



ABC GLOBAL UPDATE

December 2020

2020 Virtual Almond Conference a Success!

Many thanks to all who participated in the 2020 Almond Conference – over 3,200 attendees heard 81 speakers covering a variety of topics and issues. All presentations will be posted to the ABC website; final presentation recordings will be posted to the YouTube channel at <https://www.youtube.com/c/Almonds/videos>.

New Labeling Requirements in Mexico Creating Bottlenecks at the Border

In October 2020, Mexico's new labeling requirements went into effect that require front of the pack labeling and other designations for consumer-ready pre-packaged food and non-alcoholic beverages. (NOM-0541). The purpose of the change was to provide the consumer with clear indications of the nutritional breakdown of the package content. Commodities sold in bulk and are not consumer-direct were not included in these new requirements.

Unfortunately, Mexican regulatory officials at the ports of entry often do not make the distinction between bulk and consumer-direct products, holding up all food items for increased inspection and labeling issues. Almonds shipped in bulk are often caught in the crosshairs, and traders and Mexican importers report to the ABC that these inspection measures lead to excessive importation delays and costs. Customs brokers need to be prepared to help clarify issues for import permission. In late October, in response to industry concerns, Mexico's Secretary of the Economy

issued a clarification on the bulk vs consumer-ready distinction

The USDA Foreign Agriculture Service (FAS) in Mexico City has been working this issue with importers and U.S. exporters as many commodities have been impacted. Staff have insights and best practices as to how some companies have addressed this issue. The USDA/FAS also issued a GAIN report which provides a summary in English of the Secretary of the Economy's report: [https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Mexico%20Releases%20Clarifications%20to%20NOM-051%20Labeling%20Requirements%20Mexico%20City%20ATO Mexico 10-28-2020](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Mexico%20Releases%20Clarifications%20to%20NOM-051%20Labeling%20Requirements%20Mexico%20City%20ATO%20Mexico%2010-28-2020)

For more information, please contact: Fablola.Cortez@fas.usda.gov.

India COO Clarification Provided by USDA/FAS in Delhi

After multiple meetings with the Food Safety & Standards Authority of India (FSSAI), the USDA/FAS Delhi office has been able to clarify requirements for Certificates of Origin.

FSSAI **has not prescribed a format for COOs**, nor has it advised that only a COO from the American World Trade Chamber of Commerce (AWTCC) is acceptable. They will accept COOs from local Chambers of Commerce, **but** the certificate should be on their letterhead, with an original signature and seal/stamp – it should also include an identification or certificate number that can be used to verify the certificate if a question arises.

USDA/FAS has provided a letter outlining this guidance to ABC; we will be disseminating it this week to

handlers. FSSAI assured USDA/FAS that *no shipments should be delayed* due to the COO format issues. If you are having problems, please advise USDA/FAS in Delhi immediately.

New Ag Leadership in DC

The Biden Administration has selected Tom Vilsack as the next USDA Secretary. Vilsack served as ag secretary for the entire eight years of the Obama Administration. Vilsack has been a top rural and agriculture policy adviser for the Biden presidential campaign, and it is believed his previous experience running the department was instrumental in his selection as the president-elect wanted someone who could immediately tackle the hunger and farm crises that have been exacerbated by the pandemic.

On the legislative side, there are new leaders in both the House and Senate Agriculture Committees. Rep. Austin Scott of Georgia will be the new Chair of the House Ag Committee replacing Collin Peterson who was defeated in the November election. Rep. Glenn Thompson of Pennsylvania will be Ranking Member replacing Rep. Michael Conaway who is retiring.

Depending on the outcome of the Georgia Senate runoff elections on January 5 which will determine which party controls the senate, the Chair of the Senate ag committee will be either republican Senator John Boozman of Arkansas or democrat Senator Debbie Stabenow of Minnesota.

Biden names new U.S. Trade Representative

President-elect Joe Biden nominated Katherine Tai as the next U.S. Trade Representative. Tai is currently the trade lawyer for the House Ways and

Means Committee and has strong support among trade leaders in Congress.

Lawmakers in both chambers were impressed by Tai's handling of the negotiations in Congress with the Trump administration over changes sought to the U.S.-Mexico-Canada deal that replaced NAFTA. Additionally, a nominee with Hill experience would be helpful given that a major trade bill, Trade Promotion Authority, will expire next summer, setting up a possible legislative fight. Her fluency in Chinese is also anticipated to help as the U.S.-China relationship continues to be a priority.

Big Changes to Tariffs? Maybe Not...

President-elect Joe Biden says he wants to review President Donald Trump's phase one trade deal with China before making any decision on removing the tariffs that Trump imposed on more than \$350 billion worth of Chinese goods.

"I'm not going to make any immediate moves, and the same applies to the tariffs," he said. The President-elect wants to keep all options available.

Biden says he first wants to conduct a full review of the existing agreement with China and consult with traditional allies in Asia and Europe to develop a coherent strategy.

Ag Export Delays Mounting

COVID-19 has had a major impact on the global supply chain. As ocean carriers focus on shipping empty containers to Asia to meet growing import needs, ag shippers are feeling the pinch.

Rolled shipments, sudden changes in Earliest Return Dates (ERD's), and a host of other problems are leading to costly delays for ag shippers. Almond exporters shipping from California ports must scramble to find containers and space on departing vessels. In some cases, ag exporters are diverting their shipments to other US ports less impacted by the delays.

The Ag Transportation Coalition (AgTC) has taken industry concerns

to the Federal Maritime Commission and other officials. The ABC has sent a survey to almond exporters to assess the impacts of these delays and will be reporting results in December.

India Draft Requirements for Overseas Food Manufacturing Facilities

The Food Safety and Standards Authority of India (FSSAI) recently published a draft amendment to the Food Safety and Standards (Import) Regulations, 2017.

The amendment will add a new chapter to the import regulations entitled *Registration and inspection of Foreign Food manufacturing facilities*.

FSSAI may require inspection or audit of foreign food manufacturing facilities depending on the risk level associated with the food manufactured.

The regulations will enter into force on either January 1 or July 1, subject to a minimum of 180 days from their final publication in the official Gazette.

The draft was notified to the WTO on November 25. ABC is reviewing the requirements with technical staff in India in order to submit comments. Comments are due by January 25, 2021 and can be sent by e-mail to regulation@fssai.gov.in.

Vietnam Considering COVID-19 Testing for Imported Foods

According to a notice published by the Australian government, Vietnam's Ministry of Health (MoH) has internally released a directive instructing Vietnamese agencies to implement control measures for cold chain foods imported from countries affected by COVID-19. The directive reportedly includes carrying out sample testing on packaging.

The U.S. Foreign Agricultural Service (FAS) is aware of the issue and is seeking clarification. The Food and Agricultural Organization (FAO) and World Health Organization (WHO) have stated there is, "no evidence to date of viruses that cause respiratory illnesses being transmitted via food or

food packaging." The U.S. has raised a Specific Trade Concern in the WTO over similar COVID-19 packaging testing of imported foods by China, reiterating the trade restrictions are unjustified.

While the focus is on cold chain food items, ABC will continue to monitor the unfolding situation in Vietnam in the event the focus is broadened to other food products.

Go, No Go Gulfood?

Organizers of the February Gulfood trade exposition are still planning to move ahead with an in-person trade show. A number of almond industry members normally exhibit or attend the Dubai event, which attracts visitors from throughout the region.

USDA/FAS sponsors a USA Pavilion at Gulfood and still plans to participate albeit with a number of modifications. ABC is continuing to monitor organizer planning to determine if safety protocols are sufficient to even consider an ABC presence.

REMINDER: ABC Offices Closed for the Holidays!!

The Almond Board office in Modesto will be closed Thursday, December 24 and reopen on Monday, January 4.

From all of us to all of you, a safe and joyous holiday season!



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