

ABC Global Update

EU Releases Priority Pest List

In October, the European Food Safety Authority (EFSA) released a list of the 20 plant pests of highest concern in the European Union, based on an assessment of the potential damage and economic costs associated with the pests.

The list includes *Bactrocera dorsalis* (Oriental fruit fly) and *Xylella fastidiosa*.

Members of the EU will now be required to draw up an annual contingency plan for controlling the spread of these pests and assess the ongoing threat posed by each of them.

The priority pest list will apply as of December 14, 2019.

Mexican Senate Passes Food Labeling Law

On October 23, the Mexican Senate passed the proposed food labeling law that had previously been approved unanimously by the Chamber of Deputies. This law will require food manufacturers to use stop sign-type warning symbols on packaged food that contains excessive levels of fat, sodium, sugar, or calories. [*BCI Monitor*: 09-27-2019]

The Mexican Ministry of the Economy then notified the WTO of the final version of the draft legislation.

Mexican President Andres Manuel Lopez Obrador said he will sign the bill. Once this happens, the government will establish an implementation timeline.

The final version of the legislation shows that single-ingredient products and small products without room for

nutrition information will be exempted (Section 4.5.2). It also contains examples of the exact warning symbols that will be required (Section 4.5.3.4).

Comments on the legislation due by December 10 to

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U.S. - China: Is a Phase One Agreement Happening?

Hopefully! Reports of a “phase one” agreement have been covered in the U.S. and China media, but details are still in short supply. China has indicated that the tariffs that will be eliminated will depend on what else is included in the pact, which would indicate that all specifics have not yet been finalized.

The U.S. delayed an increase of tariffs that were scheduled to kick in on October 15. Additional tariffs scheduled for implementation on December 15 on Chinese and U.S. goods (including roasted almonds) are expected to be delayed as well. But until something is written down, it is hard to be assured that a deal is done.... ABC is continuing to work closely with Chinese trade partners to monitor the developments.

Aflatoxin Rejections in the EU on the Decline in 2019

As of November 4, **11** aflatoxin rejections for U.S. almonds in the European Union have been registered. This is a 63% percent drop from the same period last year (30). The improved crop quality in

2019 with less insect damage is certainly driving the favorable results; it has also provided the basis for the EU to return to a <1% rate of inspection.

“We have dedicated a significant amount of time and energy in educating EU Health officials as to the improved crop quality and the control measures in place as part of our successful Pre-Export Check (PEC) Program. This effort has paid off with almonds back to the less than 1% inspection regime in the EU,” noted GTRA Vice President Julie Adams. “The challenge in the weeks to come will be to make sure that ports throughout the EU are following the regulation which specifically states the level of import control to be less than 1% frequency,” added Adams.

Recently, exporters have raised concerns that the port of Barcelona is, in fact, carrying out a higher frequency of inspection. It also appears Spain is continuing to apply their “internal alert” system, increasing their controls of shippers which have had a rejection. **This is not an EU policy – it is specifically a Spanish policy.** ABC staff are continuing to work with USDA/FAS staff in Madrid to resolve the situation.

For more information on the current situation, please contact Geoff Bogart at gbogart@almondboard.com

EFSA Public Opinion Takes Conservative View of Aflatoxin

The European Food Safety Authority (EFSA) has launched a public consultation on its draft scientific opinion on the risks to public health related to the presence of aflatoxins in food.

In the opinion, EFSA takes a very conservative view regarding the human health risks related to dietary exposure to aflatoxins. Most of the study's findings draw heavily from a 1974 Wogan rat study and not from prior international risk assessments (which utilize epidemiological studies) that have been the basis for current global aflatoxin limits.

Industry members have expressed concern that EFSA's conclusion that it is "not appropriate to establish a tolerable daily intake" will make it harder to discuss standards. This is particularly relevant to current discussions underway in Codex, to establish an aflatoxin limit for ready-to-eat peanuts.

ABC is working with European trade associations to provide comments, which are due November 15, 2019.

ITC Investigation on Global Economic Impact of Pesticide MRLs

On October 29, the U.S. International Trade Commission (ITC) held a public hearing for its investigation on the impact of missing/low pesticide maximum residue levels. Many of the speakers highlighted the importance of Codex standards and the restrictions caused by the EU's hazard-based approach, which is impacting production, farmers, and food security.

Industry groups and a number of country government representatives commented during the hearing, covering issues related to different approval systems, who bears the risk, impacts on producing countries, etc.

ITC is requesting written comments, which will be transmitted to the U.S. Trade Representative's office in two volumes:

Volume one will focus on an overview of the role of plant protection products and MRLs in global production/trade, how MRLs are established, and challenges/concerns faced by exporting countries.

- Comments must be submitted by December 13, 2019. The report will be transmitted to USTR on April 30, 2020.

Volume two will focus on the costs/effects of MRL compliance on planting decisions (including the effects on specialty crops), production effects, etc.

- Comments must be submitted by June 5, 2020. The report will be transmitted to USTR on October 31, 2020.

Almond Conference Sessions to Deal with Trade, Rejections

The December 2019 Almond Conference is almost here! We look forward to seeing you at CalExpo in Sacramento, December 10-12.

Two sessions dealing with the global trade environment are scheduled for **Tuesday morning, December 10:**

How to Deal with Rejection (8:00-9:00am) Rejected consignments typically are returned to the U.S. or can be reprocessed in certain markets. But either option is not straightforward.... A panel including European trade and ABC staff will address the current options and provide an update on efforts to clarify/streamline the options.

Tariffs & Trade: Chaos Theory on a Global Level! (9:15-10:00am) The global trading environment has never been simple, but China has been a particularly challenging situation. Speakers, including ABC's Beijing government affairs agency and the USDA trade advisor, will comment on the current environment in China and the U.S., with an opportunity for questions related to other trade issues.

Upcoming Travel

- **November 7-18, 2019**
Guangwei Huang in China for Beijing Union University Conference and CIFST Food Summit in Wuhan.
- **November 8-12, 2019**
Swati Kalgaonkar in Queretaro, Mexico for México Cardiology Congress.
- **November 17-20, 2019**
Harbinder Maan in London, England to speak at the U.S. Nuts & Dried Fruit Conference hosted by TNA and NDFTA at the U.S. Embassy.
- **November 18-21, 2019**
Julie Adams, Rahima Kunari, and Geoffrey Bogart in Baltimore, MD for USAEDC Workshops.

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REMINDER: ABC Offices Closed for Thanksgiving

The Almond Board offices will be closed for Thanksgiving on Thursday, and Friday, November 28-29.

The office will reopen Monday morning, December 2.



Document #2019GTRA0037