

ABC Global Issues Update

Who's on 1st, What's on 2nd ...

Welcome to 2017! Whatever your view may be, this is sure to be an interesting year as we experience a new administration bringing changes in legislative priorities, working relationships, and trade agendas.

As the Trump administration staffs up, we are waiting to see who will be confirmed at USDA, FDA, EPA, USTR, etc. But while attention is focused on the "top jobs," more important for the almond industry will be those individuals who are ultimately selected for the Administrator and Under Secretary positions. These are the day-to-day contacts when it comes to establishing the working level direction and implementation. Hopefully, a number of these positions will be filled before June, when the ABC industry delegation goes to Washington. We'll keep you posted!

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India GST Discussions Continue as April 1 Deadline Nears

The January 3-4 GST Council meeting ended without consensus over major sticking points. The contentious issue of sharing administrative powers between the central government and states remains unresolved – this is largely over who will control the revenue, and the split for GST revenue from the highest tax bracket (60:40 versus the

current 50:50 sharing). Demonetization has also presented concerns, with states stressing the view that funds need to be higher to compensate the states.

The next meeting of the GST Council is scheduled for January 16, 2017 which will cover the remaining issues and try to reach a finality of the draft GST Bills. Given the little headway made during the 8th meeting of the GST Council, it is unlikely the government can meet the initial targeted April 1, 2017 deadline.

Korea Positive MRL List

South Korea began enforcing its new positive Maximum Residue Limit (MRL) list on January 1, 2017. The Almond Board is continuing to monitor the enforcement procedures, and will provide updates as needed.

If you should have any questions about this transition, please contact ABC's Beth Van Meter at evanmeter@almondboard.com.

Mineral Oils in Packaging

The ABC is continuing to follow the developing mineral oil situation in Europe. Germany has proposed draft regulations for printing inks for food contact materials. Due to other member state detailed opinions, the regulations have been at a standstill until this month.

ABC reached out to several corrugated suppliers to understand the risk the almond industry faces with regards to recycled corrugated materials. Suppliers stated they have not experienced any issues with mineral oils in recycled materials and

that most inks used in the almond industry are water-based and not oil-based.

In addition, the Almond Board tested a number of corrugated materials. The analytical result was that mineral oils in samples of corrugated materials are below the limits of detection. ABC will continue to follow this developing situation. For more information, please contact ABC's Beth Van Meter at evanmeter@almondboard.com.

India Trade Meetings and Gulfods in February

In February, ABC will be following up with food safety authorities in India, as well as discussing the progress on GST categorization. During the annual meeting with Indian trade, U.S. Embassy representatives will talk about the US-India relationship given the new administration. There will also be presentations on the effects of demonetization and recent findings related to almonds and Ayurveda.

Following the India visits, the Almond Board will be exhibiting at Gulfods in Dubai, February 26-March 2. Please contact Julie Adams at jadams@almondboard.com for more information.

Future of Shipments to Iran

On December 23, 2016, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) issued a Final Rule amending the Iranian Transactions and Sanctions Regulations, 31 C.F.R. Part 560 (ITSR) to expand the scope of permissible exports/re-exports of

medicine, medical devices and agricultural commodities to Iran.

As sanctions are lifted, industry members interested in exporting to Iran should check the Office of Foreign Assets Control (OFAC) database to ensure potential business partners and banks are not on the official sanction list. Please [click here](#) to be taken to the OFAC database.

EU Rapid Alerts Summary

It has been a little over a year since the Pre-Export Check (PEC) system was officially implemented for the almond industry. ABC is pleased to report that during calendar year 2016, the California Almond industry only experienced two Rapid Alert notifications for consignments which tested above 10 ppb total.

With that said, during the first week of 2017, U.S. almonds has already experienced **two notifications** for high aflatoxin levels in inshell almonds – one for a bulk shipment at the border and another for a roasted pack from a retail shelf.

While this is a minimal number of rejections, it comes at the same time that there are increased numbers of notifications for California pistachios and U.S. peanuts. Unfortunately, for some Member States, hearing there are rejections for U.S. “nuts” can undermine confidence in the U.S. as an origin supplier and result in additional scrutiny for *any consignment* entering the EU.

ABC staff are staying in close contact with the USDA/FAS Mission in Brussels, as well as with European Commission authorities, in an effort to demonstrate our ongoing procedures for following up on Rapid Alert notifications for almonds.

ABC urges industry members to continue to utilize PEC protocols to minimize further notifications. For more information or questions about

the PEC program, contact Sue Olsen at solsen@almondboard.com or Bryce Spycher, at bspycher@almondboard.com.

Water Legislation

President Obama signed the Water Infrastructure Improvements for the Nation Act (WIIN) last month which included funding for several programs benefiting California agriculture.

The Act includes \$335 million for proposed water storage projects such as Temperance Flat and Sites Reservoir. It also includes \$30 million for desalination projects and adds \$100 million to existing funding for water recycling, reuse, and conservation projects.

WINN also aims to address California’s ongoing drought by easing environmental restrictions that limit the amount of water that can be captured from the Bay Delta and expediting water transfers to encourage the sale of Central Valley and State Water Project water to drier regions.

In more recent news, Rep. David Valadao (R-Hanford) introduced H.R. 23, the Guiding Responsibility on Water Act (GROW Act), on the first day of the 2017 Session. The GROW Act works to make more water available to California and bordering Western states. It achieves this by codifying the Bay-Delta Accord to restore water deliveries to the Central Valley and reforming federal laws such as the Central Valley Project Improvement Act and the San Joaquin River Restoration Settlement Act. The legislation also aims to expand storage by requiring the Federal government to expedite and complete consideration of feasibility studies for water storage projects and also includes language protecting water rights.

Don't Forget! Two AgTC Shipper Workshops in February

The AgTC will be organizing its annual California regional workshops in February. The workshops provide an opportunity for candid discussions about current shipping concerns. The meetings are open to all agriculture and forest products exporters and their service providers.

Following are the confirmed dates:

- Fresno -- Wed. February 8
- Sacramento -- Thurs. February 9

Both workshops will be held from 9:30-2:30pm, and will include a Working Lunch. The cost is \$25 for members, \$125 for non-members.

[Click Here](#) to reserve your spot!

Upcoming Travel

- **February 20-24, 2017**

Julie Adams and Richard Waycott in India for meetings in Chennai and Delhi with trade and government authorities.

- **February 25-March 2, 2017**

Julie Adams, Richard Waycott, and Sudarshan Mazumdar in Dubai, UAE at the Gulfoods trade exhibition.

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

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