



March 7, 2023

ABC participation in the Gulfood Show

ABC exhibited in the USA Pavilion at the Gulfood show in Dubai during the week of Feb 20. The USA Pavilion included 158 US companies and associations including 9 almond exporters. The show hosted over 5000 exhibitors from 125 countries and was attended by over 2 million commercial visitors. Many of them expressed interest in almonds!!! It seems almond demand in the Middle East and across Africa is higher than ever. We had visitors from the beginning to end of the show waiting in line to ask us questions about the industry, particularly related to finding suppliers and technical information. The entire region continues to grow, with California almond shipments to UAE increasing from \$193 m in CY2020 to \$310 m in CY2022. The FAS offices in Pakistan and Turkey sent delegations by our booth to discuss the market, market access issues and future cooperation opportunities. Other visitors included buyers and processors from Russia, Ukraine, Algeria, Cyprus, India, Iraq, Lebanon, Morocco, etc. A logistics company from Dubai's Al Ras wholesale market shared a google map link that shows how product moves from Dubai to Afghanistan and other ports in the area. Check it out [here](#)... FAS/Dubai also led a tour of the [DMCC Tea and Coffee Processing Center](#) at the local Port's FTZ. DMCC is partially owned by the UAE government and has years of experience in trading/processing gold and diamonds. DMCC plans to expand their operations to provide services to other sectors, including tree nuts, in the future.

ABC – India Trade Conference

During the week of Feb 14, the annual ABC trade conference was held in India. More than 240 importers and processors attended the meeting this year. Starting with a regulatory update, discussions focused on the greatest impediments to the market which were identified through a survey of Indian trade. Retaliatory tariffs and FSSAI regulation were among the key concerns. The need to form alliances and engage through Indian partners was highlighted as an important means of addressing concerns. Considerable interest was expressed in the crop status, particularly insights from a California handler

panel. While everyone is waiting to see how the California crop progresses, there was considerable optimism related to the long-term growth potential of the India market. This carried into the presentation of ABC marketing initiatives in India. Building on a strong tradition and culture, programs are expanding to encompass more health influencers. Other opportunities exist in ingredients, which are a growing sector for almonds, as well as expanding into rural India.

Decree 248 Update

As of February 16, it appears FDA will no longer be managing GACC's CIFER portal for U.S. facility registrations. The U.S. government is having interagency discussions as how to deal with China's facility registration process which requires a great deal of support from the U.S. competent authority. ABC is in touch with both FDA and USDA regarding this issue. We have until the end of June to finalize our existing GACC registrations. Unfortunately, we are still waiting for USG guidance regarding the process for new companies to register with GACC. **Please contact kschneller@almondboard.com to confirm status of your account.**

Great Britain PEC Certificate

Great Britain (GB) is in the process of reviewing/revising regulations that it retained from the European Union (EU) post-Brexit. This includes EU regulation 2015/1949, which governs the Pre-Export Check (PEC) program that recognizes California Almonds for a reduced inspection rate upon arrival in the EU. ABC has been made aware of 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 to ensure no shipments are detained pending an agreement between GB and USA. USDA has advised that UK authorities have agreed to accept the current PEC certificate while the situation is being reviewed. Optimally, UK import control authorities will agree to using the existing PEC system with slight modifications to satisfy GB requirements. We will update the industry once a final decision is agreed. If any handlers have their shipments impacted, please reach out immediately to akulkarni@almondboard.com.

Almond hull update for China market

ABC's Beijing contractor recently submitted what is hopefully the final revision of the application to include almond hull products in China's Ministry of Ag (MARA) feed catalog. If approved, U.S. firms will be able to start shipping almond hull pellets and cubes to China to be used as a feed ingredient. This market access is part of the Phase 1 agreement with China; in addition, ABC is working with the AAC, USDA/APHIS and China's GACC to expand the existing import protocol for pellets and cubes to include whole and ground almond hulls.

China is developing an updated domestic standard for almonds

The Specialized Committee for Nuts and Roasted Seeds of China's National Food Industry Association (CFNA) recently [solicited comments](#) for 10 industry standards including almonds. These are voluntary **domestic** industry standards that will replace the existing standards. The proposed almond industry standard specifies the classification, inspection rules, and requirements for labeling, packaging, transportation and storage, as well as testing methods for dried and roasted inshell and shelled almonds. China has separate national food safety standards governing nuts and seeds food with which companies must comply.

IPEF Update

The second round of trade talks on the IPEF Pillar I (Trade) is set for March 12-19 in Bali, Indonesia, according to a [joint statement](#) by USTR and the Department of Commerce. Doug McKalip, USTR's Chief Agricultural Negotiator, emphasized at USDA's Outlook Conference last month he views IPEF's trade pillar as an opportunity to diversify U.S. food and agriculture exports in the Asia-Pacific region with focus on transparency and science-based policies.

GSP Renewal?

The [Alliance of GSP Countries \(27\)](#) urged Congress in a recent letter to renew the Generalized System of Preferences (GSP). This program gives preferential treatment to developing and under-developed countries, but it lapsed over two years ago in December 2020. The letter points out the benefits of GSP for both recipient countries and the United States. The [US revoked India's status](#) as a

beneficiary of GSP in June 2019 due to its lack of progress making certain trade reforms. After this U.S. measure, India invoked the Section 232 retaliatory tariffs on numerous U.S. commodities which had been proposed, but not yet implemented.

Countering Economic Coercion Act

A new bipartisan bill would allow the President to decide if a trading partner is a victim of economic coercion. Among the tools provided by this legislation would be the ability to impose tariffs on countries using economic coercion like Russia or China, and lower them on the countries affected by it. It's not clear how this proposed legislation would fit under existing WTO rules. Four Senators are also proposing the [China Trade Relations Act](#) that would return to an annual approval of China's Most Favored Nation status (MFN). It would make human rights and trade abuses disqualifying for MFN status.

Record U.S. Agricultural Trade Deficit

USDA forecast in its most recent [quarterly report](#) that the US would see a record \$14.5 billion deficit in agricultural trade in fiscal year 2023. The strength of the U.S. dollar is one reason for the increase, a factor that also boosts imports. U.S. agricultural trade hit record highs in fiscal year 2022. The top 3 markets for U.S. ag exports are China, Mexico, and Canada.

Upcoming Events:

Apr 12-14: China Sweets Show in Chengdu
Apr 24-27: Almond Alliance Conference in La Quinta
Apr 28-30: Turkish Nut Conference in Antalya
May 22-24: INC Congress in London
May 24-25: MRL Workshop in San Diego

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