



ABC GLOBAL UPDATE

March 2021

Aflatoxin Rejections in the EU and Japan Remain Low

2021 is looking favorable for aflatoxin rejections continuing the progress made in 2020 where rejections in both Japan and EU were significantly down from the previous year.

2021 has seen only one aflatoxin Border Rejection in the EU as of early March, reported by Spain. Japan has published **two** aflatoxin rejections thus far in 2021.

Rejected consignments in the EU, in most cases, can be reprocessed in the EU or returned to the U.S. Spain has not allowed returns to the U.S. ABC GTRA staff can provide guidance.

Handlers are reminded to contact Geoffrey Bogart if you receive information of a rejected consignment in the EU, as the ABC must track and report back to EU officials in Brussels on the final disposition of these consignments: Please contact: gbogart@almonondboard.com

The United Kingdom Applies for CPTPP Membership

The United Kingdom **has requested to join** the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). Formal negotiations will start later this year.

The CPTPP is a free trade agreement including Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam which was established after the U.S. withdrew from the Trans-Pacific Partnership. With the UK's departure from the EU, they are in the process of negotiating free trade agreements to benefit their exports.

USITC Publishes Second Report on MRL Barriers

On March 2, 2021, the U.S. International Trade Commission (USITC) **released** the **Global Economic Impact of Missing and Low Pesticide Maximum Residue Levels, Vol. 2.**

The second volume of the report features case studies of the costs and effects of maximum residue levels (MRLs) compliance and noncompliance for U.S. producers, including specialty crops, and an analysis of the global impact of MRLs.

The Almond Board of California submitted written testimony to the USITC as part of consultations for this report.

The first volume of the report, released on July 30, 2020, included 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.

US. Food Ingredients: Recipe for Success in Egypt and Algeria Virtual Trade Event

The USDA Foreign Agricultural Service (FAS) is organizing the "*U.S. Food Ingredients: Recipe for Success in Egypt and Algeria.*" The virtual trade event will take place on May 25 - 26, 2021.

The event will focus on connecting buyers in Egypt and Algeria with U.S. exporters through market briefings and presentations by FAS staff, virtual booths, and pre-arranged business-to-business meetings. The targeted product categories identified by FAS for Recipe for Success in Egypt and Algeria include: food and beverage

ingredients and additives, dairy products, **tree nuts**, and legumes.

While the Algerian market is currently closed to almond imports, ABC is working with FAS staff to see if the doors may soon re-open. With almost eight million pounds of almonds shipped to the country in crop year 2019-20, the Algerian market has made impressive gains. The Egyptian market is open and growing for California almonds, with the year-to-date figures of more than four million pounds (22% above last crop year).

The application deadline is March 19, 2021. The application form and additional info can also be found online:

<https://www.fas.usda.gov/topics/virtual-trade-events>.

USDA/FAS Launches Virtual Dialogue Series

Since it is not possible to organize regional conferences and workshops, the USDA/FAS is organizing a virtual dialogue series to introduce exporters to the latest intelligence on key markets for U.S. ag products.

It is no surprise that Morocco kicked it off. With a Free Trade Agreement now in full force, U.S. ag producers are seeking to compete with European shippers. Poultry, corn and other grains have great promise. Tangier Port is the biggest port in Africa, and excellent high-speed rail and cold chain facilities add to Morocco's commercial attraction.

Morocco is the gateway to Northern Africa for almonds, with more than 20 million pounds shipped this crop year--up over 105% compared to last year. While some of the increase can be attributed to direct shipments to Morocco from the U.S. that

previously were routed through southern Spain, no matter how you slice it, almonds have a great future in Northern Africa. And with the pending U.S./Kenya FTA, one can only expect greater demand.

For more information on USDA/FAS virtual meetings please contact: julio.maldonado@fas.usda.gov

USTR Publishes 2021 Trade Agenda and 2020 Annual Report

On March 1, 2021, the Office of the U.S. Trade Representative (USTR) **released** the **2021 Trade Policy Agenda and 2020 Annual Report**, along with a **fact sheet**.

The new administration has indicated its intent to pursue a trade policy that helps the U.S. economy recover from the COVID-19 pandemic, as well as reinforcing investment in the domestic economy. Environmental sustainability and global climate ambitions factor in to the overall trade agenda, through strong standards, technology and renewable energy supply chains. The agenda importantly highlights “making the rules count” – strong enforcement of trade agreements as well as a commitment to “stand up” for U.S. farmers and food manufacturers, expanding global market opportunities and enforcing global agricultural trade rules.

There is likely to be a greater focus on WTO and other trade institutions. ABC is working with ag partners to identify priorities and areas of concern, to ensure we can highlight these in discussions with U.S. government and trade authorities.

Mexico Allows Release of Shipments During Food Labeling Correction

The Mexican Tax Administration Service (SAT) **announced** (in Spanish) that products with label errors, omitted information, and/or inaccurate data will be allowed to enter Mexico after paying a fine to customs authorities at the point of entry.

Importers will then have a 30-day grace period to address and rectify non-compliance with labeling regulations, including new front-of-pack labeling regulations (NOM 051). The grace period entered into force on February 8, 2021. Product cannot be sold until approved as compliant.

Previously, imported products with non-compliant labeling was held by customs.

A **USDA GAIN report** outlines required procedures and other details on the new grace period.

Japan Releases Notification Regarding Voluntary Recall Provisions for Mislabeled Food Items

The Japanese Consumer Affairs Agency published a **notification** (in Japanese) about the entry into force of **Law No. 97 of 2018** (in Japanese), which partially revises the Food Labeling Law.

According to an informal translation, the law addresses notification processes for a voluntary food recall when food is mislabeled, specifically with regards to labeling of allergens, expiration dates, or whether food needs to be heated before eating. A fine of up to 500,000 yen applies for failure to make notifications and for making false notifications.

The new recall requirements enter into force on June 1, 2021.

USDA Publishes English Translation of EAEU Draft Amendments to Quarantine Phytosanitary Requirements

A recent **USDA GAIN report** includes an unofficial English translation of the EAEU’s Phytosanitary Quarantine Requirements with amendments first **notified to the WTO** on Jan. 29, 2021.

For seedlings, rootstock, and cuttings of almond (*Prunus dulcis*, from 602 except for 602.90.1000) grapevine Pierce’s disease (*Xylella Fastidiosa*) and brown rot (*Monilinia fructicola*)

have been removed from the quarantine pest list.

The EAEU consists of Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia.

The amendments on phytosanitary quarantine requirements will enter into force 30 days after official publication. Comments are due by March 30, 2021. For inclusion in the U.S. official position, comments are due to the USDA by March 15, 2021 at spsenquiry@fas.usda.gov.

U.S., EU, U.K Suspend Retaliatory Tariffs from Boeing-Airbus Dispute for Four Months

On March 5, 2021, the EU and U.S. **announced** they would mutually suspend all retaliatory tariffs related to Boeing and Airbus subsidies for four months to focus on resolving the dispute at the WTO.

On March 4, the U.S. and UK **announced** a similar four-month tariff suspension. The UK had already suspended related tariffs on January 1, 2021, upon leaving the European Union). The EU and U.K. tariffs were initially implemented by the EU on November 10, 2020.

Fortunately, almonds were among the list of ag products which received the additional 25% retaliatory tariff. The hope is that this will portend a more collaborative trade relationship among the U.S., EU, and UK.

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