



ABC GLOBAL UPDATE

October 2021

Importance of Trade and the Dangers of Protectionism

Comments on trade and trade policy from Keith Schneller: As we move toward the completion of this year's harvest, it is a good time to look back on this past year and appreciate the great accomplishments made by our industry in moving record volumes of almonds both at home and abroad — all while facing so many challenges including the pandemic and transportation disruptions. While Covid-19 has created a great shock to global supply chains, many of these disruptions started before the pandemic when the United States started implementing unilateral and protectionist trade measures to bring manufacturing jobs back to the United States. This was a major change in U.S. policy based on negative, bipartisan attitudes toward trade and our growing trade deficit.

It is important to note how critical trade is to U.S. agriculture, and especially to almond exports, and that there are many misconceptions about free trade. We also understand the importance of the World Trade Organization (WTO) and the commitments made by its 165 members to follow certain rules governing international trade that have allowed the global economy to flourish since the WTO was established in 1995 lifting millions of people out of poverty.

There are numerous opinions about protectionism versus free trade. I recently came across a relatively new organization called [Listening for America](#), a non-profit group, that has

been reaching out to normal Americans outside the Washington, DC beltway, helping to dispel myths about international trade. Please [click here](#) if you are interested in reading a recent report published by this group. While protectionism may temporarily benefit one industry and a couple of corporations, it also stifles innovation and competition. The reality in today's modern world is that technology and automation are having a much greater impact on jobs than trade. Many manufacturing jobs which were common 15-20 years ago are obsolete now because they were replaced by automation or new technologies. Remember Kodak, Polaroid, Blockbuster Video? While many of those old industries/jobs have gone away, new jobs and business opportunities that didn't exist before are now developing around the globe.

For agriculture, trade is essential since so many consumers interested in our products live abroad. We need to maintain access to their markets. The Biden Administration has been slow to announce its new trade policy strategies other than its focus on international labor and environmental standards. However, while the administration continues its top-down trade policy review, other countries are moving ahead in negotiating new trade agreements. USTR Ambassador Tai recently gave a speech on the current trade relationship between the US and China. She indicated she will focus on enforcing commitments related to the Phase One Agreement and will continue to have frank discussions

with her counterpart to address US concerns about China's use of industrial subsidies and state-owned enterprises. She also indicated USTR will resume the tariff exclusion process for certain imports from China, which will hopefully lead to an improved dialogue with China in the near future.

The Biden Administration has also indicated it will bring leadership back to the WTO and facilitate needed reforms to make the WTO more effective and up-to-date. This is important so other countries will continue to honor their WTO commitments providing more certainty for almond exports in the future. We all need to do what we can to educate our American partners and consumers about the benefits of free and open trade. For more information on this topic, contact kschneller@almondboard.com

Elaine Trevino nominated to become USTR Ag Negotiator

[President Biden nominated](#) Elaine Trevino, Almond Alliance President and/CEO, to be the chief agricultural trade negotiator at the U.S. Trade Representative's Office in DC. This position is most important in promoting agricultural trade as part of the Administration's international trade strategies. We wish her all the best and look forward to working with her in this most important position!

Ten months into the administration, farm-state senators were clamoring for the agriculture negotiator role to be filled. President Biden has yet to

nominate a USDA undersecretary for trade and foreign agricultural affairs, leading Sen. Chuck Grassley (R-IA) and other lawmakers to argue that agricultural trade is not being prioritized by the White House.

Codex Labelling Committee considers Non-Retail labeling

The Codex Committee on Food Labeling (CCFL) is considering a standard for “non-retail food labelling” which takes into consideration ag products shipped in bulk. The discussions at the meeting last month specifically covered what must be on the label, as well as use of accompanying documentation to provide essential information.

India has been actively engaged with CCFL, including helping to guide the electronic working group that drafted the standard. ABC is sharing the draft language with USDA/FAS staff in Delhi, to facilitate discussions with FSSAI regarding requirements under the 2020 Labeling Regulation which is anticipated to go into effect shortly.

New Agriculture Productivity Coalition

USDA Secretary Vilsack announced a new agriculture “coalition for productivity growth” during recent G-20 Ag Ministers meetings in Italy. The coalition is Washington’s response to the EU’s Farm to Fork strategy, establishing a stand-off of opposing visions of how to achieve the goal of making agriculture climate neutral. The coalition’s purpose is to encourage support and enhanced application of innovative technologies in food and agriculture production. It would use a voluntary incentive system for farmers (in contrast to Farm to Fork efforts to mandate changes through legislation).

At the Future of Food and Farming Summit this month in Paris, Vilsack said, “we want to make sure that there

is a strong, articulated message that is in support of productivity growth, not necessarily at the sacrifice of climate and sustainability.” He pointed out that even among European farmers, Farm to Fork is seen as a threat to food yields. Vilsack also stated that the EU initiative should not be allowed to lead to “additional difficulties in terms of our trading relationships.”

China, Taiwan, and Hong Kong apply to join CPTPP

One week after mainland China formally requested to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Taiwan and Hong Kong also applied. CPTPP currently includes 11 countries. It was set up to replace the TPP that was abandoned by the Trump Administration in 2017. When TPP was first envisioned by the United States and the other 11 countries, the [US ITC estimated](#) it would have been the largest trading block ever negotiated by the United States amounting to \$1.5 trillion, or about 40% of all U.S. trade in 2015. It was part of a multilateral strategy to force China to make changes to its unfair trading practices.

The existing CPTPP members must agree unanimously to accept Beijing as a member, meaning it could still take years before China meets the conditions to join. Now that Taiwan and Hong Kong have formally applied, perhaps this will create more of an incentive for the Biden Administration to reconsider upgrading and joining CPTPP. This would give the United States more influence on the conditions required for China to join in this major trading block.

AIM for Climate Gains Additional International Support

[The Agriculture Innovation Mission for Climate \(AIM for Climate\)](#), a landmark

initiative to transform the global agricultural sector, now has the support of 30 nations, as well as the Food and Agricultural Organization of the United Nations (FAO), the Bill and Melinda Gates Foundation and the United Kingdom’s COP26 Presidency, U.S. Agriculture Secretary Tom Vilsack announced at the recent UN Food Systems Summit.

USDA is prioritizing efforts to promote AIM for Climate, with the goal of dramatically increasing public and private investment for innovation in climate-smart agriculture and food systems. FAO Director General Qu Dongyu said, “The future of agri-food systems needs to be built on science and innovation, to address the complex challenges facing humanity, especially due to the impacts of the climate crisis. AIM for Climate is an important initiative to help increase investments in innovative solutions that can accelerate global agri-food systems transformation. As the lead UN agency specialized in agri-food systems, FAO helps to harness the latest developments in the rapidly changing scenarios of science, technology and innovation, playing a key role in mapping out and disseminating new solutions.”

Upcoming Travel and Events

Oct 20 – TRAC and ARSC Committee Meeting
 Oct 19-20- Global Supply Chain Summit, University of Southern California
 Oct 21 – [US Codex Program Public Meeting](#) to discuss 44th session of Codex Alimentarius Commission scheduled for Nov 8-18

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