

ABC Global Update

West Coast port disruptions continue to impact almond industry exports

Export shipments for August 2014 - January 2015 are down 20% over last year at nearly 602 million pounds. As the ability to get containers of almonds through the port of Oakland and other West Coast ports becomes more difficult, shipment statistics to key export destinations are showing the effects. Shipments for the month of January are significantly down – the lowest since 2006/07.

Domestic shipments show all time record-breaking shipments for the month of January at 53.07 million shipped.

	Million Lbs. Aug-Jan 2014	% Change from Last Year
W. Europe	218,539,324	-23%
Spain	63,240,971	-32%
Germany	60,375,853	-16%
Italy	19,831,924	-31%
Netherlands	24,461,403	-6%
UK	12,699,238	-16%
France	9,682,242	-20%
Belgium	10,100,152	-7%
Central/E. Europe	10,429,598	-70%
Asia-Pacific	250,522,385	-11%
China/Hong Kong	84,408,018	-29%
India	74,442,495	22%
Japan	28,461,491	-27%
South Korea	24,844,900	-9%
Vietnam	18,057,027	30%
Middle East	74,245,365	-28%
UAE	43,944,577	-9%
Turkey	18,019,709	-52%
Total Exports	601,806,808	-20%

West Coast Port Slow Down

The situation at the West Coast ports continues to cause untold economic damage, which may be felt for years to come. Nearly four-fifths of raw almond exports depart the Port of Oakland alone. The Almond Board of California has been in close communication with stakeholders as to the impacts and the prospects of a full resolution. The situation is changing rapidly, going from the belief that resolution is imminent to concerns that a shutout is the only option.

ABC has written directly to the U.S. Secretaries of Agriculture and Commerce and the U.S. Trade Representative as well as to the office of U.S. Senator Dianne Feinstein (D-CA) in order to illustrate the detrimental effects of the ports situation as well as the importance of the California Almond industry to the U.S. economy.

However, the most important information that can be conveyed to state and national representatives is the economic impact on individual companies. Kelly Covello at AHPA is gathering information related to almond operations; she can be contacted at kcovello@ahpa.net.

The status of the port situation will certainly dominate discussions during the Ag Transportation Coalition (AgTC) February 26-27 workshops which will be held in Fresno and Sacramento. AgTC has prepared a primer on the port situation, which is available [here](#). For registration information, please go to www.agtrans.org.

For information or other questions, please contact Philip Finiello at pfiniello@almondboard.com.

China Lowers 2015 Tariff Rates for Some Agricultural Products, including In-Shell Almonds

FAS recently published a [GAIN report](#) announcing China's lowering of its most favored nation (MFN) tariffs on various nuts for 2015.

Though the report notes that the tariff on in-shell almonds has been lowered from 24% to 10%, the 10% temporary tariff reduction has been in place for the past two years. China has applied a 10% MFN tariff on shelled almonds.

Under the 2015 rates, the highest nut tariff China levies is 20%, which applies to ginko nuts, and chestnuts (shelled and in-shell). The lowest tariff is 5%, which applies to both shelled and in-shell pistachios.

Trans-Pacific Partnership to be Concluded?

There are increasing signs that TPP negotiations will be concluded sometime early this year but without any indication as to when it will be signed. Lead negotiators from all twelve TPP countries met in New York City in late January while the U.S. and Japan continue to conduct bilateral meetings focused on automobiles and agriculture.

Significant progress towards bridging divergences has been made, however; there remain a number of outstanding issues that require consensus before TPP can be concluded.

Pre-Export Checks Rollout Planned for April 1

The long awaited transition from VASP (Voluntary Aflatoxin Sampling Plan) to Pre-Export Checks (PEC) program is just a few months away. Based on their confidence in aflatoxin controls within the California Almond industry, the EU has recommended recognition of the PEC program under EU regulations. Only two other commodities currently are recognized under this program.

ABC staff will be conducting webinars and one-on-one visits with handlers to explain the transition and the PEC procedures, which build on the VASP procedures that industry members are so familiar with. In addition to rolling out the program to California industry members, Julie Adams and Philip Finiello will be in Europe in March to meet with trade and industry associations regarding the new program.

For further information, please contact either Sue Olson at solson@almondboard.com or Philip Finiello, pfiniello@almondboard.com.

Phosphonic Acid Research Underway

Since the EU decided that all phosphite (phosphonate, phosphorous acid) containing crop inputs are exclusively pesticides, they have triggered the need for an MRL (maximum residue limit) for any phosphite residues on foods in the EU. The EU decided to use long established MRLs under fosetyl-AI, a fungicide, to cover all phosphite containing products. However, a number of crops don't use fosetyl-AI thus never had an appropriate MRL established – this includes tree nuts. Phosphite containing products are widely used as fertilizers, fungicides and adjuvants. While the EU established a temporary MRL to address higher residues of phosphonates that may be found in

crops including almonds and other tree nuts, it only is in place through the end of 2015, meaning that usage on the 2015 crop will not have the necessary MRL in the EU after January 1, 2016. The EU definition includes all phosphite-containing products such as potassium phosphite and calcium phosphite commonly used in the U.S. as foliar or soil-banded fertilizers and pH stabilizers.

ABC, along with the walnut and pistachio industries, has begun obtaining samples to better understand which treatments create what kind of residue levels. In addition, residue trials will be undertaken this growing season to obtain the necessary data to establish a proper MRL in the EU. ABC, the walnut and pistachio industries, along with USDA/FAS, USTR and EPA, are working closely to keep the EU apprised of progress, with the objective of obtaining an extension of the higher MRL while the residue trials in tree nuts are conducted. Needless to say, the extension of the higher MRL is need while the MRL request makes its way through the EU regulatory process.

If you have any questions, please contact Gabriele Ludwig at gludwig@almondboard.com

Upcoming Travel

- **February 12-18, 2015**
Molly Spence and Karen Lapsley at Food 3000 in Madrid, Spain.
- **March 16-20, 2015**
Julie Adams in India for trade and government meetings, and to attend the Codex Committee on Contaminants in Food meeting.
- **March 23-27, 2015**
Julie Adams and Philip Finiello in Europe for meetings with trade and USDA/FAS offices.