



ABC GLOBAL UPDATE

January 2022

China uploads almond processing facilities list to GACC website; should avoid trade disruptions

After most ABC handlers successfully registered using FDA's Export Listing Module (ELM) before December 17, FDA forwarded the lists of facilities to GACC on December 21st. On December 30th, GACC populated its new singlewindow.cn website with 129 US Nut and Seed facilities including 88 firms involved in the US-China almond trade.

GACC assigned its 14-digit approval numbers to each firm that will be needed by importers to clear customs in China in the future. The firm's FDA Establishment Identifier (FEI) numbers will need to be used on packaging for almond shipments to China after January 1, 2022. ABC is continuing to work with handlers and FDA to help clean up the list of almond facilities.

The Chinese website is bilingual, and firms are searchable at <https://ciferquery.singlewindow.cn/> by first clicking on the Category for Nuts and Seeds (No. 12-坚果与籽类) and the desired country/region such as USA. You will find 48 facilities listed for Australia, etc. There are still a number of US firms that have not registered via FDA's ELM; we are awaiting guidance from FDA as to when it will send its next updated list to GACC.

The registration process on the FDA's ELM only takes about 10 minutes. If your firm has not registered and you

need assistance, please contact kschneller@almondboard.com.

For processed, roasted, flavored products (non-Article 7), companies can self-register directly on the singlewindow.cn portal. Processors of these products can be found on the [ciferquery](https://ciferquery.singlewindow.cn) portal mentioned above under the category for "processed nuts and seeds" (22 - 坚果及籽类制) which currently includes 12 US firms.

USDA/Beijing recently published a new report on GACC's Decree 248's searchable database and Jan 1 shipment information that [can be found at this link](#).

Nicholas Burns confirmed as US Ambassador to China

40 ambassadors were confirmed in December including Nicholas Burns, the US ambassador to China. Burns has served as Under Secretary of State for Political Affairs and as US Ambassador to NATO. Last October, Burns said he considers China "the greatest threat to the security of our country and the democratic world." He noted that the US has advantages over China, including its allies.

Hearings have not been scheduled for Elaine Trevino, the USTR Chief Ag Trade Negotiator nominee.

2022 and we Still have Export Delays....

As 2022 gets underway, delays are expected to continue well into the new year. Efforts are being taken by the ports and federal and state governments to expedite recovery.

One good sign is that the Port of Oakland is set to launch an interagency effort to improve the flow of agriculture exports at the Port. The program involves the use of additional yard space and equipment, restored export ship calls and assistance to export users. The goal is to provide relief to agricultural exporters who are facing shortages of export capacity and skyrocketing logistics costs.

The ABC is currently conducting a survey to examine the industry-wide economic impacts of the ongoing export delays. Results will help provide a better perspective on the impact and urgency.

For more information please contact: bdensel@almondboard.com

Update on Returning Rejected Consignments from the EU

When the EU updated its Official Controls legislation in 2017, it led to a number of unintended consequences. Several articles in the legislation refer to how non-compliant consignments are to be handled – normally either by special treatment (e.g. resorting or reprocessing), reexport to origin or non-EU market, or destruction.

Under the updated legislation, one particular article specifies that where the consignment "presents a risk", the option is either to destroy or subject to special treatment – as opposed to allowing re-export out the EU. EU member states have not been consistent in the way they apply this article, particularly in those situations they "risk" is not considered immediate or severe. This has

caused disruptions for several non-compliant almond consignments in 2021; fortunately, these were able to be reprocessed in Europe and released.

The European Commission is addressing these concerns with Member States. ABC staff are in contact with other industry partners, USDA/FAS offices in Europe, and the European Commission.

For more information, contact Julie at jadams@almondboard.com or Abhi at akulkarni@almondboard.com

The UK and Australia Sign Free Trade Agreement

On December 17, the two countries signed a deal that eliminates tariffs, opens agriculture and other markets, and allows for service-sector workers to move more freely. The deal is expected to boost bilateral trade by more than £10 billion (\$13.3 billion) by 2035, and eliminates duties on Australian almonds (From Dec 2022).

South Korea plans to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)

South Korea will begin the process to join the CPTPP, Finance Minister Hong Nam-ki announced on December 13. In the past few months, the UK, China, and Taiwan have also announced their interest, or formally notified their intent to join. The applications increase pressure on the US to consider joining. The Biden administration has consistently resisted any pressure thus far to join the partnership, and instead announced last month that it intends to pursue an “Indo-Pacific economic framework” in the region.

Senators request USTR pursue WTO case against India’s domestic subsidies for rice and wheat

Eighteen Senators requested that USTR pursue a case at the WTO against India’s domestic subsidies for rice and wheat production. The

Senators wrote a letter arguing that “American rice and wheat producers are operating at a clear disadvantage compared to their competitors, primarily from India, where the government is subsidizing more than half of the value of production for rice and wheat, instead of the 10 percent allowable under [WTO] rules.”

These issues will most likely be addressed bilaterally as well at the next US-India Trade Policy Forum.

New EU Trade Policy Weapon?

Brussels is set to reveal a new policy weapon that will allow it to impose sanctions more easily and could close off parts of the EU market to countries accused of “economic coercion.” Once the EU is satisfied that coercion has taken place, potential punitive actions include imposing tariffs, suspending market access through quotas or trading licenses, and restricting access to public procurement programs and investment markets.

This tool will most likely be directed at countries like China (which has made threats against German cars and French wines); the US (for steel and aluminum tariffs); and others trying to “strong-arm” individual EU Member States. The situation points to why it is so important for the US to resume its leadership role at the WTO to avoid these types of unilateral tools that could disrupt global trade flows.

Update on the US-China Phase One Agreement

According to the Peterson Institute, China’s agricultural purchase commitments through November 2021 lag behind set targets by 17% while those for manufactured goods and energy products are behind by 41% and 61% respectively.

Biden Signs Bill on Uyghur Forced Labor Prevention Act

On December 23, President Biden signed a bill into law to block imports

from China’s Xinjiang region unless businesses can prove the items were made without forced labor. This is the latest in a series of intensifying US penalties against the Asian power for alleged abuses. The White House also recently announced that it would stage a diplomatic boycott of next month’s Winter Olympics in Beijing, citing China’s “egregious human rights abuses and atrocities in Xinjiang.” U.S. athletes will be allowed to compete under a diplomatic boycott, but the president and other US dignitaries will not travel to the games. While many US corporations with production done in China have said they have found no sign of forced labor from Xinjiang Province in their manufacturing or supply chains, it remains to be seen how China will respond to these new measures.

Upcoming Travel and Events

- Jan 14-17 Julie, Richard, Emily, Harbinder attending PTNPA in Florida
- Feb 13-17 ABC exhibiting at Gulfood Dubai
- Mar 2022 WTO’s 12th Ministerial Conference (TBC)



Staff Contacts:

- Julie: jadams@almondboard.com
- Gabriele: gludwig@almondboard.com
- Geoffrey: gbogart@almondboard.com
- Jesse: jroseman@almondboard.com
- Keith: kschneller@almondboard.com
- Abhijeet: akulkarni@almondboard.com
- Brock: bdensel@almondboard.com