

ABC Global Update

Fosetyl Discussions in Brussels on September 21-22

The EU Standing Committee will be taking up the temporary MRL for fosetyl-AI at its September 21-22 meeting in Brussels.

Almonds, pistachios and walnuts, along with DFA, have been working closely with European associations and U.S. government officials to develop the data needed to support the request to extend the temporary MRL of 75 mg/kg. Without an extension, the temporary MRL will return to the default limit of 2 mg/kg. Field trials have been underway in California to generate information on residues in the three tree nuts, while analytical methodologies have been under review to determine appropriate testing protocols.

In conjunction with California industry efforts, European associations have been working through their national associations to contact Member State authorities, encouraging them to support extension of the MRL. Indications are that a number of Member States support an extension, once they understand the work already underway to develop an appropriate MRL as well as the impact to their own industries if an extension was not granted.

The California tree nut industries are requesting an extension of the temporary MRL through December 2019. This extension will allow the submission of the dossier for an appropriate MRL in summer 2016, plus the time it will then take for the full Commission review, approval, and regulatory adoption.

Further information will be provided following the Standing Committee meeting, and the European Stakeholder Consultation which is scheduled for the 28th in Brussels. In the meantime, if you

have any questions, please contact Julie Adams at jadams@almondboard.com.

ABC Pre-Export Checks still having "Transition" Issues

Several handlers and shippers have continued to report issues as we transition from VASP to the new PEC certificates. In several markets, customers and port enforcement authorities continue to request a PEC certificate, even though the Commission has made it clear that the certificate is not required as a condition of import.

ABC has prepared a memo explaining the program, including the Commission's memorandum, which was previously disseminated to handlers. Please contact ABC if you need a copy.

On a separate note, ABC was working with USDA/FAS to contact authorities in Switzerland and Norway to determine if they will recognize the PEC program. These markets often align their legislation, even though they are not members of the European Union. Norway has advised that they have incorporated PEC recognition into Norwegian legislation. Unfortunately, Swiss authorities have not adopted PEC into their own legislation.

Please contact Sue Olson at the ABC (solson@almondboard.com) or Julie Adams, jadams@almondboard.com, if you require further information or are having problems at a port.

FDA Releases FSMA Preventive Control Final Rules

The U.S. Food and Drug Administration (FDA) released final rules for the Food Safety Modernization Act Current Good Manufacturing Practice and Hazard Analysis and Risk-Based Preventive Controls for Human Food and Current

Good Manufacturing Practice and Hazard Analysis and Risk-Based Preventive Controls for Food for Animals.

Compliance dates for some businesses begin in September 2016. Businesses have a staggered number of years to comply based on business size.

More information about both final rules can be found on the FDA website: [FDA Food Safety Modernization Act \(FSMA\)](#).

The final rules have elements of both the original and supplemental proposals, in addition to new requirements that are the outgrowth of public input received during the comment period for both preventive controls proposals.

The FDA will be hosting three webinars on September 15-17 discussing the Final Rules on Preventive Control. Find out more about the webinars [here](#).

EU Looking at Mercury in Food

The European Commission has presented a working document to Member States which explores future controls (and potentially lower limits) for mercury in a range of foods, including tree nuts such as almonds. The Commission's initiative follows publication in 2012 of EFSA's Opinion on the risk to public health related to the presence of mercury and methylmercury in food, and aims to review existing controls on mercury in food which currently exist under European legislation on contaminants in food and on plant protection products (pesticides).

The discussions on the Commission's working document are at a very early stage, with consideration of the proposed approach only having been discussed at one meeting of the Expert Committee on Environmental and Industrial Contaminants, held in May 2015.

At that meeting it was made clear to Member States by the European Commission representative that further discussions in the working group will focus on those commodities “*which make a significant contribution to dietary exposure, or where difficulties have been encountered with compliance of exports from the EU with National legislation in third countries.*” Tree nuts would not therefore be expected to be the focus of such discussions given the fact that they would not appear to fall into either of the Commission’s two main priority areas.

ABC will continue to monitor discussions, and will be in contact with Commission officials as needed.

USDA Publishes Report on Australia Almond Market

The U.S. Department of Agriculture’s (USDA) Foreign Agricultural Service (FAS) recently published a [GAIN Report](#) covering Australia’s almond sector.

Australian almond production has risen significantly over the past decade, reaching 75,000 metric tons (MT) in 2014/15 after producing only 16,000 MT a decade earlier. Production is expected to expand to 82,000 MT in 2015/16 and 90,000 MT in later years as a result of new investments by the Australian almond industry. The continuing drought in California, which normally produces around 85 percent of the world’s almond supply, is causing almond prices to rise and facilitating further investment in Australian almond production.

Australia is currently the second largest producer of almonds behind the U.S. with a six percent share of world output. India remains the most important market for Australian almond exports, which grew by 60 percent in 2014/15 compared to the previous year.

USDA Publishes Report on Outlook for US Agricultural Trade

The U.S. Department of Agriculture (USDA) recently released a [report](#) detailing U.S. agricultural trade, including regional import and export trends as well as the economic outlook for Fiscal Year (FY) 2016, which begins on October 1, 2015.

U.S. economic growth remains steady, although the strong U.S. dollar value and global economic challenges are weighing on trade. FY 2016 exports are forecast at \$138.5 billion, down \$1 billion from the revised forecast for FY 2015. Agricultural exports to China are forecast to decrease by \$2 billion, primarily due to lower oilseed values. Canada is expected to replace China as the largest U.S. export market for the first time since 2010.

For FY 2016, horticultural exports are forecast to increase by \$2 billion to a record \$36.5 billion as a result of higher export values for fresh and processed fruits and vegetables, as well as tree nuts. Whole and processed tree nuts are forecast to reach \$9.8 billion, up \$800 million primarily due to strong demand from China and Europe for almonds, pistachios, and walnuts.

GTRA Welcomes a New Staff Member!

Elizabeth van Meter will join the GTRA team on September 14 as Sr. Specialist, Global Technical & Regulatory Affairs.

Beth’s background is in International Business and Business Finance. She is joining us from Gallo, where she was an International Project Specialist. She has experience working with teams in Hong Kong, Japan and China as well as taking on projects with the European markets as well.

Before joining Gallo, Beth spent nine years in the Army National Guard. She was based in Iraq for several years and also in Bosnia and Herzegovina where she served as a project manager for the Operations Management team. Her responsibilities included training military teams and liaising with the local community – giving her a great appreciation for the need to develop relationships, establish trust, and understand cultural differences.

Beth can be reached at (209) 343-3256 or evanmeter@almondboard.com.

Upcoming Travel

- **September 13-18, 2015**

Melissa Mautz in Seoul, South Korea for agency and industry meetings.

- **September 18-27, 2015**

Guangwei Huang in Wuxi, China for the 8th Conference and Exhibition for Nutraceutical and Functional Foods and in Shanghai for trade meetings.

- **September 21-28, 2015**

Julie Adams in Brussels for meetings related to fosetyl-Al, and with Beth van Meter in London for meetings with trade and USDA/FAS offices.

- **September 28-October 2, 2015**

Bunnie Ibrahim in Washington, DC for the United Fresh Washington Public Policy Conference.

- **September 28-October 9, 2015**

Richard Waycott, Peggy Fyffe, Harbinder Maan, Dariela Roffe-Rackind in Europe for trade stewardship meetings with manufacturers.

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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 staff@almondboard.com. The information reported in this document is correct to the best of our knowledge.

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