



# ABC GLOBAL UPDATE

July 2020

## USMCA Finally Enters into Force

The U.S.-Mexico-Canada Agreement (USMCA) entered into force on July 1<sup>st</sup>, replacing the North American Free Trade Agreement (NAFTA).

U.S. Customs and Border Protection has created a [website](#) to provide guidance regarding compliance with the new agreement.

The USMCA secures continued access for U.S. agricultural exports to Canada and Mexico, which totaled a combined \$40 billion in 2018. A USDA [announcement](#) outlines USMCA benefits.

## USDA Clarifies USMCA Certificate of Origin Requirements

The USDA recently published a [report](#) clarifying new certificate of origin requirements under USMCA.

Under the new agreement, NAFTA Form 434 will become invalid and there will no longer be an official government certificate of origin form.

USMCA [Chapter 5](#) details the requirements for preferential treatment; certification must comply with nine minimum aspects as specified in USMCA Chapter 5 Annex 5-A.

## China Implements Coronavirus Inspection of Food Imports

China increased testing of imported food for coronavirus following a spike in COVID-19 cases in the country, particularly around Beijing.

A June 22<sup>nd</sup> statement by the China Food and Drug Administration (CFDA), indicated that China's General Administration of Customs (GACC) has written to 42 countries urging them to guarantee food safety by following the guidelines of the

United Nations Food and Agriculture Organization (FAO) and the World Health Organization (WHO). Some Chinese importers have begun asking exporters for a document that references the FAO and WHO guidelines and attests to the safety of the consignment.

The translation of the CFDA announcement suggests that special attention is being placed on unspecified "high-risk regions" exporting seafood, meat, frozen vegetables, and other low-temperature transportation consignments.

USDA and FDA issued a joint statement questioning the need for the certification, given the fact that *"there is no evidence that people can contract COVID-19 from food or food packaging."* At this point, USDA has not provided any guidance to industries who receive these requests.

Some almond industry members have confirmed receiving these requests, and have provided a statement confirming the food safety practices employed by the industry. It is unclear if testing is being uniformly applied, or how noncompliance with the new attestation request is being addressed.

There have been no reports of detained almond consignments; if you have further information or are experiencing any issues related to this statement, please contact Julie at [jadams@almondboard.com](mailto:jadams@almondboard.com).

## India FSSAI Questions Country of Origin Certificates

Several shippers have reported this week that India's FSSAI has questioned Certificates of Origin

(COO). Normally, the COO is issued on the handler's letterhead; most are then signed/stamped by the local Chamber of Commerce.

ABC is working with our India government affairs partners and USDA/FAS in Delhi to clarify the situation. Under India's Customs Manual 2018, there are requirements for physical copy of a COO to clear imported consignments. The Manual on Food Import 2019 also specifies this requirement, *but does not specify who is the issuing party*.

USDA/FAS has confirmed that FSSAI just recently started raising concerns over COOs for a range of U.S. food and ag exports, pointing out that each has a different format, attestation, etc.

We are continuing to work with USDA/FAS and other country partners; if you are having similar issues or if any consignments are being detained, please advise Julie at [jadams@almondboard.com](mailto:jadams@almondboard.com).

## U.S. Trade Negotiations: What's Next?

China Phase 1, Japan Phase 1 and USMCA have received considerable attention recently. *What's next?*

The U.S. Trade Representative (USTR) has announced efforts around a U.S.-Kenya agreement; there are also ongoing consultations regarding a U.S.-UK agreement. At this point, it is unclear when U.S. negotiators will turn their attention again to Japan Phase 2 – which will be an important opportunity to address ongoing aflatoxin concerns. A U.S.-EU agreement also seems to be on hold – discussions here will be extremely important, given the EU's hazard-based approach to pesticides which continue to put pressure on

producing countries. And then there is China Phase 2.....

### Consignments Rejected for Aflatoxin in Spain no Longer Allowed Return to the U.S.

The Spanish ministry of health has confirmed that their interpretation of import regulations revised in December 2019 **preclude allowing a rejected consignment to be returned to the U.S.** Rejected consignments must either be reprocessed in the EU or destroyed.

ABC has reviewed this problematic issue with USDA/FAS in Madrid and Brussels. Concerns have been communicated to EU officials; FRUCOM and key Spanish buyers have also been made aware of this interpretation by Spanish authorities.

Evidently Spain is not the only country in the EU that has taken this stance, thus a concerted approach is required, particularly given the limited reprocessing options available in Europe.

Handlers and traders shipping to Spain are encouraged to speak with their customers in Spain about this interpretation, and potential problem if there is a rejection. For information on the current regulatory environment in Spain, please contact Geoffrey at: [gbogart@almondboard.com](mailto:gbogart@almondboard.com).

### COVID-19 Impacts: ABC Overseas Travel on Hold. But Business Goes On!

The fallout from COVID-19 has put a hold on all ABC international travel for the foreseeable future. Trade shows, trade missions, educational workshops, outreach meetings to foreign regulatory bodies and meetings with ABC overseas offices have been cancelled or postponed. Moreover, given the major increase in infections in the US, the United States was not included on the list of 15 countries allowed non-essential travel to the EU starting July 1.

Thus, virtual meetings and conferences have become the “new normal.” As an example, GTRA had planned to hold USDA-funded PEC

workshops for port officials in Spain and Italy, and these will now be held virtually. While virtual cannot replace the benefits of face to face, our original plan was to conduct in-country workshops in the ports of Valencia, Barcelona and Naples. Now, with virtual workshops, we can broaden the audience to invite multiple ports and national officials.

ABC is continuing to explore how virtual briefings and trainings can be leveraged. As an example, a virtual workshop organized through FRUCOM allowed Dr. Tom Whitaker to discuss variability associated with sampling with an audience that included European Commission and Member State officials.

So, until conditions allow getting on a plane, ABC will continue to use all tools available to help almond exports reach global markets.

Business goes on!

### Taiwan Labeling Requirement for Additional Food Allergens Enters into Force

In 2018, Taiwan announced an expanded list of food allergens which would be subject to labeling requirements for packaged food as of July 1, 2020.

The additional allergens that now require labeling are: nuts, sesame, cereals containing gluten, soybeans, fish, and sulphites.

The presence of allergens must be clearly indicated on the package label as part of the phrase “This product contains xx” or other similar phrase.

### Coronavirus Food Assistance Program Updates

In April of this year, USDA announced the Coronavirus Food Assistance Program (CFAP) to assist agricultural producers who have suffered losses due to COVID-19. Almonds were included as one of the specialty crops covered under the program.

The Farm Services Agency (FSA) began accepting applications for the program on May 26, 2020 and will continue to accept them through August 28, 2020. ABC, partnering

with the Almond Alliance of California, has sponsored two webinars for growers along with FSA. **A final webinar will be held on July 30 at 3:00** and ABC encourages handlers to make their growers aware of the CFAP program opportunities.

A mailer will go out to growers with the webinar information. Previous webinars (6/11 and 6/22) can be found at <https://youtu.be/gXN1A1gJifQ> and <https://youtu.be/L4WqIKN5qik>.

Please contact Bunnie at [bibrahim@almondboard.com](mailto:bibrahim@almondboard.com) with any questions you may have regarding the program or webinars.

### ABC Website Relaunch Underway!

ABC is in the process of relaunching its website. For GTRA, we are looking at opportunities to include more statistics, tariff information, market profiles, etc. We welcome your input and suggestions for what we can include that will support your activities!

### Upcoming Travel and Events

The return to “normal” continues to be a slow process.... Most ABC staff continue to work from home, with only a few individuals physically in the office. Meetings continue to be virtual, and non-ABC staff are not allowed in the office at this time.

Since international travel is not possible, we continue to leverage our industry association partners and stakeholders in other markets to maintain our trade relationships and ensure there is limited impact on engagement efforts.

Don't hesitate to reach out if you need assistance with anything – or if you just want to hear a friendly voice!

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Document #2020GTRA0014