



ABC GLOBAL UPDATE

January 2021

Israel Announcement regarding 2021 Almond Imports

Several shippers have questioned Israel's 2021 tariff policy for almonds. U.S. officials in DC and Israel have confirmed that the announcement *does not change existing tariffs or duty rates*. However, questions remain on whether there are other provisions that have changed impacting the applied tariff rates.

ABC is continuing to explore the situation with U.S. officials. Following is an overview of tariffs as negotiated in the US-Israel agreement. For additional questions, please contact Julie Adams at ABC (jadams@almondboard.com)

Commodity	Current Duty/Tariff
In-Shell Almonds 0802.11.00	In Quota Rate: \$1.35/KG TRQ: 530 MT Over Quota Rate: MFN MFN Rate: 8.42 NIS/KG but no more than 102%
Shelled Almonds 0802.12.00	In Quota Rate: \$1.80/KG TRQ: 2,650 MT Over Quota Rate: MFN MFN Rate: 14.96 NIS/KG but no more than 102%
In-Shell Almonds (confectionery use) 0802.11.10.005 Shelled Almonds (confectionery use) 0802.11.10.003	Free (no quota or duty)

Major RCEP Agreement Concluded

On November 15th, 2020, the world's biggest free trade agreement, the Regional Comprehensive Economic Partnership (RCEP) was signed. Members include the 10 ASEAN members (Brunei, Cambodia, Laos, Indonesia, Malaysia, Myanmar,

Thailand, Singapore, Philippines, Vietnam), Australia, China, Japan, New Zealand, and S. Korea. India had been in the negotiations but decided not to join.

The total population and trade volume of the 15 member countries is about 30 percent of the world's total – so about one-third of the world's economies now form an integrated market. RCEP is expected to bring more trade and investment opportunities and to contribute to the recovery and growth.

The agreement covers trade in goods, rules of origin, customs procedures and trade facilitation, investment, e-commerce, standards, technical regulations/conformity assessment procedures, and a total of twenty chapters, as well as four appendix including schedules of tariff commitments. RCEP will progressively phase out 90% of the tariffs on imports between member countries.

For almonds, Australia already has agreements with a number of the participants, including China. However, it is anticipated that tariff reductions will be seen on pre-packaged almonds from Thailand and Vietnam.

COVID-19 Relief

The President signed the \$11.2 billion Coronavirus Relief package approved by Congress in December. Relief for agriculture includes:

- \$225 million in supplemental payments to producers of specialty crops if they lost their crop in 2019.
- An additional \$100 million for Specialty Crop Block Grants to mitigate challenges related to COVID at the state level.

- No less than \$1.5 billion to purchase food and agriculture products for distribution.
- \$100 million from the Local Ag Market Program established in the 2018 Farm Bill, targeting small-/medium-sized producers for a broad range of eligible support. Eligible entities much show impact from COVID-19.

An additional \$300 billion in funding is provided for a second round of PPP loans. Eligible expenses under PPP loans are expanded to include expenses for unpaid debts for food due to COVID shutdowns. Perishable goods are eligible for PPP loans before or at any time during the time of the applicable covered loan.

Secretary Perdue announced that USDA will purchase an additional \$1.9 billion worth of food for the continuation of the Farmers to Families Food Box Program. An announcement regarding a direct payment program to growers for losses due to Covid-19 has not yet been released.

Port of Oakland News

Oakland welcomed three giant container cranes bound for the Port's International Container Terminal.

The cranes will be the tallest ever at the port with a lift height of 174 feet above the dock and a reach across a ship's deck of 225 feet (in standard container terms, that's 14 containers high and 24 containers wide).

Staff Contacts:

Julie: jadams@almondboard.com
 Gabriele: gludwig@almondboard.com
 Geoffrey: gbogart@almondboard.com
 Jesse: iroseman@almondboard.com
 Bunnie: bibrahim@almondboard.com

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