

ABC Global Update

Overall Shipments Down

With 5 months reported, overall shipments reflect the current market uncertainties. Overall shipments are down 12%; exports are down 14.6% while domestic shipments are down 6.4%.

	Million Lbs. Aug 2015- Dec 2015	% Change from Last Year
W. Europe	182,904,519	-7%
Spain	64,027,258	14%
Germany	36,805,083	-34%
Italy	21,501,852	21%
Netherlands	15,031,325	-32%
UK	11,531,861	2%
France	8,633,054	-1%
Belgium	7,984,046	-7%
Central/E. Europe	5,452,950	-41%
Asia-Pacific	201,134,227	-12%
China	70,157,734	-12%
India	67,042,412	-1%
Japan	25,934,744	4%
S. Korea	14,764,641	-32%
Vietnam	10,020,781	-41%
Middle East	38,648,288	-39%
UAE	13,959,513	-61%
Turkey	11,811,152	-30%
Total Exports	460,964,401	-15%

Indonesia Grants Country Recognition for US Fresh Food of Plant Origin (FFP)

In June 2015, FAS Jakarta and FAS Washington coordinated the re-verification audit of California by Indonesia's Ministry of Agriculture (MOA). As a result, on December 15, 2015, Indonesia's MOA officially issued its re-recognition of the U.S. food safety control system for fresh food of plant origin (FFPO). The re-recognition is critical for maintaining

enhanced market access for a wide variety of U.S. products, including soybeans, tree nuts, fresh fruits and vegetables, rice, corn, and wheat. In 2014, U.S. exports of these products were \$1.4 billion dollars. Moreover, the food safety re-recognition for U.S. FFPO maintains access for U.S. horticulture through Tanjung Priok, the Port of Jakarta. Currently, only the United States, Canada, Australia, and New Zealand have recognition status for FFPO.

This recognition is effective for two years.

Repeal of Country of Origin Labeling Requirements Included in Omnibus Legislation

On December 18, the U.S. Congress passed an omnibus bill that will fund federal agencies through the fall of 2016. The bill, which was promptly signed by President Barack Obama, includes a number of policy provisions, namely a repeal of country of origin labeling (COOL) requirements in the U.S.

The repeal of COOL requirements will be effective immediately, according to a [statement](#) published by U.S. Department of Agriculture (USDA) Secretary Tom Vilsack. By repealing COOL requirements, the U.S. has complied with recent World Trade Organization (WTO) rulings stating that COOL provisions in the U.S. discriminate against Canadian and Mexican products. Had COOL requirements not been repealed, the WTO was expected to formally authorize Canada and Mexico to immediately implement over U.S. \$1.2 billion in retaliatory measures against a variety of agricultural

products produced in the United States.

China Publishes Draft Implementing Regulation for New Food Safety Law

On December 9, China's Food and Drug Administration (CFDA) published the draft implementing regulation for China's new Food Safety Law, which entered into force October 1, 2015. The USDA Foreign Agricultural Service (FAS) has published a [GAIN report](#) with an unofficial translation of the implementing regulation.

China published the first draft of its Food Safety Law in October 2013, and published updated drafts in 2014 and 2015.

The implementing regulation generally defines the terms used within the Food Safety Law, and details the provisions related to monitoring and testing procedures for imported foods; violation policies for various infringements of the Food Safety Law; and the roles and responsibilities of Chinese authorities, food traders, and importers.

China Releases Draft Measures on Inspection of Imported Foods and Offshore Enterprises

On December 22, the USDA/FAS published unofficial translations of two draft measures recently released by China's Administration of Quality Supervision, Inspection, and Quarantine (AQSIQ) supporting the new China Food Safety Law. These include administrative measures on ["Port Inspection and Supervision of Imported Food"](#) and ["Review](#)

and Inspection of Offshore Enterprises by China-Bound Food Importers.”

ABC’s TRAC Committee had discussed these two measures previously, noting that the focus is largely on requirements for imported food inspection authorities at Chinese ports. However, there are several specific provisions of interest to U.S. food exporters, including on 1) how “degrees of risk and risk assessment” will be determined for imported foods; and 2) whether food safety requirements and documentation requirements for “overseas enterprises involved in food production exporting food to China” will apply to U.S. food producers.

Similar to the U.S. Food Safety Modernization Act (FSMA), the Chinese measure on “*Review and Inspection of Offshore Enterprises by China-Bound Food Importers*” includes provisions which would require “China-bound food manufacturers” to establish written food safety risk control and protection schemes, which include hazard analysis, monitoring, prevention, and control requirements to be monitored by Chinese importers for “compliance review.”

ABC will be discussing the status of these measures during upcoming meetings in China.

U.S. Trade Representative Publishes Report Assessing China’s World Trade Organization Compliance

In December 2015, the Office of the U.S. Trade Representative (USTR) published a congressionally mandated annual **report** examining China’s observance of its World Trade Organization (WTO) commitments.

Although international trade and investment with China has increased significantly in the fourteen years of its WTO membership, challenges stemming from China’s unpredictable enforcement of regulations and market intervention tendencies continue to have adverse effects on the country’s trading partners. Despite these issues, China remains a key export destination for U.S. goods and services, with U.S. agricultural exports to China exceeding \$24 billion in 2014.

The report advocates for the continued pursuit of an outcome-oriented dialogue with China. In recent meetings between the two countries, U.S. representatives identified China’s protracted biotechnology approval process and the country’s opaque policies regarding support for its agricultural sector as major concerns.

Almond Industry Submits Comments Regarding Tolerance Revocations of Chlorpyrifos

ABC, working with the Almond Hullers & Processors Association (AHPA), recently submitted comments to the Environmental Protection Agency (EPA) requesting that the Chlorpyrifos tolerance not be revoked and that additional time be provided to complete a thorough and transparent risk assessment prior to making a final decision.

The EPA request for comments is in response to the US Court of Appeals for the Ninth Circuit order for EPA to respond to an administrative Petition to revoke all tolerances for chlorpyrifos. ABC will continue to monitor EPA actions on this issue.

Pre-Export Check (PEC) Addendum Letter

The Pre-Export Check program has been a huge success since its inception in August 2015. There has

been a reoccurring minor issue regarding box I.6 Person responsible in the EU. ABC understands that this information is not always known at the time the PEC certificate is signed by the USDA.

The ABC has created the PEC Addendum letter to help resolve future customs issues with box I.6 Person responsible in the EU. The letter can be filled out by the handler, broker or trader. This letter is completed outside of the ePEC system.

PEC Addendum Letter instructions and download can be found [here](#). A conference call will also be held on Thursday, 14 January 2016, at 10:30am. For more information be contact Beth Van Meter, evanmeter@almondboard.com.

ABC to Exhibit at Gulfood in February

ABC will be present this year at the Gulfood exhibition, one of the largest food shows in the world. Gulfood takes place on February 21-25 in Dubai, UAE; ABC’s stand number is S2-F11 in the U.S. pavilion.

Upcoming Travel

- **January 15-18, 2016**
Julie Adams in Palm Beach, Florida for the Peanut and Tree Nut Processor Assn. (PTNPA) annual meeting.
- **January 11-15, 2016**
Dariela Roffe-Rachind in India for marketing planning meetings.
- **January 18-20, 2016**
Dariela Roffe-Rachind, Melissa Mautz, Becky Sereno in Seoul for Korea and China marketing planning meetings.
- **January 25-29, 2016**
Julie Adams and Becky Sereno in China for regulatory and market planning meetings.

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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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