

ABC Global Update

Overall Shipments Compared to Last Year Still Down

Overall shipments are down about 7% compared with the same period last year, for both domestic and export. Shipments to the European region in March were up compared with last year; however, India shipments are still lagging, likely due to the effects of the NOC situation.

	Million Lbs. Aug 2015- Mar 2016	% Change from Last Year
W. Europe	328,368,054	6%
Spain	118,611,622	23%
Germany	64,223,313	-24%
Italy	38,892,333	37%
Netherlands	29,525,270	-5%
UK	19,536,923	5%
France	16,723,781	18%
Belgium	14,425,148	9%
Central/E. Europe	10,335,450	-19%
Asia-Pacific	289,098,682	-12%
China	97,394,380	-7%
India	84,933,765	-12%
Japan	41,063,611	-3%
S. Korea	26,006,321	-26%
Vietnam	14,735,695	-31%
Middle East	84,989,967	-26%
UAE	35,355,014	-49%
Turkey	21,323,949	-12%
Total Exports	768,533,647	-7%

U.S. Trade Representative Publishes 2016 National Trade Estimate Report

On March 31, U.S. Trade Representative (USTR) Michael Froman released the 2016 National Trade Estimate Report (NTE). The annual report examines foreign barriers to U.S. exports and outlines the recent accomplishments as well as the ongoing work by USTR and

the Obama administration to reduce and eliminate these barriers.

The report addresses trade barriers and U.S. actions to remove these obstacles in over 50 countries and provides summaries of key issues relating to trade enforcement, sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT), and digital trade. The report highlights a number of key achievements, including 1) the conclusion of Trans-Pacific Partnership (TPP) negotiations; 2) the signing of an organic equivalency agreement with Switzerland; and 3) progress made toward addressing the challenges originating from China's protracted biotech approval process and limited regulatory transparency.

The report also cites the extension of the maximum residue level (MRL) for fosetylal for tree nuts by the European Commission. This will allow continued exports of U.S. tree nuts to the European Union (EU), which reached a value of nearly \$3 billion in 2015.

The full Report is available [here](#)

U.S. Department of Agriculture Examines U.S. – EU Trade

The U.S. Department of Agriculture (USDA) recently published a [report](#) assessing the challenges faced by U.S. agricultural exports to the European Union (EU).

Between 2014 and 2015, the U.S. trade deficit with the EU for farm and food products rose 15 percent to reach \$12 billion. While U.S. imports from the EU rose to a record \$25 billion, exports to the EU fell 4 percent to less than \$13 billion.

Consumer-oriented food products are the primary source of growth for U.S. exports to the EU and account for over half of U.S. agricultural exports to the region. In the past decade, U.S. tree nut exports have doubled to reach nearly \$3 billion; almond exports account for two-thirds of this figure.

The trade deficit is largely due to established preferential trade agreements between the EU and many important agricultural and food-producing countries such as South Africa, Chile, Peru, and Mexico. For example, South African farm and food exports to the EU have more than doubled since 2000 while Chilean agricultural exports have tripled.

According to the report, the Transatlantic Trade and Investment Partnership (TTIP)—which is currently being negotiated between the U.S. and EU—would improve U.S. agricultural export opportunities and benefit producers and consumers in both regions.

For almonds, it is anticipated that an agreement would include tariff reductions on almonds. Currently, the almond tariff rate is 2% (within the 90,000MT quota), 3.5% for kernels and 5.6% for inshell. Processed almond tariffs are 8-10%.

Korea Food Facility Registration Requirement Announced

On February 4, 2016, the Republic of South Korea, Ministry of Food & Drug Safety (MFDS) implemented a Special Act on Safety Management of Imported Foods. The act requires all foreign facilities to be pre-registered with MFDS prior to import. Pre-registration must be completed at least seven days prior to import declaration. Due to the short timeline, MFDS has enacted a grace period through August 3, 2016.

To complete pre-registration, MFDS requires facilities to agree to on-site inspections. This does not mean MFDS will conduct an on-site inspection for all foreign facilities. The MFDS will need compelling reasons for such inspections, such as a food safety emergency. To initiate an on-site inspection, MFDS will notify either the exporting country government or the foreign facility of the

audit plan and have a consultation prior to conducting the inspection.

Please contact Beth Van Meter for more information:
evanmeter@almondboard.com

India NOC Issue has Attention of U.S. Government

Recent defaults in India related to a requirement that a No Objection Certificate (NOC) be provided by the defaulting consignee has the attention of USDA/FAS and the U.S. Trade Representative's office. While it is understood that contracts are a commercial issue, the fact that the NOCs are required in a regulation that is not being implemented in a transparent or consistent way *does* imply a trade distorting practice.

ABC is working with industry members to provide background information on the regulation, and the impact on shipments to India. In addition, ABC is looking to gather information on other markets where NOC's may be required.

For more information or to discuss the NOC situation, please contact Julie Adams at jadams@almondboard.com

Assn. of Southeast Asian Nations Launches Risk Assessment Center for Food Safety

On March 22, the Association of Southeast Asian Nations (ASEAN) formally launched the ASEAN Risk Assessment Center for Food Safety (ARAC).

The establishment of ARAC furthers ongoing efforts by ASEAN to facilitate regional and international trade by strengthening its food safety systems. ASEAN member states include Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

Following the event, Malaysian Health Minister Datuk Seri Dr. S. Subramaniam announced that Malaysia will aim to create a common food safety certification system for ASEAN. The Minister noted that the establishment of ARAC is a key step toward this goal. He also explained that a common food safety certification system would ensure ASEAN interests

and improve economic efficiency and global competitiveness by eliminating unnecessary obstacles to trade.

According to media sources, Malaysia intends to present its proposal for the common certification system at the upcoming ASEAN Health Ministers Meeting (AHMM), which will take place in Brunei later this year.

U.S. Lawmakers Call for USDA and FDA Involvement in Review of ChemChina-Syngenta Deal

In a [letter](#) delivered to the U.S. Department of Treasury, four U.S. Senators have urged officials to conduct a comprehensive review of the recently proposed acquisition of the multinational agrochemical company Syngenta by China's National Chemical Corporation (ChemChina) due to the potential impact it may have on the security of U.S. food and agriculture sectors.

As a significant portion of Syngenta's business operations take place in the U.S., the Committee on Foreign Investment in the U.S. (CFIUS), which is chaired by the U.S. Department of Treasury, is already planning to review the deal. However, given the nature of the deal and its relevancy to the U.S. food and agricultural sectors, some U.S. lawmakers are requesting that both the USDA and Food and Drug Administration (FDA) be included in the CFIUS. When responding to a question about the deal in February, USDA Secretary Tom Vilsack expressed some trepidation, noting that China's biotechnology and related innovations occasionally appear to be based on politics rather than science.

Upcoming Travel

- **April 12-14, 2016**
Molly Spence in Montreal, Canada for the SIAL Food Industry meeting.
- **April 11 – 23, 2016**
Guangwei Huang in Hong Kong and China for China Nuts and Seeds Association meetings.
- **April 15 – 30, 2016.**
Richard Waycott and Mike Mason in China, Korea, and Japan for regulatory and industry meetings.

- **April 15-22, 2016**
Stacey Humble and Becky Sereno in Beijing and Shanghai, China for agency meetings.
- **April 19, 2016**
Julie Adams in Washington, DC for an Agricultural Trade Advisory Committee meeting.
- **April 25-30 2015**
Gabriel Ludwig in Chongquin, China for Codex Committee on Pesticide Residues.

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

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