

ABC Global Update

June 2015 Domestic Shipments set a Record

June domestic shipments set a new record, with just over 54 million pounds. Export shipments for June were the second largest on record. Year to date, almond shipments overall are down just over 6% compared with the same period last year.

Spain is the number one export destination at 141 million pounds, compared to the 122 million pounds shipped to China. Year to date, India demand continues to be strong, already exceeding total shipments for last year. India has surpassed Germany to be the third largest export destination at 121 million pounds, compared with Germany's 114 million pounds, and is only slightly behind China.

	Million Lbs. Aug 2014- June 2015	% Change from Last Year
W. Europe	432,506,923	-13%
Spain	141,098,235	-22%
Germany	113,672,391	-3%
Netherlands	40,780,856	-3%
Italy	38,893,165	-21%
UK	26,921,021	5%
France	18,515,542	-16%
Belgium	17,978,899	-8%
Central/E. Europe	16,876,363	-67%
Asia-Pacific	410,507,600	0%
China/Hong Kong	121,821,355	-12%
India	120,903,204	25%
Japan	61,227,299	-15%
South Korea	49,740,588	1%
Vietnam	21,794,735	26%
Middle East	162,780,518	-5%
UAE	93,018,082	12%
Turkey	35,204,010	-32%
Total Exports	1,102,486,640	-9%

Russia Extends Ban on Imports of Certain Agricultural Products

On June 25, Russian Prime Minister Dmitry Medvedev signed a decree extending the ban on imports of various agricultural food products from several countries, including the U.S., European Union (EU), Canada, Australia, and Norway for an additional year, through August 2016. The initial one-year ban was previously enacted in August 2014.

In his announcement, Prime Minister Medvedev noted that the list of goods is subject to change "depending on a number of things, including how our relations develop with our European partners and partners in a number of other countries." Russian officials are reportedly considering expanding the list to include chocolate, flowers, and canned fish.

Almonds (shelled, inshell) are among the nuts under Chapter 8 of the Harmonized System which are subject to the import ban.

President Signs Trade Promotion Authority Bill

The President signed into law the Trade Promotion Authority (TPA) bill on June 29. Also known as "fast track," TPA gives the Administration greater negotiation powers on trade deals, because it limits the timeframe for Congress' consideration of trade agreements, such as the Trans Pacific Partnership, allowing only an up or down vote on such deals. The agreements cannot be amended either in committee or on the Floor.

The House approved the TPA bill with a 218-208 vote; the Senate voted 60-38 to approve it.

The House and Senate also passed a bill renewing the Trade Adjustment Assistance (TAA) aid program for trade-

displaced workers, and various trade preferences programs, such as the African Growth and Opportunity Act (AGOA) and the Generalized System of Preferences (GSP). AGOA has been reauthorized for an additional 10 years, and the GSP program, which previously expired in 2013, has been retroactively reauthorized through 2017.

India Notifies WTO of Proposed Amendments to Toxin Limits

India recently **notified** the World Trade Organization (WTO) of proposed amendments to its **Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011**. These proposed amendments were previously announced on the Food Safety and Standards Authority of India (FSSAI) website in May.

The amendments include new limits for aflatoxin in certain foods, including in "nuts for further processing" at 15 µg/kg and "ready to eat nuts" at 10 µg/kg. These are amended from the previous limit of 30 µg/kg.

India will be accepting comments on these proposed amendments through August 7, 2015; the date of entry into force has yet to be determined.

India Proposes Amendment to Packaged Commodities Law

On June 17, the U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) published a **notification** on India's recent amendment to its legal metrology (packaged commodities) rules. The Government of India's Department of Consumer Affairs published a notification of this amendment in the Indian Official Gazette on May 14, 2015.

The amendment includes two notable changes. First, the allowance of the use of stickers to include all labeling requirement data on imported food packages. Second, the adoption of a

standard definition of retail packages as defined by the Food Safety and Standards Authority of India (FSSAI). This amendment was immediately implemented upon its publication in the Indian Official Gazette.

However, it does not appear to address the difference between “bulk” and “wholesale,” which is the specific issue that has been under discussion with FSSAI. ABC staff is continuing to work with FAS/Delhi and in DC regarding clarification of the definition.

Fosetyl Discussions continue with EU Authorities

California almonds, pistachios and walnuts are continuing to work closely with key European trade associations, U.S. government officials, and other 3rd countries to address extension of the temporary MRL for fosetyl-AI beyond December 31, 2015.

Several meetings were held in June with European Commission authorities, where monitoring data was presented as well as an overview of research which is underway to determine an appropriate MRL for tree nuts. Further meetings will be held in September.

The situation came about as a result of changes in the EU's list of approved active substances. The change indirectly expanded the scope of the MRL for fosetyl-AI – in essence, any source of residues of phosphonic acids whether or not they stem from the use of fosetyl-AI are covered by the MRL.

Information is being shared with European industry members, to encourage them to communicate with their Member State officials regarding the impact on trade and European businesses if the temporary MRL is not extended beyond 2015.

California industry has been engaged with USDA, EPA and USTR regarding the implications. For further information on this issue, please contact Julie Adams (jadams@almondboard.com) or Gabriele Ludwig (gludwig@almondboard.com).

Australia-China FTA Agreement now Concluded

The Australia-China Free Trade Agreement (ChAFTA) has now been signed and the detailed text released. ChAFTA is China's first free trade

agreement with a major economy. It closes the gap between farmers in Australia and those in countries such as New Zealand and Chile which already have an FTA with China. The main agricultural sectors affected by ChAFTA are beef, dairy, wine, seafood, live animal exports and **horticulture**. The new text for ChAFTA provides further details of the regulatory framework for two-way investment between Australia and China and outlines the role for bilateral dispute resolution.

China applies some of its highest tariffs on horticultural products but under ChAFTA, all tariffs on horticultural products will be progressively eliminated. Key outcomes include:

- Elimination of the 10-25 percent tariff on macadamia nuts, **almonds**, walnuts, pistachios and all other nuts within four years
- Elimination of the 11-30 percent tariff on oranges, mandarins, lemons and all other citrus fruits within eight years
- Elimination of the 10 to 30 percent tariff on all other fruit within four years
- Elimination of the 10 to 13 percent tariff on all fresh vegetables within four years

Australia currently has quarantine access protocols for export into China for many horticultural products and should be able to take immediate advantage of tariff reductions for a range of products including citrus, grapes, almonds, macadamias, mangoes and some cherries.

ePEC Webinars Scheduled for July 22, 2015

The California Almond industry will transition from the Voluntary Aflatoxin Sampling Plan (VASP) program to the Pre-Export Checks (PEC) program on **August 1, 2015**. Individual handler training has been taking place throughout the month. A webinar on the program will be held on **Wednesday, July 22 at 7:00-8:00am PST**. The webinar will be repeated at 2:00-3:00pm PST.

International and U.S. almond industry members are encouraged to participate.

For webinar and call-in details, or any other questions, please contact Sue Olson (solson@almondboard.com).

USDA APHIS Launches Information Website on Upcoming International Trade Data System

On June 17, the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) launched a website to provide information and updates on the upcoming International Trade Data System (ITDS). The ITDS is being developed by U.S. Customs and Border Protection (CBP) to provide an electronic system for importers and exporters to file trade-related documents.

The goal of ITDS is to streamline the currently paper-based import/export process by transitioning to an electronic system. With CBP planning to launch ITDS on November 1, 2015, APHIS will first focus on transitioning over its electronic filing for importers. APHIS has yet to announce when it will begin transitioning the electronic documentation process over for U.S. exporters.

The creation of a “single window” platform by which all required information on foreign transactions could be filed to government agencies electronically is the result of an executive order signed by President Barack Obama in February 2014. Relatedly, in May 2015 CBP launched the electronic Automated Commercial Environment (ACE) system for all importers and exporters who had been previously filing electronic manifests through legacy electronic systems, and plans to begin launching mode-specific (air, rail and truck freight, sea) pilot programs in the near future.

Upcoming Travel

• July 13-17, 2015

Julie Adams, Gabriele Ludwig, Becky Sereno, and Richard Waycott in Washington, DC for the USAEDC attaché conference and key regulator/stakeholder meetings.

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