

ABC Global Update

Update on China's Tree Nut Market

Almond production in China is projected to reach 43,000 metric tons (MT) in marketing year (MY) 2017/18, an 8 percent increase compared to the previous year, according to a recent U.S. Department of Agriculture (USDA) Foreign Agricultural Service (FAS) [GAIN report](#) on China's tree nut production, consumption, and trade. Approximately 76,000 hectares of almonds are planted – 95 percent of which is situated in Chache county of the Xinjiang Region. Yields have been low (1.4-1.8 MT per hectare) due to a lack of proper crop management and occasional cold temperatures in spring remain a challenge to production in this region

Tree nut imports were expected to recover in MY 2016/17 due to a decline in market prices, and in MY 2017/18 that trend is expected to continue. The consumption of nuts is a traditional part of Chinese culture, and high-quality imported nuts have a strong customer base. In recent years, the combination of rising incomes and growing consumer awareness of the nutritional benefits of nuts have also helped boost demand. The U.S. remains the leading supplier of almonds to China.

Turkey Setting Maximum Limits for Contaminants in Foods

On September 27, Turkey [notified](#) the World Trade Organization (WTO) of maximum levels for certain contaminants in foods. The regulation lays down the maximum levels for certain contaminants including for mycotoxins.

The levels are in line with EU requirements: for almonds for direct human consumption, or used as food ingredient, the maximum aflatoxin B1 limit is set at 8ppb (10ppb total).

For further processing (to be subjected to sorting or other physical processing before being used for direct human consumption or used as an ingredient), the maximum B1 limit is 12ppb (15ppb total).

Comments on these maximum levels as well as for others are due by November 15, 2017.

EU Assessment of Fosetyl-AI MRL Is Progressing

The request for an EU MRL for fosetyl-AI/phosphonates in tree nuts has been under review for several months. The dossier requesting the MRL was submitted to France, which is the "rapporteur" country, responsible for the initial review.

Last week, ABC learned that France has completed its initial review, sending the dossier on to the European Food Safety Authority (EFSA) for their consideration. As submitted, the French review would support an MRL of 400-500 mg/kg for the tree nut grouping.

Until the EFSA and EU Commission complete their reviews, the temporary MRL of 75 mg/kg remains in place. Please contact Julie Adams at jadams@almondboard.com if you have any questions.

USDA Nominees Confirmed

The U.S. Senate confirmed President Trump's nominations of Stephen

Censky, the CEO of the American Soybean Association, to be the Deputy Secretary of Agriculture; and Ted McKinney, the Indiana agriculture director, to be the Undersecretary for Trade and Foreign Agricultural Affairs. This is a new position, which should give greater prominence to global trade within USDA.

Other agricultural nominations which are expected to receive Senate approval later this month are Bill Northey, the Iowa agriculture secretary, to be Undersecretary for Farm Production and Conservation; and Greg Ibach, the director of the Nebraska agriculture department, to be Undersecretary for Marketing and Regulatory Programs. Ibach's area oversees the Ag Marketing Service (AMS).

Electronic Certificate of Inspection Required for EU Organics Trade

The European Union (EU) has implemented a new system of electronic Certificates of Inspection for imports of organic products in the EU. The electronic certificates replace the paper-based certificates of inspection. The electronic certificates have been accessible through the EU's Trade Control & Expert System (TRACES) since April 19, 2017. During a transitional period until October 19, 2017 both the paper and the electronic certificate are valid. However, as of October 19, 2017 only the certificates initiated via the electronic system will be valid. The TRACES system can be accessed [here](#).

The TRACES internet database system has also been required for

imports of animal and animal-origin commodities. As new import controls regulations are rolled out, it is anticipated that the EU will extend the TRACES system to include imports of non-animal origin products. Acceptance of electronic signatures and documentation has been an area of interest for a number of plant-products. ABC is following the discussions, and will be reporting developments as they emerge.

EU Authorities Keep an Eye on the 5 Rapid Alerts for Almonds in 2017

Since the start of 2017, there have been five Rapid Alerts due to consignments with aflatoxin higher than the allowable EU tolerance. Of the five consignments, only one has had a Pre-Export Check certificate. One of the rejections was pulled from a retail shelf, not an import control. The other 3 notifications were for lower grade consignments without an aflatoxin certificate – and would likely not qualify for the PEC program.

During recent visits to Directorate F (previously the Food and Veterinary Office) of the European Commission, the Ministry of Health in Spain, and the Food Standards Agency in the UK, the ABC learned that the agencies were aware of the number of notifications and were closely following all Rapid Alerts reported on almonds in 2017.

While there is confidence in the PEC system, the authorities stressed the importance of exporters using the PEC program. Authorities stated that if an increase in rejections from non-PEC consignments continued, they may have to increase controls for non-PEC consignments entering the EU.

There have also been concerns raised by several European importers about lower grade product entering the EU, and undermining the confidence in the PEC system. ABC is preparing information for industry members, reminding almond exporters that **lower grade product does not qualify for the Pre-Export**

Check program which is limited to Ready-to-Eat (RTE) product.

Annual United Fresh Washington Conference

The United Fresh Produce Association held its annual Washington Conference September 18-20. Speakers included Sen. Jeff Flake (R-AZ), Rep. Sanford Bishop (D-GA), Rep. Bob Goodlatte (R-VA), and iconic journalist Bob Woodward of *The Washington Post*. Immigration was a hot topic as Sen. Flake spoke about the need for immigration reform including an improved guestworker program. Rep. Goodlatte spoke about the guestworker legislation he was preparing to introduce.

Support for moving forward with NAFTA was also a topic of discussion. Mr. Woodward told the audience that this is a pivotal time for our country and that the Trump Administration is a pivot point in history. He cited concerns with the current tone of media and said that media must get its credibility back with the American public.

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

- **October 3 - 11**
Richard Waycott in London and Germany for meetings with stakeholders and FAS, and to attend ANUGA.
- **October 12 - 20**
Swati Kalgaonkar in Buenos Aires, Argentina for the IUNS 21st International Congress of Nutrition.

- **October 16 - 19**
Gabriele Ludwig in Brussels to present at the European Crop Protection Association and in Germany for trade/sustainability meetings.
- **October 16 - 19**
Julie Adams in Spain to present at the European Snacks Association's nut production course and in Brussels for trade meetings.
- **October 21 - 29**
Richard Waycott in China for a trade conference and meetings with stakeholders.
- **October 22 - 27**
Emily Fleischmann and Molly Spence in Mexico City for marketing meetings and consumer focus groups.
- **October 23 - 29**
Karen Lapsley in London for the FARE Allergy meeting.
- **October 30 - November 3**
Julie Adams in India as part of a USDA-led delegation and for government/trade meetings.
- **November 5 – 9**
Bob Curtis in Australia for the VII International Symposium on Almonds and Pistachios.

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