

ABC Global Update

EU to Require Phytosanitary Certificates for all Plant Products, Including Almonds

In February 2017, ABC issued a Memo to Handlers which had cited a USDA Gain Report (confirmed with USDA/APHIS) reporting that phytosanitary certificates for almonds were not required for shipments to the EU.

NEW LEGISLATION coming into effect December 14 2019, requires that **all plants** be accompanied by a **phytosanitary certificate** to enter into the EU, unless they are listed in [Commission Implementing Regulation \(EU\) 2018/2019](#) as exempted from this general requirement. Currently, the list of plants exempted from the obligation to carry a phytosanitary certificate includes the following: pineapples, coconuts, durians, bananas and dates. **Almonds will therefore be required to have a phyto with the consignment.**

These rules are part of the EU Plant Health Regime, which has been in place since 1977 and was fully reviewed by the European Commission in May 2013. According to the EU, the new rules are designed to modernize the plant health regime, enhancing more effective measures for the protection of the Union's territory and its plants.

APHIS is encouraging exporters to begin the practice now of acquiring the Phyto certificates for almond shipments to avoid any possible issues in December.

Phytosanitary Certificates are provided by the U.S. Department of Agriculture Animal and Plant Health Inspection Service and issued by your

local County Agricultural Commission, export certification department. There are fees for the inspection and the certificate.

For information on the new regulations: https://ec.europa.eu/food/plant/plant_health_biosecurity/legislation/new_eu_rules_en For information on the certificates visit the website of your local County Agricultural Commission office. For general questions: gbogart@almondboard.com

EU Update: EU Returns PEC Sampling Frequency to <1%

Due to higher rejections in 2017-18, the sampling frequency of <1% for California almonds shipped to Europe under the PEC program was temporarily not applicable.

ABC staff engaged with EU Member States and Commission officials, to demonstrate efforts by the industry to improve the situation. With the decline in rejections, the Commission determined that there was **no longer a need for increased vigilance.**

In late September, EU Commission Services confirmed in a note issued to Competent Authorities through the RASFF system (RASFF news 2019.3432) that the frequency of controls for U.S. almonds under Regulation (EU) 2015/949 are again applicable. *Under the regulation, Annex 1 specifically states the level of import control to be < 1%.*

ABC staff are meeting with various Member States and ports to monitor the level of import controls. Please let Geoffrey Bogart at ABC know if you are noting higher levels of inspection (gbogart@almondboard.com).

Trump, Abe Sign Limited U.S.-Japan Trade Agreement

While attending the United Nations General Assembly meeting, President Trump and Japanese Prime Minister Shinzo Abe announced the signing of a limited U.S.-Japan trade deal that covers agriculture and digital trade. Trump and Abe described the deal as the “first stage” of a future, more comprehensive free trade agreement.

According to the **USTR summary** of the agreement, Japan will eliminate or reduce tariffs on \$7.2 billion in U.S. products. The U.S. will provide tariff elimination or reduction of Japanese ag imports valued at \$40 million, as well as modify its global WTO tariff rate quota (TRQ), enabling Japanese beef producers to compete for a larger share of the global TRQ.

For California almonds, Japanese tariffs, currently at 2.4%, **will be eliminated immediately once the agreement is ratified.**

While no implementation date has been given, the agreement does not require U.S. Congressional approval, but it must be ratified by the Japanese legislature.

U.S. Challenges Indian Tariffs at WTO

The U.S. has challenged the tariffs on U.S. products (including almonds) that were imposed by India in retaliation for U.S. duties on steel and aluminum. Currently, China, EU, India, Turkey and Russia all have retaliatory tariffs in place.

The request to establish the complaint panel was blocked by India, but the request can be renewed at the next WTO dispute settlement body

meeting on October 28 (India cannot block a second time).

India, like the EU and some other WTO members, argues the U.S.' steel and aluminum tariffs are an import "safeguard" measure. Therefore, countries can retaliate immediately instead of waiting for the WTO to rule on their legality.

The Trump administration rejects that argument, saying the steel and aluminum duties were imposed to protect U.S. national security, a practice that is allowed under WTO rules.

USITC Launches Study of MRL Trade Impacts

The U.S. International Trade Commission (USITC) is launching **an investigation** on the impact of plant protection product maximum residue level (MRL) policy on U.S. agricultural exports and global agricultural trade. The investigation was requested by the U.S. Trade Representative on August 30.

The ITC will report on international and national approaches to setting MRL policies, MRL-related challenges for exporting countries, and the economic and production impacts of international MRL policies on U.S. and global agriculture. The report will be released in two volumes, on April 30 and November 2, 2020.

A hearing on the investigation will be held on October 29, 2019.

ABC will be preparing a written submission regarding the impact of global MRL policies. Comments are due by December 13 for the first report and June 5, 2020 for the second report.

Mexico Considering Nutrition Labeling Law

The Mexican Chamber of Deputies, the lower house of the Mexican government, has approved a bill to revise front-of-package labeling

requirements for food. The bill is currently being debated by the Mexican Senate.

A USDA report on the system reported that:

- The proposed law would require stop sign symbols on the front of packaging for foods high in added sugars, saturated fats, sodium, or calories.
- Mandatory stop sign designs and the limits for sugar, fat, sodium, and calories were based on the Chilean food labeling system.

Food labeling has become a pressing political issue in Mexico, as it has among the highest rates of obesity and diabetes in the world.

The proposal has been endorsed by the Health Commission of the Chamber of Deputies as well as consumer groups, while the Mexican processed food industry generally opposes it.

West Coast Ports Report Decline in Shipments to China

The six largest Western ports (Long Beach, Los Angeles, Oakland, Portland, Seattle, and Tacoma) have **published a letter** to President Trump expressing concern about the negative impact of Chinese tariffs on U.S. exports.

The letter reports that exports to China through California ports declined by 30% in 2018.

Shipments of wheat, grain, and soybeans from west coast ports to China have almost completely stopped, while exports of most other agricultural products have been significantly reduced.

The letter highlights the danger of Chinese importers switching to competing suppliers, which could be difficult to reverse.

Ag Transportation Coalition Holds Workshop at the Port of Oakland

On October 3, the Ag Transportation Coalition hosted a workshop at the Port of Oakland to bring shippers up to date on the latest issues affecting ag imports/exports at the Port.

Front and center was the discussion of the proposed future development at the Howard Main Terminal, which includes the proposed baseball park for the Oakland A's. The ballpark project, still potentially several years from realization has generated concerns among port customers as to the congestion and reduced access to the port that will result.

There was also a review of the new International Maritime Organization's (IMO) new low sulfur fuel mandate that requires that as of January 1, 2020 carriers use **low sulfur fuel**, or install scrubbers if they wish to burn high-sulfur fuels. The additional fuel costs to shipping lines will lead to surcharges/increased freight costs for importers and exporters. For more information on the IMO: <http://www.imo.org/en/MediaCentre/HotTopics/Pages/Sulphur-2020.aspx>

Upcoming Travel

- **October 12-19, 2019**
Richard Waycott in Vietnam as part of a USDA/FAS Trade Mission.
- **October 14-18, 2019**
Julie Adams in Barcelona, Spain for ESA Production Course and nut working group meetings.

Staff Contacts:
Julie: jadams@almondboard.com
Gabriele: gludwig@almondboard.com
Geoffrey: gbogart@almondboard.com
Jesse: jroseman@almondboard.com
Bunnie: bibrahim@almondboard.com

Document #2019GTRA0034