



January 11, 2023

## Happy New Year!!!

### Ag Trade Leaders are Confirmed by Senate

After being nominated for leadership positions by the Biden administration last spring, **Alexis Taylor** was confirmed by the US Senate as Under Secretary for Trade and Foreign Affairs at USDA on Dec 21. In addition, **Doug McKalip** was confirmed as Chief Agricultural Negotiator at the Office of the U.S. Trade Representative on Dec 22. Alexis Taylor was sworn in on Dec 29 at USDA. The confirmations came after a flurry of political brokering at the end of a lame duck session after several senators lifted their holds.

Alexis has a good understanding of the issues facing almonds and other ag commodities, after having been in USDA for several years. ABC has already reached out with congratulations and will be organizing meetings as soon as possible.

### Update on UK PEC Certificate

In late December 2022, ABC was made aware about Great Britain (GB) requiring a GB-specific version of Pre-Export Check (PEC) certificate to accompany California almond exports to Great Britain. ABC contacted both UK Port Authority and FAS staff in London to ensure no shipments would be detained pending an updated PEC certificate. Further, ABC also reminded the UK Port Authorities that PEC is not a condition of import. UK authorities have agreed to accept the current PEC certificate while the situation is being reviewed.

Currently, ABC is working with USDA/FAS and AMS to find agreement with UK import control authorities to modify the existing PEC system to satisfy GB requirements. We will update the industry once the modified PEC is rolled out. If any handlers have their shipments impacted, please reach out immediately to [akulkarni@almondboard.com](mailto:akulkarni@almondboard.com).

### Almond Hull Market Access Update for China

On December 21, 2022, China's Ministry of Agriculture and Rural Affairs (MARA) provided a written response to ABC's application to include Almond Hulls in MARA's official feed ingredients catalog. Inclusion in the catalog

is required before firms can bring almond hulls into Chinese feed channels. The response came after the initial application was submitted in November 2021 along with several revisions made in 2022. MARA is requesting additional information needed to establish domestic standards for almond hulls in the feed catalog including parameters for NDF and mold counts among other details. ABC staff will continue to work with our consultant in Beijing and colleagues at the Almond Alliance to make sure that the final "standards" to be published in MARA's feed catalog are reasonable and least restrictive for US suppliers. For more information, please contact [kschneller@almondboard.com](mailto:kschneller@almondboard.com).

### Keeping an eye on Brazilian import tariffs of 8% for inshell/shelled almonds

As part of ABC's work in developing an overall trade strategy to better deal with complex regulatory issues overseas, we discovered that the current 8% tariff for inshell/shelled almonds in Brazil was "temporarily" lowered from 10% at the end of 2021 in order to address inflation and the Covid situation at the time. It's unknown if the new government that just took over in Brazil will revisit these temporary reductions. ABC staff are closely monitoring the issue. For more information, please contact [kschneller@almondboard.com](mailto:kschneller@almondboard.com).

### Australia-India Economic Cooperation and Trade Agreement (ECTA) Entered into force on December 29, 2022

According to a recent Australian government [press release](#), ECTA has entered into force. It states that, "Over 85 per cent of Australian goods exports by value to India are now tariff free, rising to 90 per cent in six years, and high tariffs have been reduced on some additional products. In addition, 96 per cent of imports from India are now tariff free, rising to 100 per cent in four years." For almonds, the new annual Tariff Rate Quota (TRQ) allows 34,000 MT (about 75 million lbs) of inshell/shelled almonds to enter India at 50% of the current Most Favored Nation (MFN) tariff levels. This more than covers current Australian shipments to India. Imports above the TRQ are at the full MFN rate:

Within TRQ: 17.5 Rps/kg inshell and 50 Rps/kg kernel.  
Above TRQ: 35 Rps/kg inshell and 100 Rps/kg kernel

According to , [Australia's Department of Foreign Affairs and Trade website](#), "To access a TRQ, exporters will need a TRQ certificate. Under ECTA, Australia will issue

TRQ certificates to exporters or producers and share them with Indian Customs authorities. The importer in India will lodge a request letter, along with the reference for the certificate, to Indian Customs authorities. The authorities will in turn issue a No Objection Certificate to the Indian importer for each TRQ certificate received from Australia.”

India currently maintains retaliatory tariffs of 41 Rps/kg on U.S. inshell almonds and 120 Rps/kg on U.S. shelled almonds. ABC will be monitoring how the implementation of the TRQ impacts U.S. shipments.

## New FSSAI CEO Appointed

In December, it was announced that Mr. Ganji Kamala V Rao has been appointed as Chief Executive Officer (CEO) of the Food Safety & Standards Authority of India (FSSAI). Mr. Rao previously served as Principal Secretary, Govt of Kerala, and most recently was managing director of the India Tourism Development Corporation Ltd.

ABC staff anticipate meeting with the new CEO and other FSSAI authorities in February, in conjunction with the annual India Trade Conference which will be held in Delhi on February 16. For more information, please contact [smazumdar@almondboard.com](mailto:smazumdar@almondboard.com) or [jadams@almondboard.com](mailto:jadams@almondboard.com).

## WTO Rulings Against the United States

The World Trade Organization has again ruled against trade measures the U.S. imposed on national security grounds and Washington has again condemned the WTO decision. These and other developments – including the U.S.’ sustained refusal to allow a resumption of Appellate Body proceedings, increased use of potentially violative domestic subsidies, and consistent complaints about WTO overreach – are raising questions about the U.S. commitment to the WTO at a time of increasing uncertainty in global trade.

In December, WTO panels ruled that the United States [violated trade rules](#) on its use of Section 232 steel and aluminum tariffs that were implemented in 2018 and for [a later measure](#) that required products made in Hong Kong be labelled as “Made in China” before being sold in the U.S. Both measures were implemented in the United States based on “national security” reasons. Following the tariff ruling, [USTR spokesperson Adam Hodge declared](#) that “*The United States has held the clear and unequivocal position, for over 70 years, that issues of national security cannot be reviewed in WTO dispute settlement, and the WTO has no authority to second-guess the ability of a WTO Member to respond*

*to what it considers a threat to its security.*” In response to the U.S.’s opposition to the recent decision, [Hong Kong’s Secretary for Commerce and Economic Development Algeron Yau](#) upheld the WTO announcement, declaring the U.S. a rule breaker. “*The revised origin marking requirement is politically motivated and a vain attempt to interfere with Hong Kong’s internal affairs,*” he stated. [Bernd Lange Chair of the EU Parliament’s International Trade Committee](#) deemed the U.S. response to WTO rulings as “*incomprehensible,*” and emphasized the need “*to have an honest discussion with the U.S. if they are moving away from a rules-based trading system, and if and how we can rescue the existing system.*”

James Bacchus, a former congressmen and founding judge of the highest court of world trade, the Appellate Body of the WTO, recently [published a detailed analysis](#) on how abuse of the WTO treaty’s national security exception that allows for measures to be “*taken in time of war or other emergency in international relations,*” per Article XXI(b)(iii) (GATT) could lead to an unraveling of the whole global trading system.

## Decree 248 – Need to Finalize Registrations

Please note that some ports in China (NanSha) have been very picky about clearing containers that were shipped before GACC approved the change requests to add either inshell or kernels to the handlers’ accounts. If you have questions about the status of your account or need assistance finalizing your registration, please contact [kschneller@almondboard.com](mailto:kschneller@almondboard.com). Registrations need to be finalized before June 2023.

## Upcoming Events:

- Jan 14-16: PTNPA conference in Del Coronado, CA
- Feb 13-17: India trade and govt meetings in Delhi. India trade conference on February 16.
- Feb 20-24: ABC exhibiting at Gulfood in Dubai

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## Your GTRA Team

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Document # 2023GTRA0001

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