

ABC Global Update

USDA Publishes Report on EU Tree Nut Market

The European Union (EU) is the largest export market for U.S. almonds, walnuts, and pistachios, accounting for 33 percent of overall U.S. tree nut exports in 2016. Tree nut shipments from the United States to the EU-28 reached \$2.95 billion, and almonds totaled \$1.6 billion in sales (both in-shell and shelled) in 2016.

The U.S. remains the primary supplier of tree nuts to the EU with a market share of 55 percent, followed by Turkey with a 19 percent share. Within the EU, Spain, Germany, and Italy are the leading importers of U.S. tree nuts.

Spain and Italy are the leading producers of almonds in the EU. Production in marketing year (MY) 2016/17 amounted to 59,661 metric tons (MT) in Spain, and 20,000 MT in Italy. Production in MY 2017/18 is expected to increase to 71,622 for Spain, but decrease by 40 percent to 12,000 MT in Italy due to a summer drought.

Additional information is available in the U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#).

ABC Staff Joins First USDA Trade Delegation to India

The almond industry was represented on the first USDA delegation to India, led by the newly confirmed USDA Undersecretary for Trade, Ted McKinney.

Julie Adams, ABC staff, and Alicia Rockwell, Blue Diamond Growers, participated in the 5-day ag trade

mission which included businesses, trade associations and state government leaders.

The mission to Mumbai and Delhi was an opportunity to build on relationships with existing public/private partners, as well as to expand new contacts with retailers and trade. Presentations on the food sector and policy changes in India confirmed that it is a pivotal moment to expand the market for foods such as almonds, which fit well within priorities for nutrition and healthy diets.

India Labeling Requirements *Have Not Changed*

Recently, several shippers advised that their Indian importers were requesting addition of the veg logo and other parameters to almond bulk labels. ABC staff recently met with the Indian Food Safety and Standards Authority (FSSAI). Considered a “primary food,” FSSAI confirmed that there has been no change since last year regarding labeling requirements.

ABC has developed an overview of labeling requirements which was shared with FSSAI, indicating that the FSSAI license number and veg logo *are not* a requirement. For more information, please contact ABC staff.

Changes in Tunisian Import Requirements

USDA/FAS has advised that Tunisia has just enforced a new regulation, which effectively requires providing Tunisian authorities with U.S. customs export declarations (something the U.S. does not do). USDA/FAS is trying to gather further

information, and will provide additional guidance shortly.

In the meantime, exporters who are experiencing an issue should contact ABC, so we can put you in touch with the appropriate USDA/FAS staff.

South Korea Proposes Amendments to Labelling Standards for Foods

On October 17, South Korea notified the World Trade Organization (WTO) of proposed revisions to its “Labeling Standards for Foods” (in Korean). The main proposed amendments include:

- Establishing a guidance for food allergen labelling exemptions for single-ingredient foods
- Requiring a “serving suggestion” disclaimer if any picture on the package does not exactly match the food that is in the package
- Requiring a “recommends moderate consumption of candy” disclaimer on the product label of strong acidic candies
- Requiring names and percentages of ingredients to be stated on the principal display panel if any picture on the package depicts ingredients of food, or states the name of ingredients.

The final date for comments is 60 days from the WTO notification.

South Korea Proposes Amendments to Standards and Specifications for Foods

On October 18, The Republic of Korea notified the World Trade

Organization (WTO) of proposed amendments to the “Standards and Specifications for Foods” (in Korean).

In the proposed amendment, the names of food ingredients are revised and duplicated food ingredients are combined for clarification. Additionally, the general test methods have been revised.

The proposed amendment also establishes and revises the maximum residue limits (MRLs) for pesticides in agricultural products. MRLs for 237 unregistered pesticides are indicated as provisional MRLs, and there are 78 newly revised or newly established MRLs.

The final date for comments is December 16, 2017.

NAFTA Negotiations Continue

The fourth round of negotiations of the North American Free Trade Agreement (NAFTA) took place October 11-17 in Arlington, Virginia. According to a recently published statement, all initial text proposals have been put forward, and the Chapter on Competition has been substantively completed.

However, “significant conceptual gaps” arose, referring to proposals the U.S. introduced, including:

- A non-binding state-to-state dispute settlement system which would allow countries to disregard panel decisions,
- The elimination of tariff preference levels for textiles and inclusion of new language for a short-supply list,
- The complete elimination of tariffs on all supply managed products to be phased out over 10 years, (which targets Canadian dairy, poultry, and egg products),
- Increased access to Canada’s dairy market, which calls for 10 times more access than what was agreed upon under the Trans-Pacific Partnership (TPP),
- Tightening of auto rules of origin to include a 50 percent domestic

content requirement and an increased regional value content requirement of 85 percent,

- A five-year sunset review for NAFTA, which would terminate the agreement after five years if it is not renewed.

Mexico and Canada have rejected the proposals, but have committed to continuing negotiations. The fifth round of talks will take place in Mexico City from November 17-21. Additional rounds will be scheduled through the first quarter of 2018.

More than 80 U.S. agriculture groups, including the Almond Alliance of California, sent a letter to Commerce Secretary Wilbur Ross on October 25, 2017, reiterating the need to “do no harm” to U.S. agriculture in negotiating NAFTA. You can read the letter by clicking [here](#).

EU Glyphosate Vote Pushed to November

On October 25, 2017, the European Union postponed the vote to renew glyphosate’s license for 10 years. 16 countries are in favor of the renewal. 2 countries abstained and 10 countries are opposed of the renewal.

The vote has been postponed until November 9th.

Several countries have expressed their concern about the EU not renewing the license for glyphosate to include: United States, Australia, Brazil, Canada, Chile, Argentina, and New Zealand. If glyphosate is not renewed, it could open the door for the EU to revise import tolerances.

The license to utilize glyphosate in the EU will officially expire on December 15, 2017. The ABC is closely following the developments in the EU.

U.S. Wins WTO Dolphin Tuna Case

In a WTO battle that has lasted several years, the WTO has determined that the U.S. properly came into compliance with regulations for dolphin safe tuna. Earlier this year, the WTO awarded Mexico with \$163 million in retaliatory

tariffs due to regulations around dolphin safe tuna. Had the retaliatory tariffs been upheld, almonds could have been subject to higher import tariffs. It is unknown if Mexico will appeal the WTO’s decision.

The Almond Conference

Reminder! Many of these issues will be covered during the Almond Conference, which is being held December 5-7, 2017 in Sacramento. **Be sure to register now**, the Almond Conference is expected to be the largest ever, with over 4,000 attendees and 250 exhibitors.

For hotel reservations or to register, go to www.Almondconference.com.

Upcoming Travel

- **November 5 – 9**
Bob Curtis in Australia for the VII International Symposium on Almonds and Pistachios.
- **November 6-8**
Beth Van Meter in Guanajuato, Mexico for NAFTA Technical Working Group meeting.
- **November 14-17**
Julie Adams, Beth Van Meter, Becky Jeffers in Baltimore, Maryland for USAEDC Conference.
- **November 1-17**
Gabriele Ludwig in Hamburg Germany for Waren Verein meeting.
- **November 22 – December 1**
Karen Lapsley, Harbinder Maan, and Dariela Roffe in Frankfurt, Germany for Food Ingredients Europe Trade Show.

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