

ABC Global Update

Another Record Breaking Month

Exports and net shipments have reached new record breaking totals for three months in a row.

	Lbs. Aug 2015- June 2016	% Change from Last Year
W. Europe	474,639,609	10%
Spain	181,010,369	28%
Germany	91,670,009	-19%
Italy	51,839,596	33%
Netherlands	44,169,512	8%
UK	29,746,699	10%
France	21,445,469	16%
Belgium	19,382,648	8%
Central/E. Europe	14,834,700	-12%
Asia-Pacific	419,314,369	2%
China	136,351,071	12%
India	119,389,988	-1%
Japan	58,162,833	-5%
S. Korea	41,409,894	-17%
Vietnam	20,338,040	-7%
Middle East	134,330,502	-17%
UAE	54,944,680	-41%
Turkey	36,589,413	4%
Total Exports	1,130,493,806	3%

European Union Publishes Proposed Criteria on Identifying Endocrine Disruptors

On June 15, the European Commission (EC) **published** its long-awaited proposal defining the criteria to be used in identifying endocrine disrupting (ED) substances in plant protection and biocidal products in the European Union.

The proposal seeks to amend aspects of the EU's current regulation covering the registration of pesticide products, Regulation (EC) No. 1107/2009, by incorporating criteria developed by the

World Health Organization's (WHO) International Programme for Chemical Safety (IPCS) for identifying EDs. Depending on how these criteria are ultimately applied, further restrictions could be placed on the agricultural uses and allowed residues of certain pesticide products in the European Union.

According to a [press release](#) from the EC, while the "hazard-based" approach of the EU's pesticide regulations will be maintained, the Commission is also proposing possible derogations under the legislation that would consider the latest scientific knowledge about exposure and risk.

USDA Economic Research Service Publishes Report on Outlook for US Agriculture Trade

Compared to fiscal year (FY) 2015, the value of U.S. agricultural exports is projected to fall \$15 billion to a total of \$124.5 billion in FY 2016, according to a recently published [report](#) by the U.S. Department of Agriculture's (USDA) Economic Research Service (ERS). The report cites lower commodity prices and the relatively strong U.S. dollar as primary reasons for this trend.

Agricultural imports are forecast to rise to a record level of \$114.8 billion, causing the U.S. trade surplus to fall to \$9.7 billion, the lowest amount since FY 2006.

Overall, exports of horticultural products are projected to decrease to \$33.5 billion, representing the first year-over-year decline since FY 2009. A reduction of almond shipments to the European Union (EU) and China is cited as one reason for this forecast. Whole and processed tree nut exports are forecast to fall from a value of \$8.9 billion in FY 2015 to \$8 billion in FY 2016.

Relative to other regions, U.S. agricultural exports to Southeast Asia and Africa are expected to witness the largest decline. The report projects that while Canada will remain the largest

export destination for U.S. agricultural products, export volumes to Mexico and China will be virtually tied for the position of second-largest U.S. export market. Regarding imports, Mexico is forecast to be the primary supplier of agricultural products to the U.S., with imports projected to reach a value of \$22.40 billion in FY 2016

Annual Almond Industry Visit to Washington, DC

An ABC industry delegation representing several committees (Technical & Regulatory Affairs, Almond Quality & Food Safety, Industry Services, and Production Research) and the Board of Directors joined ABC staff in Washington, DC for meetings with various government offices and industry alliances. The trip provided a chance to update key stakeholders on almond industry research, water initiatives, and new alliances. Also discussed were efforts associated with the rollout of FSMA training and market access concerns impacting export shipments.

During the week, the delegation met with the U.S. Department of Agriculture (USDA), the Environmental Protection Agency (EPA), the Department of the Interior (DOI), and the Food and Drug Administration (FDA), as well as touring the USDA/Agricultural Research Service's bee lab. ABC also hosted an educational briefing for legislative staffers about the almond industry, ABC research programs, the California Almond Sustainability Program, and the Accelerated Innovation Management Initiatives. Many of the staffers attending were from urban areas, and interested to learn more about one of California's top crops.

India Food Safety & Standards Officials Learn more about Almonds

In conjunction with USDA, the ABC will be hosting officials from the Food Safety & Standards Authority of India (FSSAI) with a visit to California and Washington, DC. FSSAI is interested in learning more about the U.S.' approach to risk assessment and risk management, as well as labeling. While in California, FSSAI officials will visit several production facilities and orchards, in order to learn more about labeling, documentation, and traceability. It is hoped that the visit will provide Indian officials with a better understanding of why adding details about importers on the packaging is unnecessary, if the information can be provided in accompanying documentation.

A seminar for industry members will be held on Tuesday morning, July 19. For more information, please contact Julie Adams (jadams@almondboard.com) or Lynn Jordan (ljordan@almondboard.com).

NOC Still a Top Priority with U.S. Government

Almond industry members and ABC staff continue to press for assistance in addressing the requirement for a No Objection Certificate (NOC) in India. Shipments to India have improved, but there is continued concern that guidance has not yet been provided on how NOC's will be applied in the future. Without this guidance, there is the risk that trade could be disrupted again if there are future contract disputes.

The U.S. Embassy in New Delhi has written to Indian officials requesting consideration of remedies that would help avoid trade disruption in the future. However, to date there has been no response from Indian authorities.

European Port Officials to Visit California

Port import authorities from several European Markets will be in California during the week of July 25-29. The delegation will be learning more about the almond Pre-Export Checks program, particularly documentation related to

testing and shipments. While in California, a handler seminar will be held on Wednesday, July 27, providing industry members with an opportunity to ask questions about inspection procedures, port operations, and rapid alerts. For more information, please contact Beth Van Meter (evmeter@almondboard.com) or Lynn Jordan (ljordan@almondboard.com)

US Senate Approves GMO Labeling Bill

This U.S. Senate approved a GMO labeling bill that preempts state labeling laws and gives food companies a choice of disclosing GMO ingredients via an on-package label, a symbol, or digital links.

The law gives USDA's Agricultural Marketing Services two years develop labeling standards. Small food companies would have an additional year to meet requirements and "very small" companies would be exempt from the disclosure requirements entirely. AMS would define the thresholds for small and very small businesses. USDA would have no authority to require recalls of products that don't comply with the labeling requirements and there would be no federal penalties for violations, although States could impose fines for violations of the standards under state consumer protection rules. Products that are certified organic by USDA could be labeled as non-GMO.

The definition of genetic engineering, or "bioengineering" would be restricted to traits developed through recombinant DNA techniques, which involve transferring a gene from one organism to another. Techniques such as RNA interference as well as gene editing would be exempt.

The Vermont labeling law went into effect July 1, but should this bill be passed by Congress and signed into law by the President, the Vermont law would not be enforced.

UK Votes to Exit the European Union (BREXIT)

On June 23, 2016, British citizens voted to leave the European Union (EU.) The EU and the United Kingdom (UK) will start the withdrawal process through Article 50 of the Lisbon Treaty. This

process could take two or more years to enter into force. The UK leaving the EU will allow the UK to establish its own list of Maximum Residue Limits (MRL). However, it is likely that any UK MRL's will be similar to the rest of the EU to prevent serious disruptions in trade.

Upcoming Travel

- **July 12-14, 2016**
Julie Adams, Becky Sereno, and Elizabeth Van Meter in Washington, DC for USAEDC attaché conference and stakeholder meetings.
- **August 1, 2016**
Julie Adams in India for meetings with agency and USDA offices.
- **August 2-5, 2016**
Julie Adams and Guangwei Huang in China for a conference and government 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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