19, the U.S. Department of Agriculture (USDA) [announced](#) that it will be sponsoring a public meeting in conjunction with the Food and Drug Administration (FDA). The purpose is to provide information and receive public comments on agenda items and draft U.S. positions to be discussed at the 36<sup>th</sup> session of the Codex Committee on Methods of Analysis and Sampling (CCMAS) which is to be held in Budapest, Hungary on February 23-27, 2015.

Among the issues scheduled to be discussed at the meeting:

- Proposed Draft Principles for the Use of Sampling and Testing in International Food Trade;

- Discussion paper on the development of procedures and guidelines for determining equivalency to type I methods;
- Discussion paper on criteria approach for methods which use a sum of components;

The public meeting is scheduled to occur on February 5, 2015 at the USDA offices in Washington, D.C.

#### GTRA Adds New Manager

Starting January 12, Philip Finiello will join the GTRA team as Manager, Global Technical & Regulatory Affairs.

Philip was previously with the U.S. Chamber of Commerce in Washington, DC, in the International Division where his focus was on trade policy, advocacy and assisting businesses related to European market access. Prior to that, he was a Senior Policy Analyst for several years with the British Embassy in DC where he dealt with many of the types of ag and food issues that the almond industry faces – only from the perspective of exporting [to the U.S.](#) rather than [from the U.S.](#) His understanding of European systems will be a benefit to our industry. Philip can be reached at [pfiniello@almondboard.com](mailto:pfiniello@almondboard.com).

#### Upcoming Travel

- **January 9-23, 2015** Richard Waycott, Guangwei Huang and Bill Harp in China for trade visits and agency meetings.
- **January 16-19, 2015** Julie Adams and Peggy Fyffe in San Diego, for the Peanut Tree Nut Processor Assn (PTNPA) annual meeting.

**January 31-February 11, 2015**  
Julie Adams and Richard Waycott in India for trade meetings, then in Dubai to attend Gulfoods.