



September 12, 2024

Chinese Nut Delegation visits Modesto

USDA and China's Chamber of Commerce of Import and Export of Foodstuffs, Native Produce and Animal By-Products (CFNA) coordinated a visit to the United States by a large delegation of Chinese importers of nuts. The CFNA team of 25 people visited California's Central Valley from Aug 21-23 including visits with CDFA in Sacramento, ABC in Modesto and the Pistachio Growers Association in Fresno. The group then visited Hazelnut Growers in Portland, OR and wrapped up with a visit to the Pecan Growers Association based in Houston, TX. CFNA has been a strong liaison in China between Chinese government authorities and importers/processors. The organization also played an instrumental role in helping establish waivers on some of the retaliatory tariffs implemented on some U.S. origin products including tree nuts.

ABC coordinated a visit to an almond orchard, huller/sheller and then hosted the delegation for an Almond 101 session at the ABC HQ in Modesto followed by a reception including several almond handlers and exporters. ABC representatives hope to see many of these buyers in Shanghai at the CIIE show coming up in November. For more information about the delegation's visit or participating at the CIIE show in November, please contact Keith at kschneller@almondboard.com

ABC Stresses Effectiveness of PEC Program

With higher RASFF (Rapid Alert System for Food) notifications in Europe, ABC has been developing a deeper analysis of the Pre-Export Check (PEC) program. Prior to the program's establishment, Dr. Tom Whitaker (USDA/ARS) had modeled rejections based on aflatoxin contamination in the crop and level of retesting in Europe. The current higher level of RASFF notifications is aligned with predicted levels – reaffirming the effectiveness of the program. Internal PEC sampling data and RASFF alert data indicate that the aflatoxin rejections in Europe remain in the expected range based on crop conditions, insect damage, inspection frequency, etc. The analysis puts in context the number of rejections with respect to shipment volume and underlines the continued

importance of PEC as well as efforts by the California almond industry to ensure the quality of shipments to the EU. ABC is utilizing this analysis in its discussions with authorities in the EU and UK, as well as the European trade.

2023/24 Pesticide and Heavy Metal Factsheets

The 2023/24 Pesticide and Heavy Metal Factsheets are now available to handlers and will be available in the handler portal soon. For information, please contact Abhi at akulkarni@almondboard.com

USDA publishes US-India Road Map 2024

The USDA's Foreign Agricultural Service (FAS) released the [US-India Road Map 2024](#) in August. The report concludes that India will be "one of the top export destinations for U.S. agricultural products over the next decades."

Opportunities for US Ag Products in Morocco

USDA recently published a [trade report](#) providing an overview of the Moroccan market for U.S. agricultural commodities including almonds. In 2023, Morocco was the 2nd largest export market for U.S. ag in Africa importing over \$600 million in U.S. ag products. The U.S. Free Trade Agreement with Morocco has created a favorable environment to grow trade and act as an entry point into North Africa. The United States is Morocco's leading tree nut supplier; in 2023, U.S. market share was 59 percent, with a 31-percent annual growth rate over the past five years. ABC will be conducting a comprehensive market assessment of Morocco and plans to initiate trade servicing activities in the coming months. For more information contact Keith at kschneller@almondboard.com

EU's Shifting Priorities

In Ursula von der Leyen's second term as European Commission President, which was confirmed last month, industry analysts note that the EU is continuing its shift away from free trade towards protecting its own industries and economy. The European Commission sets trade policy for the bloc, but trade will be second in line after economic security according to its [Guidelines for the Next European Commission](#) platform released last month. EU Commission leaders for ag and other

sectors will be nominated and selected in the coming weeks.

EU releases report from the Strategic Dialogue on the Future of Agriculture in Europe

Launched in January by the European Commission in response to the farmer protests, a working group was set up composed of 29 members representing stakeholders in the agri-food and environmental sectors. The recommendations from this document will influence the priorities set by the second term of Ms. Van der Leyen. Among the recommendations:

- 1) Agriculture and food are strategically important sectors and policies should reflect it;
- 2) Calls for a repurposing of the Common Agricultural Policy funding (EU subsidies) to be more reward-/outcome-oriented;
- 3) Development of an EU-wide benchmarking system to harmonize on-farm sustainability assessments and reward performance;
- 4) Continue reductions in the impact of pesticide use -- but no specific pesticide reduction goals as had been set in the Green Deal; and,
- 5) No recommendations for mirror clauses.

Update on Global Shipping Situation

The global container shipping industry experienced a significant profit surge in the second quarter, with earnings exceeding \$10 billion, driven by record volumes and rising freight rates. This increase comes on the heels of disruptions in the Red Sea, according to a recent analysis by John McCown. According to McCown, the container shipping industry, which moves 80% of global merchandise, experienced a boom during the pandemic due to high consumer demand and supply chain disruptions. However, this was followed by a collective loss in the final quarter of 2023. Despite these challenges, global container volumes reached a record high of 46.4 million Twenty Foot Equivalent (TEUs). Demand has been strong in the U.S., as retailers and importers increase their inventories amid concerns over potential new tariffs on Chinese goods and the possibility of a dockworkers' strike at East and Gulf Coast ports.

USDA recently published its Outlook for U.S. Agricultural Exports in Fiscal Year 2025 forecast at \$169.5 billion which is \$4 billion lower than FY'24. The report attributes the change to lower commodity prices and lower volume of beef exports. It projects imports at \$212 billion for FY'25, which is \$8 billion higher than the previous year based on the strong dollar and rising imports of horticultural products. The projected trade deficit of \$42.5 billion would exceed the previous year's record deficit of \$30.5 billion. USDA's forecast for horticultural products exports is a record \$41.5 billion, up \$1.2 billion from 2024. Whole and processed tree nuts are forecast to be \$400 million higher to \$9.9 billion on steady unit values and stronger demand from Europe and Asia.

The UK will join CPTTP by Dec 15

The UK announced it will join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) by December 15. Peru was the sixth and final ratification needed to secure its membership (following Chile, Japan, New Zealand, Singapore and Vietnam; for other member countries, the accession will take effect 60 days after ratification). More than 99% of current UK goods exports to CPTPP members will be tariff-free once the deal enters into effect.

Upcoming Events:

Sep 9-13	USDA Trade Mission to Vietnam
Sep 11-13	IFPA meetings in DC
Sep 19-21	World Food India Conference
Sep 24-27	MHLW Visit to California
Nov 4-8	China CIIE Show/US Ag Trade Mission
Dec 2-6	USDA Trade Mission to Morocco
Dec 9-13	Almond Conference in Sacramento

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The Global Update is a publication by the Almond Board of California. For more information, please contact the Almond Board on 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. 2024GTRA0020

USDA Estimates growing Ag Trade Deficit