

ABC Global Update

Another Record Breaking Month

With two months left to ship in the crop year, YTD export shipments are slightly over last year due to another month of all-time record breaking net and export shipments for May. Domestic shipments were 2nd largest for same time period.

	Million Lbs. Aug 2015- May 2016	% Change from Last Year
W. Europe	419,341,907	7%
Spain	157,055,378	23%
Germany	79,787,775	-24%
Italy	47,398,684	33%
Netherlands	39,027,638	4%
UK	26,406,036	11%
France	19,829,755	16%
Belgium	17,942,648	12%
Central/E. Europe	13,585,200	-10%
Asia-Pacific	376,425,935	-2%
China	122,990,538	8%
India	109,593,946	-3%
Japan	52,176,782	-4%
S. Korea	34,909,720	-23%
Vietnam	17,980,733	-17%
Middle East	123,297,078	-13%
UAE	49,974,012	-40%
Turkey	34,044,420	22%
Total Exports	1,009,838,763	0%

AgTC Conference – Long Beach

The AgTC Conference is coming up on June 15-17th 2016, in Long Beach, California. This year's meeting will include discussions regarding carrier and shipper challenges, SOLAS, FSMA, and the future of west coast ports. Participants will also have an opportunity to tour the nation's largest port complex by boat. Please click here to [register](#).

FSSAI and ASCI Take on Misleading Food Advertisements

The Advertising Standards Council of India (ASCI) and Food Safety & Standards Authority of India (FSSAI) plan to formally work together to address misleading advertisements in the food and beverage categories. Last year, ASCI in coordination with the Department of Consumer Affairs worked collaboratively to set up a consumer complaint website that allows consumers to place a complaint about misleading advertisements. Between January and March 2016, FSSAI and ASCI have experienced numerous complaints about misleading advertisements in the food and beverage categories.

When a complaint is placed, ASCI will provide recommendations to the advertiser to correct the content of the advertisement. If the advertiser refused to comply with an ASCI recommendation, FSSAI will then take action against the advertiser.

ASCI have not released the list of complaints for April 2016.

Safety of Life At Sea (SOLAS) Update

The International Maritime Organization (IMO) has granted a 3-month enforcement extension to the July 1st implementation date. Carriers and ports are diligently working to be sure they are in compliance with the new SOLAS rule. The U.S. Coast Guard has stated that U.S. ports are already in compliance; the public statement can be read [here](#). Ports in the southeast, U.S. will allow container weights from terminal scales to meet the new SOLAS requirement. Ports on the west coast are considering reversing the "No VGM, No Gate Entry" policy but have not formally changed their policy.

NOCs and Contract Issues Raised at INC

An "Integrity Forum" held at the July 2016 INC Congress provided an opportunity for industry members to raise concerns associated with recent contract defaults and regulatory impediments in a number of export markets. A key focus was the No Objection Certificate (NOC) situation in India. ABC staff are continuing to work closely with industry members and U.S. government authorities to address the trade aspect of the NOC requirement – contract defaults are a commercial issue but the lack of guidance on how Customs is applying the requirement creates a trade barrier.

USITC Publishes Report on Trans-Pacific Partnership (TPP)

On May 18, the U.S. International Trade Commission (USITC) **published** its report on the effects of the prospective Trans-Pacific Partnership (TPP) agreement. The model used to assess the impact of TPP assumes TPP entry into force in 2017 and relative growth figures based on changes which are expected to occur through 2032.

According to the analysis, the USITC estimates that the agreement will have a positive, but relatively small, effect on the U.S. economy. Notably, the report demonstrates that the U.S. agriculture and food sectors would benefit most from the deal, largely due to increased market access in countries where the U.S. does not currently have free trade agreements such as Japan, Vietnam, and Malaysia. As a result of TPP, it is anticipated that agriculture sector exports and imports would expand by \$7.2 billion and \$2.7 billion, respectively, by 2032. Exports of fresh fruit, vegetables, and nuts are forecast to increase by 2 percent. Overall, agricultural output would rise by \$10 billion, representing an expansion of 0.5 percent relative to the baseline projections established in the report.

The report's publication is expected to drive debate on the deal in U.S. Congress. According to media sources, on May 18, U.S. Trade Representative (USTR) Michael Froman indicated that the Obama administration has already launched an unprecedented and accelerated process with the prospective TPP members to facilitate implementation and ensure enforcement. Ambassador Froman also noted that the Obama administration plans to seek TPP approval during the lame-duck session of Congress. A number of U.S. congressional leaders have stated that the Obama administration must first address their concerns about various aspects of the agreement and provide a comprehensive implementation plan before they will consider holding a vote on TPP.

European Commission Publishes Report on TTIP Negotiations

On May 24, the European Commission published a [report](#) detailing the progress made during the thirteenth round of Transatlantic Trade and Investment Partnership (TTIP) negotiations, which took place in New York City in late April 2016.

According to the report, regulatory cooperation was a major focus of discussions, with negotiators addressing issues related to conformity assessment practices and technical barriers to trade.

However, the report indicates that significant issues remain within the portions of the text dedicated to market access. While progress was made on less controversial provisions of the agriculture chapter, both parties maintained divergent positions on other aspects of the chapter.

The negotiators reiterated their support for intersessional meetings designed to accelerate work between rounds and quicken the pace of the negotiations. The next round is tentatively scheduled to take place in Brussels during the week of July 11, 2016.

Vermont Genetic Engineering (GE) Labeling Law

In May 2014, the Vermont legislature passed Act 120, the law that requires labeling of food produced with genetic

engineering (GE) also known as genetically modified organisms (GMO). The Attorney General was tasked with developing rules to implement the law which were released in April 2015.

In the absence of a federal court ruling or congressional action, the Vermont law is set to go take effect on July 1, 2016 for products that are "distributed" after that date.

Because some foods have longer shelf-lives, the rules include a safe harbor period of six months for "improperly" labeled foods offered for retail sale in Vermont under the presumption that the food was packaged and distributed to retailers prior to the July 1 date. This means that all food produced must be properly labeled by January 1, 2017.

Because the law allows consumers to bring suits against companies failing to label foods appropriately, the Vermont legislature included language in the budget passed in May 2016 that stipulates that consumers cannot bring action against a manufacturer until July 1, 2017 unless there is evidence a manufacturer distributed a mislabeled product after July 1, 2016.

Success Stories Corner!

Following are quick updates on recent accomplishments:

AQSIQ Tour

During the week of April 25th, the ABC hosted a delegation China's AQSIQ and CIQ regulators with the objective of building confidence in almond industry practices and work toward expedited clearance of almonds through Chinese ports. AQSIQ submitted a positive report to their authorities; ABC will be following up with several ports and AQSIQ headquarters in August.

Pre - MRL Conference Tour

On May 31, 2016, the ABC hosted government regulators from the Australia Department of Agriculture, Canada Department of Agriculture, Korea Ministry of Food and Drug Safety, and the USDA Foreign Agricultural Service. The regulators were able to see orchards, processing, fumigation, warehousing, and shipping processes. The regulators confirmed they felt that they better

understood the almond industry and were impressed with the industry best practices that were being deployed.

Upcoming Travel

- **June 1-2, 2016**
Elizabeth Van Meter and Gabriele Ludwig at MRL Workshop in San Francisco (May 31 almond tour for Korean/Australian officials)
- **June 4-10, 2016**
Stacey Humble and Harbinder Maan in Tokyo, Japan for industry, stakeholder meetings and consumer research.
- **June 8-11, 2016**
Julie Adams in Brussels and Amsterdam for the European Snack Association Board meeting and regulatory meetings.
- **June 9-11, 2016**
Molly Spence in Winnipeg, Canada for the Dieticians of Canada Conference.
- **June 20-24, 2016**
Julie Adams, Richard Waycott and industry delegation in Washington, DC for meetings with regulators and Hill staff.
- **June 20-24, 2016**
Bob Curtis in Israel as part of the CDFA-led tour to examine Israeli water management practices.
- **June 25-July 2, 2016**
Swati Kalgaonkarin the Czech Republic for a Symposium on Diabetes and Nutrition.
- **June 27-July 1, 2016**
Stacey Humble and Becky Sereno in Shanghai, China for marketing agency and stakeholder meetings.

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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