



October 11, 2024

## ABC participates in World Food India

For the first time, ABC participated in World Food India (WFI), which provided an opportunity to expand engagement with the Ministry of Food Processing (MOFPI). Over the four days, WFI focused on recognizing the potential of food processing sector in *transforming India*.

Knowledge sessions by key Indian Ministries and state authorities showcased opportunities, emerging trends, etc.

Almonds were the *only commodity* that featured in the sessions – a specific panel on **Leveraging Almonds for Growing Health-Conscious Consumers in India** was moderated by ABC, featuring speakers on almond research and food processing. The panel was introduced by the Ministry's Joint Secretary, who expressed his positive views on California almonds. A second panel on **Global Nutrition and Health** included ABC as part of a broader discussion of how foods, such as almonds, can be leveraged in more innovative ways to meet consumer needs.

ABC will be leveraging many of these new contacts as it explores ways to expand almond consumption, innovation and food processing in India. Please contact Julie at [jadams@almondboard.com](mailto:jadams@almondboard.com) if you have any questions.

## Post-EU Election Update

As the dust settles down on EU Parliamentary elections, the European Commission is slowly starting the process of electing new Commissioners to key portfolios. Of interest to California almonds, and the agriculture sector in general, are a couple of key developments: One, there is hardly any mention of Farm-to-Fork in the new Commission work plan for the next five years. Secondly, the nominee for the post of Commissioner for Agriculture & Food, Christophe Hansen, an EPP Representative from Luxembourg, is known to be pragmatic. He will likely be tasked with shoring up EU food security and reduce dependence on third countries for critical resources such as farm inputs.

While this does not mean EU will abandon the Green Deal/Farm-to-Fork agenda, it does mean

that all proposals will probably be scrutinized closely to assess their impact on the agricultural sector. It seems Europe is realizing that any substantial transformation of the food system will take more time than the previous Parliament envisioned. Nevertheless, ABC staff will continue monitoring any developments to assess potential impacts on the industry.

## MHLW Visit to California

A delegation from Japan's Ministry of Health, Labor & Welfare (MHLW) visited California in late September to better understand almond production practices and to discuss the level of inspections for shipments to Japan. Currently, Japan inspects 100% of California almond shipments. The visit was coordinated by ABC in conjunction with USDA Foreign Agricultural Service (FAS) staff from DC and Tokyo. The visit included visits to orchards, huller/sheller and handler facilities, as well as discussions with USDA Ag Market Service related to the USDA-approved lab program. The trip provided MHLW with a firsthand view of how the California almond industry manages aflatoxin contamination in shipments. The discussions were very productive; we expect this will be a positive step toward developing a protocol for reduced inspection on import. We'll keep the industry updated; please reach out to Julie at [jadams@almondboard.com](mailto:jadams@almondboard.com) with any questions.

## New Indonesian Import Requirements

On August 14, 2024, FAS Jakarta published a report summarizing an Indonesia Quarantine Agency (IQA) notification to the World Trade Organization which stated that exporters shipping to Indonesia must submit a "Prior Notice" in IQA's new system before shipping all agricultural commodities, including almonds. This expanded Prior Notice requirement would be **effective for shipments beginning on October 6, 2024**. FAS Jakarta understands this date to refer to that listed in the bill of lading. USDA/FAS has developed Guidance on the Prior Notice requirements. Shippers can find detailed instructions on registering in the IQA online portal and submitting a Prior Notice [here](#). You can contact Abhi at [akulkarni@almondboard.com](mailto:akulkarni@almondboard.com) with any questions.

## U.S. Port Strike Ends...For Now

After 45,000 dockworkers went on strike on October 1 over wages and automation, the strike was suspended on October 3<sup>rd</sup>. This was the first strike by the International Longshoremen's Association (ILA) and the U.S. Maritime Alliance (USMX) since 1977 at affected ports run by East and Gulf Coast dockworkers. The ILA had been in contract talks for months with the United States Maritime Alliance (USMX, representing ocean carriers and port operators). Disagreements over wages and automation thwarted the two sides reaching a new, six-year contract. The two groups published a press release on October 3<sup>rd</sup> that they have agreed to a tentative deal on wages and will extend their master contract until January 15, 2025.

## Falling U.S. Farm Income and Ag Trade Policy

The U.S. Farm Bureau recently [published a report](#) highlighting information from [USDA's September Farm Income Forecast](#) that U.S. net farm income has fallen by 23%, or \$42 billion from 2023 to 2024. The reduction in income is mainly due to lower crop prices and stagnant exports due to the strong dollar. The report points out that Net Farm Income in California during this time period has fallen by 40%.

In addition, North Dakota State University recently [published a report](#) describing how U.S. ag trade policy has shifted in recent years with less emphasis on opening new markets via free trade agreements. If the U.S. government continues to implement additional tariffs on imported products, the report concludes that overseas retaliation will thwart the expansion of U.S. ag exports and most likely require billions of dollars to compensate for lost export revenue.

## Ag Groups Urge Reauthorization of GSP

Twenty five food and ag groups including the Almond Alliance recently [sent a letter](#) to the Senate Finance Committee and House Ways & Means Committee encouraging the reauthorization of the Generalized System of Preference (GSP) program, which expired in 2020. GSP allows developing countries to avoid duties on certain products exported to the United States. GSP also provides an opportunity to focus on eliminating trade barriers

and adherence to international standards. India, the almond industry's #1 export market, was a GSP recipient. The letter states, "*Participation in the GSP program should continue to be conditional on criteria that supports U.S. market access into GSP beneficiary countries.*" Therefore, GSP maintains loyalty for developing countries to sell into the United States and to also offer additional market access for U.S. exporters.

## Australia and UAE Trade Agreement

According to a [recent USDA report](#), Australia and the United Arab Emirates [announced that negotiation](#) on a new trade agreement, the Australia-United Arab Emirates Comprehensive Economic Partnership Agreement, have concluded. Over 99% of Australian products will enter the UAE tariff-free. The deal will benefit Australian farmers and food producers, with estimated tariff savings of \$50 million AUD (\$33 million USD) annually on food and agriculture exports. Australia and the UAE are working to formalize the legal treaty text in preparation for signing later this year.

It is anticipated Australian almonds will be at a 0% duty under the agreement – the U.S. would remain at the current MFN rate of 5%. Once finalized, Australian almonds will enjoy a duty advantage over U.S. origin almonds in four of our top six export markets: India, China, Turkey, and UAE.

## Upcoming Events:

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|-----------|--------------------------------------|
| Nov 4-8   | China CIIE Show/US Ag Trade Mission  |
| Nov 4-8   | ABC Market Assessment trip to Turkey |
| Nov 19-21 | USAEDC Fall Meetings Baltimore       |
| Dec 2-6   | USDA Ag Trade Mission to Morocco     |
| Dec 9-13  | Almond Conference in Sacramento      |

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