



ABC GLOBAL UPDATE

December 2021

China's Foreign Food Facility Registration UPDATE: FDA offers ELM application until December 17, 2021

China's Decree 248 goes into effect on January 1, 2022. Since last month's report, the majority of handlers who've shipped almonds to China since 2017 have initially self-registered online with China's General Administration of Customs (GACC) using an older, CIPHER portal. Those handlers received a 7-digit Registration Application number from GACC. However, we anticipate that GACC will request additional documentation before issuing the final 14-digit Approval number.

On December 6, FDA sent an [export notification](#) to U.S. exporters informing them that **FDA is now willing to accept applications for GACC registration using FDA's Export Listing Module (ELM) until December 17, 2021.** We assume FDA will collect and review the applications and then submit a comprehensive facility list to GACC before the end of the year.

When registering through the ELM, it is recommended that firms use their FEI (FDA Establishment Identifier) numbers since these are [publicly available](#) and could be used on shipping documents and packaging according to Decree 248 rules in the future. Several handlers have already provided the necessary information on the ELM's China Listing Page and received FDA confirmation within two hours of submitting the application.

It is our understanding that product on the water should be allowed to enter China under the current situation, but after January 1, new shipments will have to come from GACC-approved facilities. Here are some helpful USDA reports published recently on Decree 248:

Dec 7: [Decree 248 - FDA Constituent Update](#)

Dec 4: [Decree 248 Single Window User Manual and Training](#)

If you have any questions or need assistance, contact Keith Schneller at kschneller@almondboard.com

Export Delays Panel at Conference Highlights latest Situation

Is there light at the end of the tunnel? This was the question posed to a cross-section of subject-matter experts in the various facets of maritime shipping of ag exports.

The consensus was that delays will continue well into 2022. However, measures currently being taken by the federal government, the ports and others to ameliorate the situation are being implemented. This includes extended hours of operation (LA/LB), the movement of empty containers off the port docks, a push to get ocean carriers back to Oakland, as well as legislation in the House that will require carriers to justify detention and demurrage fees, accept export cargo as feasible, and other regulatory improvements.

The ABC will be conducting an economic impact study of export delays on the almond industry.

Results will help provide a better perspective on the urgency for improvements.

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Final EU Port Workshop Scheduled for December 15

Over the past several years, the ABC's Pre-Export Check Program (PEC) has been very successful in helping almond exporters comply with EU aflatoxin tolerances. Almonds are the only U.S. commodity that enjoy this EU designation. This voluntary program tests consignments prior to shipment to ensure they do not exceed 10 ppb.

Supported by a USDA grant, the ABC has brought multiple EU delegations to the U.S. PEC webinars have also been conducted for EU port health officials in Spain, Italy and Greece, to update them on the latest program practices and issues. The final session with German port and federal health officials will be held in December. While aflatoxin rejections have been relatively few in 2021, the ongoing outreach is key to establishing communications with regulatory officials to ensure smooth implementation in the future.

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WTO 12th Ministerial Conference (MC12) Postponed due to Virus/Travel Concerns

The postponement – the second for MC12 – leaves important negotiations in limbo. Top among them are a pandemic response, fisheries

subsidies, and agriculture. The WTO Secretariat has proposed to reschedule the Ministerial for March 2022. U.S. analysts indicate the most recent text presented by the Ag Committee Chairman lacks details on market access. Most countries are looking for some compromise except for India who continues to insist on expanding abilities for developing countries to address their food security concerns and support their farmers via Public Stockholding Measures that violate current WTO rules.

Highlights of the Global Trade Panel at TAC

Three experts provided trade updates on three of our largest markets at the Global Trade session during the Conference.

Acting USDA Deputy Undersecretary for Trade and Foreign Affairs Jason Hafemeister provided a comprehensive overview of the US trade situation with China. While China’s economy has boomed since becoming a member of the WTO in 2001 creating a growing middle class, it has also become a major net-importer of agricultural and food products including nuts. As a result of structural changes made under the U.S.-China Phase One Agreement, U.S. agricultural exports to China will reach record levels this year and make up about one quarter of all U.S. agricultural exports. While China is a major market, USDA is working with other trading partners to update rules at the WTO to deal with certain unfair trading practices used by China including State Owned Enterprises and Industrial Subsidies.

Joan Hurst, from the Office of the U.S. Trade Representative (USTR), recently returned from the 12th US-India Trade Policy Forum held in New Delhi. Joan indicated that India is eager to resume trade negotiations with the United States and seems to be willing to make further

commitments to opening its market to agricultural imports in the future. ABC staff will work with USTR to address the need for India to provide increased transparency on its regulatory procedures in the future.

Finally, Kristen Sukalac, an Expert on the EU’s Common Agricultural Policy, provided an update on the EU’s proposed Green Deal and its Farm to Fork policies that are intended to make significant reductions in the use of artificial pesticides and fertilizers and increase organic production to 25% of all arable land in the EU by 2030. In addition, the EU is proposing new eco-labeling requirements which could expand its Carbon Border Adjustment Measures (potentially affecting agricultural imports in the future).

ABC staff will continue to monitor these situations and share updates with our members accordingly. These presentations were recorded and will be available on the ABC website in the near future.

EU wins WTO case against U.S. Tariffs on Spanish Olives

EU officials and EU farm groups have argued that a successful European challenge at the WTO will help preserve the right of countries to offer decoupled direct payments to agricultural producers. With the WTO’s Appellate Body still paralyzed from Washington blocking new judges, the U.S. has no real ability to appeal the panel report for review. The EU will likely still move ahead with unilateral trade sanctions. ABC staff will continue to monitor this situation and the EU’s response.

Inflation and U.S. Tariffs

The threat of inflation is pushing some in the Biden administration to consider reducing tariffs on some Chinese products. U.S. Treasury Secretary Janet Yellen said the Administration was considering easing tariffs “in some areas” to

address inflation; U.S. business groups sent a letter to Treasury Secretary Yellen and USTR Tai on November 12 urging them to work with China with the goal of lifting as many tariffs as possible on both sides.

China Promises CPTPP Reforms

At a recent APEC summit, Chinese President Xi Jinping announced several economic reform pledges clearly designed to support their effort to join CPTPP, as well as part of implementing the Regional Comprehensive Economic Partnership (RCEP). He announced that Beijing is “opening up” agricultural and manufacturing market access, “treating domestic and foreign businesses as equals”, and is committed to coordinating on issues such as Covid challenges and pandemic recovery, climate change efforts, and increasing innovation.

Upcoming Travel and Events

- Dec 15: ABC/EU PEC webinar
- Jan 14-17: Julie, Richard, Emily, Tim, Harbinder attending PTNPA in Florida
- Feb 13-17: ABC at Gulfood Dubai
- Mar 2022: WTO’s 12th Ministerial Conference (TBC)



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