

ABC Global Update

Overall Shipments Down

With 6 months reported, overall shipments reflect the current market uncertainties. Commercial disruption in UAE and India are reflected in the shipment numbers, and are not anticipated to smooth out in the short term. While overall shipments year to date are down 9%, the January shipments to virtually all export regions are up compared to January of last year – W. Europe is up 100%, Asia is up 5%.

	Million Lbs. Aug 2015- Jan 2016	% Change from Last Year
W. Europe	225,394,985	3%
Spain	78,717,046	24%
Germany	45,565,963	-25%
Italy	26,407,890	33%
Netherlands	18,940,306	-23%
UK	14,195,095	12%
France	10,785,639	11%
Belgium	10,218,815	1%
Central/E. Europe	7,488,200	-28%
Asia-Pacific	224,486,230	-10%
China	77,090,768	-9%
India	70,976,929	-5%
Japan	31,384,671	10%
S. Korea	17,215,647	-31%
Vietnam	11,429,359,	-37%
Middle East	49,438,118	-33%
UAE	20,472,119	-53%
Turkey	12,514,644	-31%
Total Exports	545,210,830	-9%

Trans-Pacific Partnership Agreement Signed by Ministers in New Zealand

On February 4, 2016, representatives from the twelve prospective member nations of the Trans-Pacific Partnership (TPP) met

in Auckland, New Zealand to sign the official text of the multilateral free trade agreement. The ministers published a [joint statement](#) highlighting the achievement, while also noting that their focus now shifts to domestic implementation procedures.

U.S. President Barack Obama issued a [statement](#) following the event, calling for congressional approval in 2016. U.S. Trade Representative Michael Froman, without providing a specific timeline, noted that the administration will utilize various methods to engage with Congress and build support for the agreement.

As noted previously, under TPP tariffs on almonds in Vietnam and Japan will be eliminated.

Regarding implementation processes in other countries, minister [responses](#) were varied. Australian and Mexican officials asserted that domestic ratification could take place this year, while representatives from Brunei, Canada, Chile, New Zealand, Peru, and Singapore did not provide a specific target date. Vietnamese Trade Minister Vu Huy Hoang said he expects his country will ratify the agreement within two years. Malaysian Parliament has already approved the agreement, but the country must still amend a number of laws to comply with its TPP commitments. According to media sources, Japan is aiming to submit implementing legislation during the current session of its national legislature, which ends in June. A complicating factor for Japan is that the country's economic minister and chief TPP negotiator has recently

resigned amid corruption allegations. Ultimately, as a result of the conditions of the agreement, ratification in the U.S. and Japan is essential for the agreement to enter into force.

India Requests Comments Food Import Regulations

The Food Safety and Standards Authority of India (FSSAI) is calling for comments on the recently released draft notification related to standards for food imports.

The document outlines procedures for import controls by *the food safety authorities* – this is different from the customs requirements for clearance of consignments, which has been an issue recently in India. ABC is reviewing the document for comments.

India Announces New Pesticide MRL Policy

The Food Safety and Standards Authority of India (FSSAI) recently notified the World Trade Organization (WTO) of its draft Food Safety and Standard (Contaminants, Toxin and Residues) (Amendment) Regulation.

The [amendment regulation](#) outlines a new policy for the establishment of maximum residue levels (MRLs) in India. A multi-step deferral path is defined which considers Codex MRLs and incorporates a default MRL of 0.01 parts per million (ppm).

In general, the new MRL policy is outlined as followed: first, national MRLs established under the Insecticides Act, 1968 (46 of 1968) will apply. If no national MRL is established and a Codex MRL is

available, the Codex MRL will be adopted if 1) the Codex MRL is set at the limit of quantification (LOQ), or 2) a risk assessment determines the (non-LOQ) Codex MRL to be within an acceptable range. A default MRL of 0.01 ppm will apply if the Codex MRL is not found to be within an acceptable range. If no national MRL and no Codex MRL is available, India may consider monitoring data from other sources to calculate an MRL using the OECD calculator followed by a risk assessment. If exposures are within an acceptable range, an MRL will be established; if not, or if monitoring data is not available, then the default tolerance will be applied.

USDA has asked for comments to be submitted by **February 22, 2016** for consideration in an official U.S. government submission to India on the issue.

Japan-Australia Free Trade Agreement Leads to Growth in Australian Almond Exports

One year after entry into force of the Japan-Australia Economic Partnership Agreement (JAPEPA), Australian agricultural exports to Japan are showing signs of significant growth.

According to a recent [media release](#) published by Australia's Ministry for Trade and Investment, export sales for shelled almonds have risen from \$0.4 million to \$4.1 million.

Through the agreement, Japan's tariff on sweet almonds from Australia has been eliminated. The U.S. currently faces Japan's most favored nation (MFN) tariff rate of 2.4 percent. Japan's tariffs on almonds are scheduled to be eliminated immediately upon entry into force of the Trans-Pacific Partnership (TPP).

China Publishes MRL-Setting Guidelines

The U.S. Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) recently published a [GAIN report](#) which includes a translation of China's recently released "Guide for the Establishment of Maximum Residue Levels." This Guide is the first official, publicly-available document describing the process to establish new MRLs under China's national MRL system.

The multi-step MRL-setting process defined in the document appears to be based on the U.S. and Codex systems. China will review the results of field trials to define a supervised trials median residue (STMR) and highest residue (HR), and formulate an acceptable daily intake (ADI) and/or acute reference dose (ARfD) based on toxicological evaluations. China will also consider national dietary consumption data and conduct dietary intake risk assessments to then define and propose a national Chinese MRL for "food safety."

Periodic assessments are required for the re-evaluation of Chinese MRLs: every 15 years for MRLs and every 5 years for "temporary" and "extraneous" MRLs.

Of note is that China appears to be proposing a system by which "temporary" MRLs may be established to address cases in which there is no Chinese registration for residues of products found on imported foods. While the Guide does not include information on the specific administrative methods by which registrants/shippers can apply for a temporary MRL, the development of a system for temporary MRLs is particularly noteworthy, since one of the stated reasons is to accommodate food imports in cases where no national MRL is established. In effect, it seems that "temporary" MRLs will be used as import tolerances.

In general, the new Guide seems indicative of China's larger plans to update/strengthen their existing MRL system and address MRL gaps. Further details can be found in the USDA report linked above.

U.S. Department of Agriculture Publishes Pesticide Data Program Report

On January 11, 2016, the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) published the [Pesticide Data Program \(PDP\) Annual Summary](#) for 2014. The report utilizes pesticide residue data to perform a risk assessment concerning the use of pesticides on domestically produced and imported food.

According to the report, less than one percent of samples contained pesticide residue levels exceeding the tolerances set by the U.S. Environmental Protection Agency (EPA). Approximately 75 percent of a total of 10,619 samples were produced domestically, with fresh and processed fruits and vegetables accounting for 80 percent of the samples collected.

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

- **February 11-17, 2016**
Jenny Heap and Molly Spence in Lima, Peru for Food 3000, an influential media event targeting health news journalists.
- **February 15-20, 2016**
Julie Adams and Richard Waycott in India for industry and government meetings.
- **February 21-25, 2016**
Julie Adams and Richard Waycott in Dubai for the Gulfood exhibition.

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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