



May 11, 2023

## Economic Impact Analysis of Retaliatory Tariffs on exports of California Almonds

California almond exporters have been increasingly frustrated about favorable tariff conditions for Australian almonds while U.S almonds continue to suffer under retaliatory tariffs. Australia has a free trade agreement with China, reduced tariff treatment with India, and may soon have a zero tariff going into the E.U. [Dr. Steinbach of UC Davis, using demand elasticity analysis](#), concluded that retaliatory tariffs cost the U.S. almond industry almost \$875 million in exports or more than 325 million pounds of shipments between April 2018 and April 2022. He estimated that the withdrawal of retaliatory tariffs imposed by China, India, and Turkey could increase U.S. almond exports by about \$175 million or 90 million pounds annually.

Recently, ABC analyzed trade data to determine the impacts of retaliatory tariffs in key markets combined with Australian trade advantages. Based on that analysis, it was determined that if US market share had stayed the same before implementation of retaliatory tariffs in China, India, and Turkey in 2018, and Australia's trade agreements with China and India, the value of US almond exports to those countries from 2018-2022 would have been higher by more than \$550 million equating to an additional volume of 155 million pounds. This analysis will be summarized into a white paper that will be shared with policy makers for ABC's annual trip to DC coming up in June. For more info, please contact [kschneller@almondboard.com](mailto:kschneller@almondboard.com).

## Transportation Update:

ILWU negotiations continue with the two sides announcing a tentative agreement on a number of significant issues. However, there are still issues that will need to be resolved before a deal is signed. Additionally, dock workers at the Ports of Los Angeles and Long Beach continue to undertake "job actions", including those leading to a previous shutdown of the ports for a few shifts. There may also be separate negotiations underway with ILWU Local 13 (LA/LB) with the Local seeking to double the manning on container handling equipment. The uncertainty of the situation continues to cause consternation among importers as more and more shift operations to the East Coast. However, there is optimism that the sides

are inching closer to a deal, and many of the imports are expected to return to West Coast ports.

The California Air Resources Board unanimously approved a new rule to phase out sales of diesel-powered medium- and heavy-duty vehicles by 2036. This is the first such combustion-truck sales ban in the world. Drayage vehicles with internal combustion engines (ICE) that are on the road now can continue to operate through their "useful life." Those limits mean that when a drayage truck hits 800,000 miles, it can no longer be listed in the registry of drayage vehicles. The alternative is if it reaches 18 years after its model year, even if it has not reached 800,000 miles. The Advanced Clean Trucks rule aims to reduce California's GHG emissions by 40 percent and reduce petroleum use by 50 percent by 2030. Please contact [bdensel@almondboard.com](mailto:bdensel@almondboard.com) for more info.

## China Facility Registration Update:

On April 14, FDA resumed managing GACC's CIFER portal for U.S. facility registrations and has helped clear the CIFER queue of several handlers' change requests. These were waiting for FDA review before moving them on to GACC for final review and approval. An estimated 15 of the 70 handlers initially approved by GACC at end of December 2021 still need to upload mandatory documents in CIFER in order to finalize their accounts. Firms have until the end of June 2023 or risk being delisted. ABC continues to explore ways to help those "new" companies waiting to register their facilities so they can also export products to China. Be sure to confirm that any products being shipped to China are included under your facility's GACC account. If not, the shipments will not be cleared without inclusion of the specific product under your account which can take days or weeks to finalize. Please note GACC sent out a [notice](#) recently warning facilities from registering on "fake" online portals. It seems there are many companies offering assistance to register, but the only official portal is [cifer.singlewindow.cn](http://cifer.singlewindow.cn). USDA's most recent update on Decree 248 is [here](#). For more info, please contact [kschneller@almondboard.com](mailto:kschneller@almondboard.com).

## EU update on FOP Nutrition Labelling Plans

The EU plans to launch a harmonized Front-of-Pack Nutrition Label (FOPNL) have been delayed due to significant differences between member states. Originally, the FOPNL regulation was to have been finalized in Fall 2022. The northern member states led

by France and Germany are in favor, but Italy, along with several Eastern member states oppose Nutriscore as they feel it unfairly penalizes some of their traditional local products. Others, such as Hungary, favor a voluntary approach to FOPNL. Given all these differences, it seems unlikely that the member states will reach an agreement before the current term of the EU Parliament expires in Spring 2024. For more information, please contact [akulkarni@almondboard.com](mailto:akulkarni@almondboard.com)

## Proposed EU Updates on Agricultural Product Marketing Standards

On April 21, the European Commission published several proposals to update the EU's marketing standards for some agricultural products. Please note that nuts are excluded from EU's general marketing standards. But with these updates, the Commission is proposing more stringent mandatory origin labeling rules for honey, nuts and dried fruits, ripened bananas, as well as processed fruit and vegetables (such as packaged salad leaves). The origin labeling requirement will only apply to retail products. U.S. stakeholders who would like to comment on those proposals can do so [here](#) by May 19, 2023. Please contact [akulkarni@almondboard.com](mailto:akulkarni@almondboard.com) for more info.

## US-Japan Trade Agreement enters Year 5

A [recent USDA/GAIN report](#) explains that the U.S.-Japan Trade Agreement (USJTA) will enter Year 5 of agreement implementation on April 1, 2023, eliminating tariffs on multiple products including tree nut flour/meal (HS 1106.30.200) that had a base rate of 15% and a multi-year phaseout. Japanese Customs requires importers to submit a country of origin declaration to claim preferential tariff treatment under the USJTA [rules of origin and origin procedures](#).

## ABC to participate in INC Congress in London

ABC staff will participate in the INC Congress coming up in [London from May 22-24](#). The Almond Round Table will take place on the first morning of the event. ABC has submitted recharge initiatives for consideration in the INC's first [Award for Excellence in Sustainability](#) competition. Among the 11 international applications, BDG, Wonderful, and Treehouse are also competing for this recognition.

## FSSAI is considering FOPL for retail products

The Food Safety and Standards Authority of India (FSSAI) may make it necessary for packaged food items to have a [front of pack label \(FOPL\)](#) that will be based on recognizable symbols on the basis of how much energy, saturated fat, total sugar, sodium, and essential nutrients the packet contains per 100 gm or 100 ml. A draft was circulated for review and comments in 2022 but was put on hold. There are rumors a new draft FOPL regulation could be released soon.

## Trade Discussion Updates

The UK recently signed its 4th state-level [MOU](#) on trade with Oklahoma. USTR Tai traveled to the Philippines to discuss IPEF and critical minerals trade, but told reporters that an FTA is NOT on the table. [Janet Yellen](#) and [Jake Sullivan](#) recently gave separate speeches on the US-China economic and trade relationship. Bill Reinsch from the Center for Strategic and International Studies provides a great summary of those speeches [here](#).

## Upcoming Events:

May 22-24: INC Congress in London  
May 24-25: MRL Workshop in San Diego  
June 14: Turkish Team Visit Modesto  
June 14: TRAC Meeting Modesto  
June 15: BOD Meeting Modesto  
June 19-23: ABC/Industry Annual Trip to DC  
Jun 26-Jul 1: CODEX Pesticide Meeting Beijing  
July 11-14: USAEDC/Attache Conf in DC  
Aug 27-Sep 1: CFNA Conf in China

## Your GTRA Team:

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