



# ABC GLOBAL UPDATE

August 2021 - July 2022

## **FY 21/22 Second Highest Shipments on Record!**

While exports got off to a slow start at the beginning of the marketing year, record monthly shipments during the last quarter resulted in the second largest volume of exports on record, despite a multitude of ongoing challenges including logistical problems, the Russian invasion of Ukraine, a strong dollar and on-going, pandemic-related lockdowns in China.

Trade has remained front and center! We continued to monitor global tariff- and technical-barriers, even though this Administration maintains its focus on climate, sustainability, and worker-related issues. In addition, we've been addressing a wide variety of market access issues in key markets (new and never-ending) including China's Decree 248 and the EU's drive to push their environmental and agricultural policies on trading partners via proposed Green Deal and Farm to Fork mirror policies.

The GTRA team has been working across global markets, leveraging partnerships and fact-based data to mitigate issues that could disrupt almond shipments. As we look to FY 22/23, we are also working to identify new markets and find ways to lower barriers to trade in order to boost almond exports in the future.

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## **What has dominated the past crop year...**

Unfortunately, there has been little change to the tariff situation since the previous crop year, and exporters continue to suffer with transportation challenges and market access issues in a number of countries. ABC efforts have focused on providing fact-based information and engaging with various partners including USDA's Foreign Agricultural Service, APHIS, USTR, and FDA through research, comment letters, and industry delegations.

Some of the issues this past year:

- Logistics was clearly one of the biggest challenges faced in FY 2021/22. ABC worked with AAC and the AgTC to consider solutions to these shipping problems, from legislation to incentives to alternative shipping routes given the ongoing problems at the Port of Oakland. AAC was instrumental in helping pass the Ocean Shipping Reform Act, providing more "tools" to addressing unfair practices, as well as initiating new alternative rail options.
- The Chinese government's January 1, 2022, implementation of a new foreign facility registration requirement treated raw nuts and seeds as "high-risk" food products, requiring assistance from FDA in facilitating the registrations. While most handlers made the fast-track December 17 registration deadline, several handlers have struggled to access or modify their new Chinese CIFER portal accounts. ABC has been a bridge between industry, FDA and GACC to work the bugs out of this online system.

- Getting back to in-person events made it possible to engage with India's Food Safety/Standards Authority (FSSAI). Amended labelling requirements reflect Codex definitions for "non-retail" consignments; a joint meeting with almond shippers provided the chance to exchange views related to implementation and real-world experiences. Further engagement with FSSAI in FY 22/23 will build on these discussions.

## **What's on the FY 22/23 Horizon...**

Trade relationships and regulatory barriers continue to be complex. Ag is likely to encounter more challenges to the way food is produced and definitions of what is a "sustainable" practice. Ensuring these standards are based on science and recognize the considerable investments already made by almond growers, particularly related to climate and stewardship, will be an important focus in FY 22/23. As the EU and other countries push for "mirror policies" throughout the supply chain, the role of international organizations such as Codex and the WTO in setting standards and common definitions will be key.

Supporting efforts to grow demand for healthy, nutritious almonds is central to the success of California almonds. With the current focus on environmental controls and worker-centric trade policy rather than conventional trade agreements, ABC will continue to foster alliances and stay apprised of initiatives as they arise that could impact unimpeded exports of almonds from California.

Please reach out to ABC staff if you have questions or to discuss any new issues going forward.

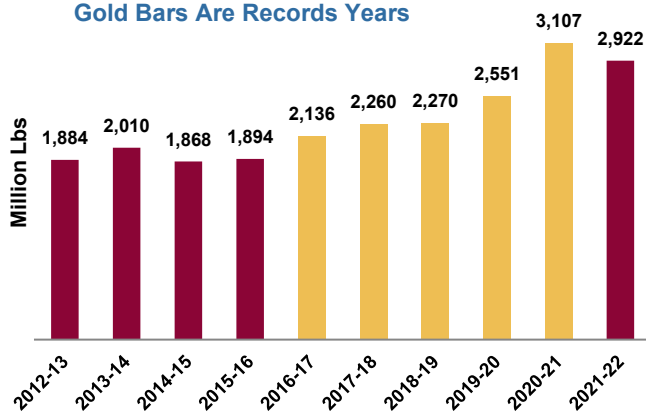


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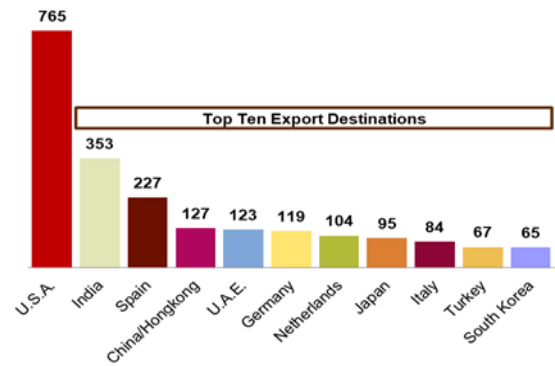
## FY21/22 Global Shipments in Review

**Production: 2.9 billion pounds**

Gold Bars Are Records Years

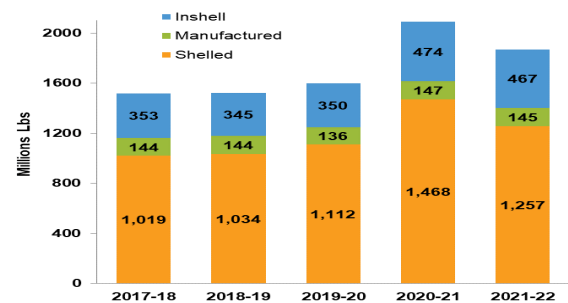
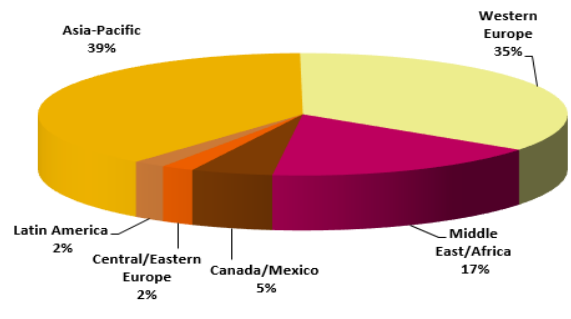
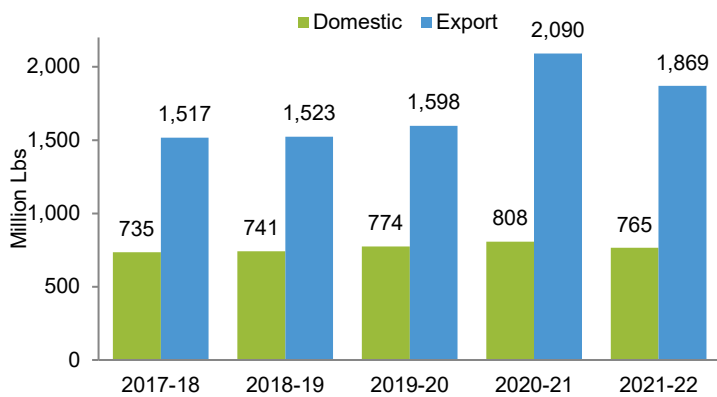


**Export Shipments: Top 10, Region, Product**

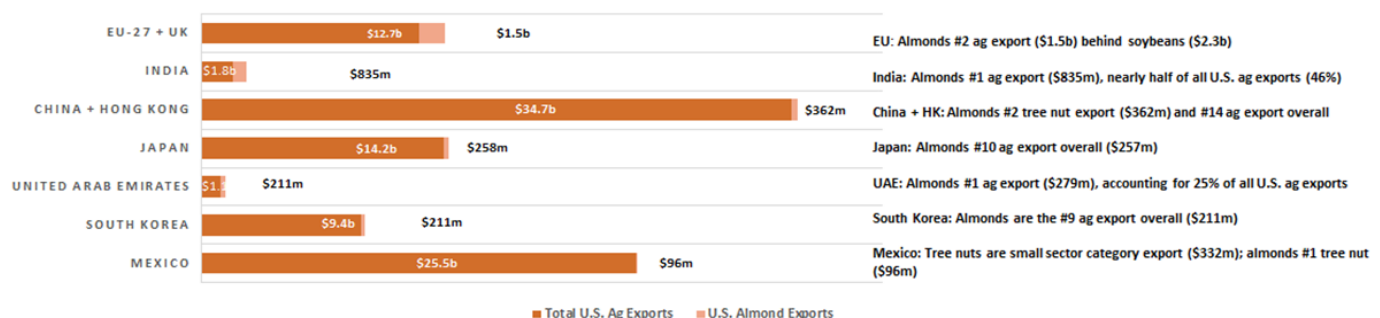


**Total Shipments: 2.634 billion pounds**

Domestic 29%; export 71%



### U.S. Agricultural Exports by Value, CY2021



EU: Almonds #2 ag export (\$1.5b) behind soybeans (\$2.3b)

India: Almonds #1 ag export (\$835m), nearly half of all U.S. ag exports (46%)

China + HK: Almonds #2 tree nut export (\$362m) and #14 ag export overall

Japan: Almonds #10 ag export overall (\$257m)

UAE: Almonds #1 ag export (\$279m), accounting for 25% of all U.S. ag exports

South Korea: Almonds are the #9 ag export overall (\$211m)

Mexico: Tree nuts are small sector category export (\$332m); almonds #1 tree nut (\$96m)