



January 11, 2024

Upcoming GTRA Activities

GTRA staff are monitoring infestation issues on global shipments from this year's crop. A small industry task force is discussing recommended "best practices" that could be considered prior to export, and upon arrival at destination. In addition, while fumigation has been helpful, we're also concerned about EU intentions to phase out the use of various chemical tools that could limit the ability to deal with these types of issues. ABC is trying to gather information on what options are available to shippers when there is an infestation issue at a European port (e.g. return to origin, reprocess/sort at destination, etc.).

In February, ABC's annual India trade conference will be held in Delhi on February 15; this is prior to the Gulfood Show in Dubai. ABC's booth is S3-E62 in the U.S. Pavilion; a small workshop is being planned to take advantage of the large number of trade delegations visiting Gulfood which are being led by FAS offices from around the region. For more information, please contact Julie at jadams@almondboard.com or Keith at kschneller@almondboard.com.

Mold Testing in Italy

ABC staff continue to engage with European industry, Commission officials and USDA/FAS offices to address increased rejections for 'hygiene/mold' in almond shipments in Italy. It is important to note that **there are no regulatory limits for mold either in the U.S. or the EU.** The generally accepted industry reference value is <10,000 cfu/g – BUT results exceeding these values are not an indication of active mold growth nor is it a food safety issue.

Following discussions between ABC, Italian authorities and FAS staff, Italy agreed to suspend the 'mold/hygiene' testing. However, Italy indicated they will continue to monitor shipments for any visible mold. If you are having any issues with shipments to Italy or have questions, please contact Abhi at akulkarni@almondboard.com or Julie at jadams@almondboard.com.

Suez Canal Transportation Delays

According to media reports, around 12% of global trade by volume passes through the Suez Canal

which is an especially important energy transit point with around 9 million barrels of oil passing through the canal each day.

Due to the rising tensions in the Middle East, more and more shipping lines are starting to avoid the Suez Canal diverting cargo around the Cape of Good Hope. This can increase shipping times by at least two weeks resulting in higher costs and tighter inventory supplies. There has been some impact on inventories of almonds in the region as buyers prepare for Ramadan coming up in March. In addition to rerouting ships to avoid the Red Sea, many carriers are beginning to apply surcharges to cargo in order to cover the additional expenses.

Great Britain-PEC Launched

Great Britain (GB) has revised regulations that it retained from the European Union (EU) post-Brexit. This includes EU regulation 2015/949, which governs the Pre-Export Check (PEC) program that recognizes California almonds for a reduced inspection rate upon arrival in the EU.

Following discussions between AMS, ABC, and UK authorities, UK authorities will recognize the PEC program, but they required changes to the existing EU PEC certificate. ABC was able to leverage existing PEC procedures and database information to generate a GB/UK specific PEC certificate when product is shipped to the UK (NOTE: Ireland destinations will continue to fall under EU-PEC). Currently, the EU PEC certificates will be accepted for UK shipments with issue dates that are before January 15, 2024. ABC already conducted the first informational webinar for handlers on December 14, 2023, and will host another webinar on January 10, 2024. For more information, contact akulkarni@almondboard.com.

Update on Decree 248

Some handlers received emails recently from FDA that they had not updated their FDA/Export Listing Module (ELM) registrations for China and that therefore, their registration "*information will be removed from the China Nuts and Seeds export list with FDA's next update to the list*". If you are not sure about the status of your FDA/ELM application, **please check at <https://www.access.fda.gov/>** Both your confidential FDA facility registration and your FDA/ELM registration for China need to be updated every other year to remain in good standing with FDA.

Please pay attention to any emails you receive from FDA regarding the status of these two registrations. FDA has been willing to work with handlers to update the ELM registrations for China even after they had expired, but we need to deal with these issues as soon as possible to avoid problems going forward. USDA [recently published a new update](#) on Decree 248 that provides guidance for U.S. food exporters who ship to China. Unfortunately, the U.S. Government has still not come up with an agreed process to register “new” facilities wishing to export certain food products to China (including raw almonds) that require special support from FDA. For more info, please contact Keith at kschneller@almondboard.com.

Americans for Free Trade Coalition Urge USTR to Complete Review of Section 301 Tariffs

The group representing millions of American workers that was formed in 2018, sent a [letter last month](#) to members of Congress urging them to push USTR to complete its review of the Section 301 tariffs on more than \$300 million of imported products from China implemented in 2019/20. The tariffs were based on a USTR investigation of China’s unfair trading practices including forced technology transfer and IPR theft. The law requires a thorough review of these tariffs every four years to see if they should be continued or not. The Coalition claims in the past five years, American importers have paid more than \$198 billion in Section 301 tariffs on products from China. These higher costs are passed on to both American manufacturers and ultimately to consumers. For more information, please contact Keith at kschneller@almondboard.com

China extends Section 301 Tariff Exclusions

USDA [recently published a report](#) confirming that China extended a group of Section 301 retaliatory tariff exclusions on 12 agricultural products that were set to expire at the end of December 2023. In total, China has provided thirteen extensions of tariff exclusions for different lists of commodities with various exclusion periods. Raw almonds fall under these retaliatory tariffs but were never included on a list with a specific validity period. Therefore, Chinese importers are able to continue to request exclusions on the 30% Section 301 retaliatory tariff on US origin almonds. Chinese importers must still pay 10% MFN tariff and a Section 232 (steel and aluminum) 15% retaliatory tariff on U.S. origin almonds. Almonds

from Australia have zero tariff due to the Chinese-Australian FTA implemented in 2018. For more information, please contact Keith at kschneller@almondboard.com

EU-Mercosur Negotiations Stall, Again...

While many Europeans had hoped for an agreement by the end of 2023, both sides published [a statement](#) on December 7 stating that more time will be required to, “address the global challenges in areas such as sustainable development, reduction of inequality and multilateralism.” The negotiations between the EU and the Mercosur group which includes Argentina, Brazil, Paraguay and Uruguay have been going on since 1999. If France and new political leadership in Argentina can resolve their differences, trade negotiators hope to finalize the agreement by the end of 2024. If implemented, the EU-Mercosur trade agreement would create one of the largest free trade areas in the world, with a combined population of over 700 million people and a combined GDP of over \$17 trillion. The agreement is expected to boost trade and investment between the EU and Mercosur countries, and to create jobs and economic growth. It will be the EU’s 47th trade agreement covering 82 countries compared to the US’ 14 agreements with 20 countries.



Upcoming Events:

- Feb 9-17 Chinese New Year/Spring Festival
- Feb 15 ABC India Trade Conference in Delhi
- Feb 19-23 ABC exhibiting at Gulfood in Dubai
- Mar 10-Apr 8 Ramadan

Your GTRA Team	Julie	jadams@almondboard.com
	Gabriele	gludwig@almondboard.com
	Jesse	roseman@almondboard.com
	Keith	kschneller@almondboard.com
	Abhijeet	akulkami@almondboard.com
	Brock	bdensel@almondboard.com

The Global Update is a publication by the Almond Board of California. For more information, please contact the Almond Board at 209-549-8262 or regulatoryissues@almondboard.com. The information reported in this document is correct to the best of our knowledge. The Almond Board of California welcomes the participation of all industry members and does not discriminate on the basis of race, color, national origin, sexual orientation, gender, marital status, religion, age, disability or political beliefs. 2024GTRA0001