

# ABC Global Issues Update

## China's New Documentation Requirement Set for October 1

China's Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) has published a [draft measure](#) on a new certification requirement for imported food products.

A number of questions have been raised about this new requirement. ABC has been in contact with AQSIQ; and based on initial conversations, it does not appear that this requirement will apply to almonds. However, we are still seeking confirmation.

The draft measure would require that food products imported into China be accompanied with an official certificate affirming that the food is "fit for human consumption," and produced under the supervision of the "competent authority or the specified institutions of the exporting country." The certificate would need to be issued by a government authority, or government-authorized institution.

The proposal states that the measure will come into force on October 1, 2017, though a transition period may be granted upon application by an exporting country with consent from AQSIQ.

ABC will continue to keep almond shippers apprised of any information on this requirement as we gain a clearer understanding.

## EU Report on On-going Review of Pesticide Maximum Residue Levels

On June 12, the European Union (EU) [notified](#) the World Trade Organization

(WTO) of an update on its on-going process to review current maximum residue levels (MRLs) for pesticides, outlining how and when non-EU countries can participate, as well as providing a [list](#) of active substance's current review status.

The notification notes that non-EU countries may provide input on these reviews at two stages: 1) As the active substance begins evaluation by the Rapporteur Member State (RMS) prior to the risk assessment being carried out by the European Food Safety Authority (EFSA), and 2) during the WTO/SPS consultation period. The EU strongly recommends that interested parties provide data as early as possible, ideally to the RMS in the first stage. If non-EU countries were unable to intervene during the review process, a request for an import tolerance may be submitted to the RMS for the active substance.

Further details on the EU's review process are available in the WTO notification. Current and planned future reviews for active substances can be viewed in EFSA's [overview of the MRL review progress](#), which notes the start dates of data collection.

## Qatar Nutritional Labeling Regulations

In May, the Ministry of Public Health of Qatar published an official circular regarding nutrition labeling for prepackaged foods stating that nutritional facts will be required to appear in Arabic on product packaging.

Products being imported into Qatar without the nutritional facts in Arabic

will be rejected after June 30, 2017. Labels should have nutritional facts regarding carbohydrates, fats, proteins, fibers, vitamins, minerals, and calorie content.

A copy of the circular can be found in this USDA FAS GAIN [report](#).

## Free Trade Agreements Review

Since January 2017, there have been several discussions about the many Free Trade Agreements (FTA) in which the U.S. participates. While the U.S. has decided not to go forward with the Trans-Pacific Partnership (TPP), there is a focus on renegotiation of existing FTAs. The implications for almond exports are significant. Among the agreements up for review:

**NAFTA:** The North America Free Trade Agreement has been in place since January 1, 1989. On May 18, 2017, USTR notified the U.S. Congress that it intends to open new negotiations between the U.S., Canada, and Mexico. The Almond Board of California and the Almond Alliance of California, submitted comments due on June 27, 2017, outlining how the NAFTA agreement has been leveraged.

**KORUS:** The U.S. – Korea Free Trade Agreement came into force on March 15, 2012. Though USTR has not formally initiated new negotiations nor have they notified Congress of the intent to reopen the agreement, there have been many comments from the administration about opening KORUS for re-negotiation. While Korean authorities have not signaled a willingness to reopen the FTA, there have been discussions about "side-

line” conversations to resolve continuing challenges specifically around automobile and steel industry.

**TTIP:** The Transatlantic Trade and Investment Partnership has been on hold since late 2016. It is unclear when (or if) negotiations will start again. Among the negotiating areas of interest to almonds, were expansion of the Tariff Rate Quota (TRQ) on almond imports, as well as reductions in the tariff rate on processed almonds over a period of time upon the agreement coming into force.

### Almond Hull Update

In response to several requests, the Almond Board of California (ABC) has been working closely with USDA/APHIS, the Almond Alliance of California, and several industry members to submit the required documentation to open market access to China for almond hulls. Given food safety concerns, it has been recommended that market access focus on the pelletized and cube forms of almond hulls, which would most likely expedite the review and approval process. The ABC was advised that bulk raw hulls could take several years longer for China market access approval due to phytosanitary reasons.

Once the Chinese authorities have reviewed the documentation, the next step will be an audit visit by the Chinese authorities from the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), followed by government-to-government consultations between APHIS and AQSIQ. The ABC will continue to keep the industry up to date with new information.

If you have any questions, please contact Beth Van Meter at [evanmeter@almondboard.com](mailto:evanmeter@almondboard.com)

### Pre - Export Check (PEC) Program Suspended for Peanuts

The EU Standing Committee recently voted to remove US peanuts from the Article 23 Pre-Export Certification due to increased numbers of aflatoxin rejections over the past year. While there have been a limited number of rejections this year, the EU had already advised member states they were free to inspect a higher percentage of consignments, prior to the Standing Committee decision to suspend Pre-Export certification.

ABC has been closely monitoring this issue, particularly since the EU has also increased import controls on U.S. pistachios due to aflatoxin rejections. Last month, ABC staff met with U.S. and EU authorities in Brussels about the almond program and RASFF notifications, to ensure there are no concerns about the almond PEC program. Fortunately, EU authorities remain comfortable with the approach taken by the almond industry to manage aflatoxin in the crop.

### India GST

The GST went into effect on July 1, 2017. The rollout is anticipated to cause disruption in the trade of almonds, which ABC is continuing to monitor. In terms of the rates applied to almonds, the recent official Gazette notification still listed almonds under two different bands: 0% for “fresh” and 12% for “dried fruits”. Meantime, Cashews and raisins were moved to 5%. ABC is trying to get clarification on how “fresh” is being defined. Staff has also been in contact USTR, particularly related to concerns about the trade disadvantage that is being created.

### Glyphosate Put on Prop. 65 List

The California Office of Environmental Health Hazard Assessment announced that glyphosate (RoundUp) would be added to the Prop. 65 list of chemicals

known to cause cancer. The listing will be effective July 7. Glyphosate is a widely-used herbicide in almonds. Monsanto has taken the claim to court.

### Upcoming Travel

- **July 9-14, 2017**

Joe Butler and Sudarshan Mazumdar in Saudi Arabia for opportunity assessment.

- **July 10-14, 2017**

Emily Fleischmann and Dariela Roffe-Rackind in France/UK for consumer focus groups, research and planning meetings.

- **July 14-23, 2017**

Richard Waycott and Joe Butler in Argentina/Chile for opportunity assessment.

- **July 14-23, 2017**

Swati Kalgaonkar will be meeting with researchers in Australia and Public Relations events in India.

- **July 11-14, 2017**

Julie Adams, Becky Sereno, and Beth Van Meter in Washington, DC for USAEDC meetings.

- **July 31- August 4, 2017**

Julie Adams, Guangwei Huang and Richard Waycott in China for various government meetings and the CFNA trade conference.

#### ABC Trade/Regulatory Staff Contacts:

Julie: [jadams@almondboard.com](mailto:jadams@almondboard.com)  
 Beth: [evanmeter@almondboard.com](mailto:evanmeter@almondboard.com)  
 Gabriele: [gludwig@almondboard.com](mailto:gludwig@almondboard.com)  
 Bunnie: [bibrahim@almondboard.com](mailto:bibrahim@almondboard.com)

Document #2017GTRA0034