



2018

THE ALMOND CONFERENCE

THE GLOBAL TRADE ENVIRONMENT: MORE THAN
JUST TARIFFS...

ROOM 314 | DECEMBER 5, 2018



Speakers

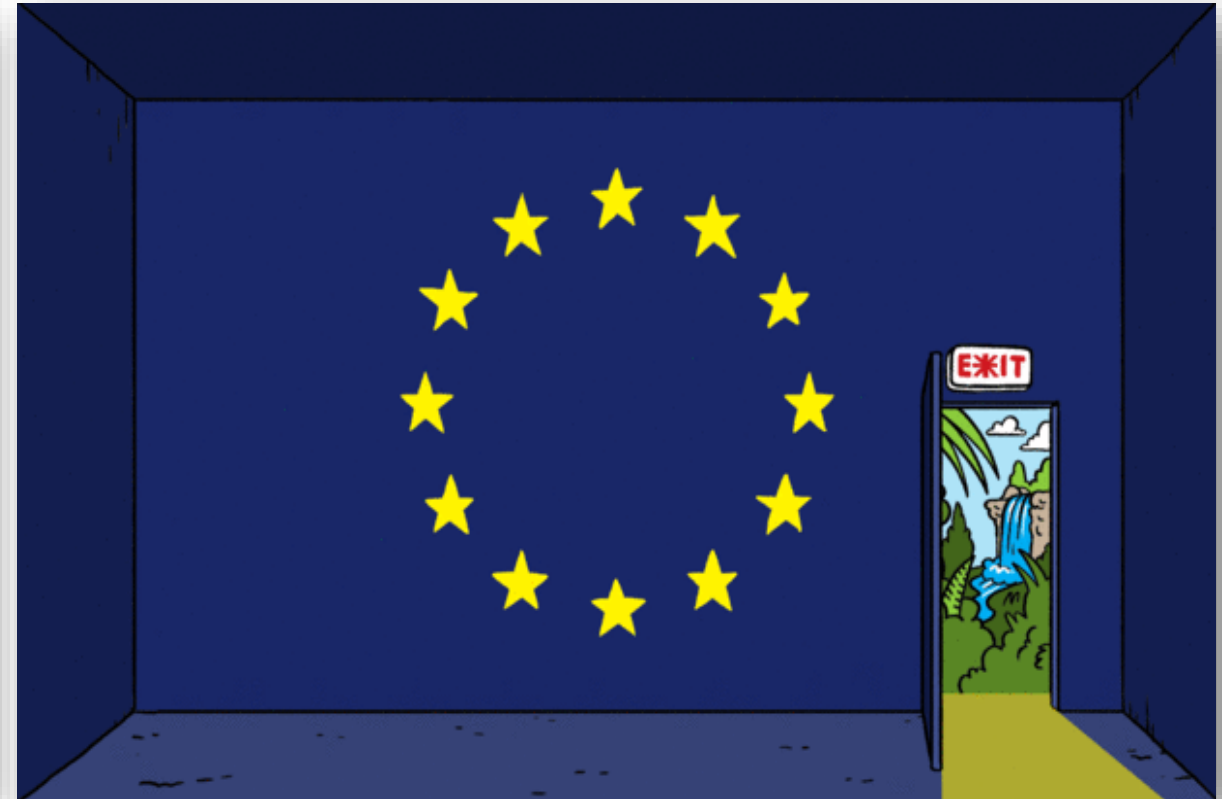
- **Julie Adams**
 - Vice President, ABC Global Technical/Regulatory Affairs
- **Craig Thorn**
 - Partner, DTB Associates LLP



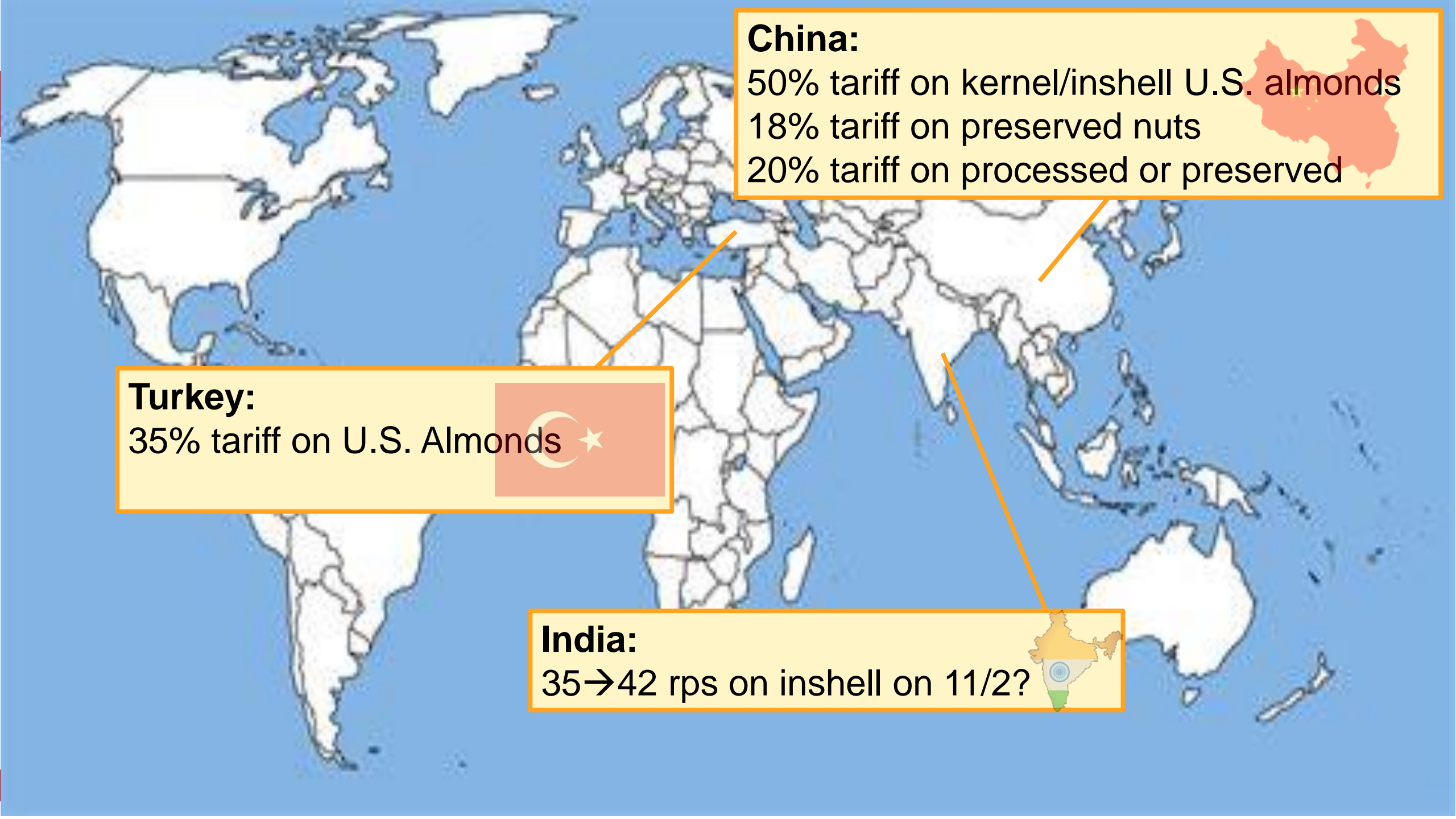


The Global Trade Environment – More than Just Tariffs!

Trade Environment – We've Never Been Here Before.....



Is this the new normal?

A world map with a blue background and white landmasses. Three callout boxes with orange borders point to specific countries: China, Turkey, and India. The China callout box is in the top right, the Turkey callout box is in the middle left, and the India callout box is in the bottom right. Each callout box contains text and a small flag icon of the respective country.

China:

50% tariff on kernel/inshell U.S. almonds
18% tariff on preserved nuts
20% tariff on processed or preserved

Turkey:

35% tariff on U.S. Almonds



India:

35→42 rps on inshell on 11/2?



Tariffs are the Easy Part – They're Predictable

- Tariffs are transparent
- Almond tariffs have not *generally* been excessive in most markets
- Technical and Sanitary/phytosanitary barriers are the real concern, and harder to address:
 - *Aflatoxin controls*
 - *Hygiene*
 - *Pests / fumigation requirements*
 - *Labeling*
 - *Quality / grade standards*
 - *Documents and certificates*

E.U.:

Aflatoxin rejections
EU Cut Off Criteria
Brexit



China:

50% tariff on kernel/inshell U.S. almonds
18% tariff on preserved nuts
20% tariff on processed or preserved



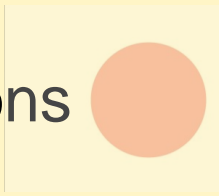
Turkey:

35% tariff on U.S. Almonds



Japan:

Aflatoxin rejections



India:

35→42 rps on inshell on 12/17
No Objection Certificates
Grades/Standards



Resolving conflicts depends on common rules and transparency.....

- Trade agreements allow individual countries with common trading interests to establish trading rules
 - One-to-one (think about US-Korea)
 - One-to-many (think NAFTA/USMCA, TPP)
- WTO provides a basis for ensuring member countries adhere to agreed global principles and dispute settlement – whether or not there is a bilateral/multilateral trade agreement
- *It's not fast, and it's not easy*
- But it's the only global forum we have for these types of conversations



MULTILATERAL TRADING SYSTEM

World Trade Organization (WTO)

- GATT – General Agreement on Tariffs and Trade (1948-1995)
- WTO – World Trade Organization (1995-Present)
 - Basic rules of international trade
 - Membership open to all countries with market economies, or countries moving towards a market economy.
 - Government-to-government agreements.

WTO: GATT's Basic Principles

“Most Favored Nation” Status – Treat all GATT parties alike.

Tariff-Only Trading System – Eliminate non-tariff barriers (e.g., quotas, discretionary import licensing).

National Treatment – Treat imports the same as domestic products.

Discipline Subsidies – Prohibit export subsidies (non-agricultural products); countervailing duties.

Other Key WTO Agreements

- Agreement on Agriculture
 - Eliminated non-tariff barriers and reduced tariffs
 - Disciplined and reduced export subsidies and domestic subsidies
- Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)
- Agreement on Technical Barriers to Trade (TBT Agreement)
- Dispute Settlement Understanding

SPS Agreement:

Definition of an SPS measure

Protects:	From:
Human or animal life	Risks of food additives, contaminants, toxins or disease-causing organisms in foods, feeds, beverages
Human life	Diseases carried by animals, plants or products thereof
Animal life, including fish and wild fauna, & Plant life, including forests and wild flora	The entry, establishment or spread of pests, diseases, disease-carrying or disease-causing organisms
A country	Damage within the territory from entry, establishment or spread of pests

Rights and Obligations

- Right: Permits Members to restrict trade to protect human, plant or animal life or health. Member may choose level of protection. Rules framework designed to allow Members to achieve objective.
- Since measures can affect trade, establishes obligations.

Rights and Obligations

- Obligations: SPS measures
 1. Must be based on scientific principles and evidence (Article 2.2);
 2. Must be based on a risk assessment (5.1 & 5.2);
 3. Must not be discriminatory (2.3);
 4. Must be no more trade-restrictive than necessary (5.6);
 5. Must not make arbitrary or unjustifiable distinctions in levels of protection if such distinctions result in discrimination or disguised barrier to trade (5.5); and
 6. Must base measures on international standards (3.1) unless deviation scientifically justifiable.

SPS Rules in Practice

- Important and useful agreement
- Means of differentiating between legitimate barriers and unnecessary trade restrictions
- Acceptable framework for regulators
- Should be set of rules that politicians and policy makers (and private industry) can defend to the public, but . . .

Why We Need SPS Rules: EU Pesticide Legislation

- Hazard-based rather than risk-based approach
- Regulation 1107/2009 – product registrations
- Regulation 396/2005 – import tolerances
- Discussions in WTO SPS Committee
- Possible dispute settlement case
- SPS Agreement rules ultimate source of leverage

TBT Agreement

- Regulations must not:
 - Be discriminatory;
 - Create unnecessary obstacles to trade
- Regulations must not be more trade-restrictive than necessary to fulfill legitimate objective
 - Taking into account risks that non-fulfillment of objective would create
 - In assessing risks, must take into account “available scientific and technical information”
- Members must base regulations on international standards
- Transparency and notification procedures

Dispute Settlement Understanding (DSU): Principles

- WTO member countries agree to:
 - Use dispute settlement system rather than respond unilaterally to rules infractions by other countries;
 - Abide by agreed WTO procedures;
 - Respect judgments of the panels and the appellate body.
 - Should a WTO member fail to comply with DSB rulings, the complaining country can “withdraw concessions” – raise tariffs.
 - Objective is to settle disputes – through consultation, if possible – not necessarily to pass judgment.

DSU: Cases Involving the U.S.

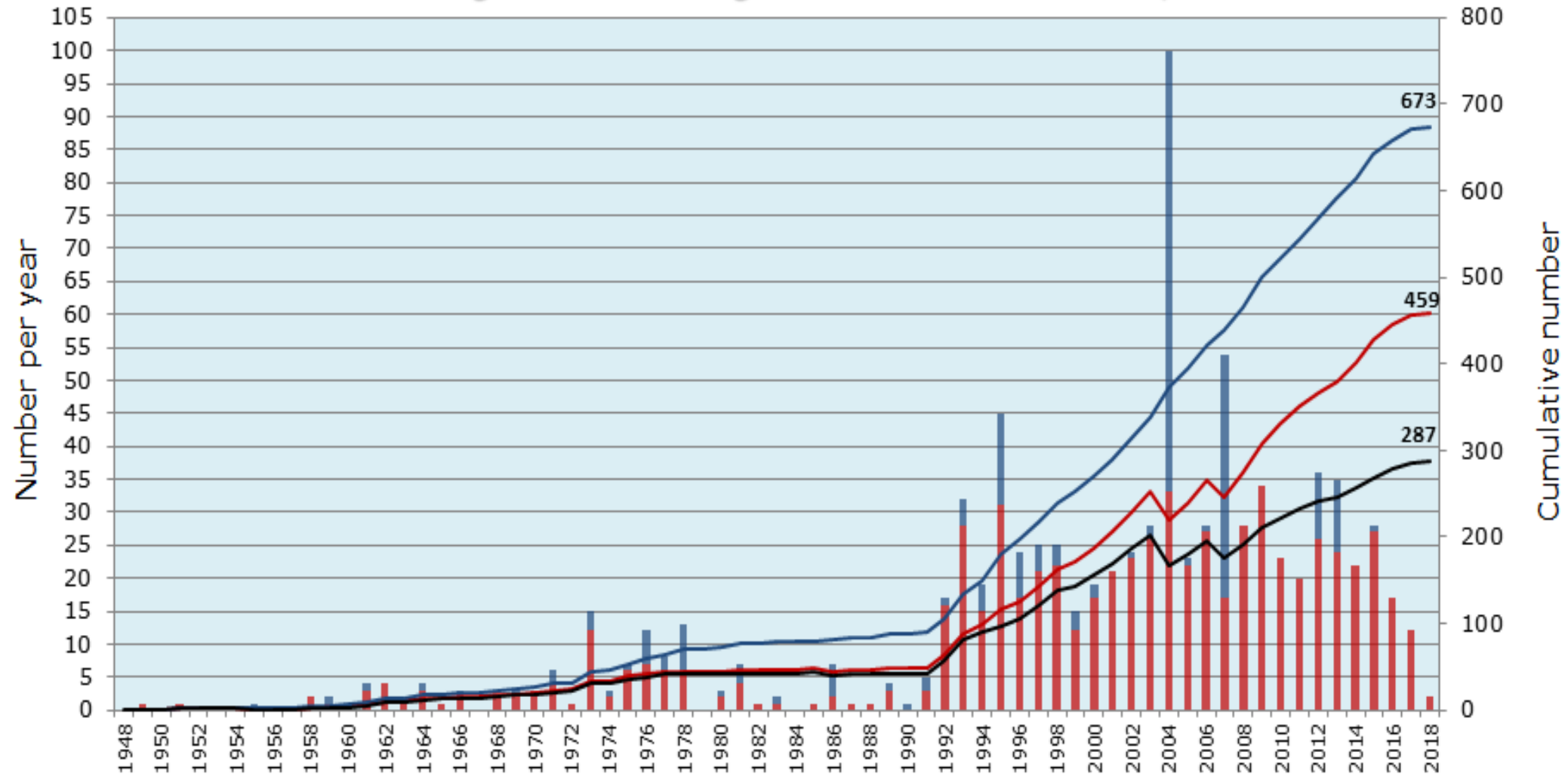
- Of 79 dispute settlement cases filed by the U.S. against other countries:
 - U.S. won 75, or resolved to U.S. satisfaction without going through entire process.
 - U.S. lost 4
- Of the 97 cases filed by other countries against the U.S.:
 - U.S. won 17 and resolved 23 without going through entire process.
 - U.S. lost 57

DSU

- Threat of dispute settlement often leads to solution
 - 37 cases filed under SPS Agreement – 8 through full panel process; 6 appeals
 - Totals for WTO: 406 cases – 115 panel reports; 78 appeals

Bilateral & Regional Trade Agreements

Evolution of Regional Trade Agreements in the world, 1948-2018



Note: Notifications of RTAs: goods, services & accessions to an RTA are counted separately. Physical RTAs: goods, services & accessions to an RTA are counted together. The cumulative lines show the number of notifications/physical RTAs that were in force for a given year.
 Source: RTA Section, WTO Secretariat, 1-May-18.

The U.S. has implemented FTAs with 20 countries

Agreement	Date Entered into Force
Canada – NAFTA	1/1/89
Mexico – NAFTA	1/1/94
Jordan	1/1/02
Singapore	1/1/04
Chile	1/1/04
Australia	1/1/05
El Salvador – CAFTA	3/1/06
Honduras – CAFTA	4/1/06
Nicaragua – CAFTA	4/1/06
Guatemala – CAFTA	7/1/06
Morocco	1/1/06
Bahrain	8/1/06
Dominican Rep. – CAFTA	3/1/07
Costa Rica – CAFTA	1/1/09
Oman	1/1/09
Peru	2/1/09
Korea	3/15/12
Colombia	5/12/12
Panama	10/31/12

Who is Negotiating Agreements?

- EU – 39 agreements (95 countries)
- Japan – 14 (47)
- Canada – 10 (50)
- China – 8 (15)
- Chile – 22 (64)
- Mexico – 13 (50)
- Peru – 14 (45)
- Brazil – 1 (5)

FTA's Already Notified to the WTO

Andean Community (CAN)
 Armenia - Kazakhstan
 Armenia - Moldova
 Armenia - Russian Federation
 Armenia - Turkmenistan
 Armenia - Ukraine
 ASEAN - China
 ASEAN Free Trade Area (AFTA)
 Asia Pacific Trade Agreement (APTA)
 Asia Pacific Trade Agreement (APTA) - Accession of
 China
 Australia - Chile
 Australia - New Zealand (ANZCERTA)
 Australia - Papua New Guinea (PATCRA)
 Brunei Darussalam - Japan
 Canada - Chile
 Canada - Costa Rica
 Canada - EFTA
 Canada - Israel
 Canada - Peru
 CARICOM
 Central American Common Market (CACM)
 Central European Free Trade Agreement (CEFTA)
 Chile - China
 Chile - Colombia
 Chile - Costa Rica
 Chile - El Salvador
 Chile - Guatemala
 Chile - India
 Chile - Japan
 Chile - Mexico
 China - Hong Kong, China
 China - Macao, China
 China - New Zealand
 China - Peru
 China - Singapore
 Common Economic Zone
 Common Market for Eastern and Southern Africa
 (COMESA)
 Commonwealth of Independent States (CIS)
 Costa Rica - Mexico
 East African Community (EAC)
 EU - Albania
 EU - Algeria
 EU - Andorra
 EU - Bosnia and Herzegovina
 EU - CARIFORUM States EPA
 EU - Chile
 EU - Côte d'Ivoire
 EU - Croatia
 EU - Egypt

EU - Faroe Islands
 EU - Former Yugoslav Republic of Macedonia
 EU - Iceland
 EU - Israel
 EU - Jordan
 EU - Lebanon
 EU - Mexico
 EU - Montenegro
 EU - Morocco
 EU - Norway
 EU - Overseas Countries and Territories
 EU - Palestinian Authority
 EU - South Africa
 EU - Switzerland - Liechtenstein
 EU - Syria
 EU - Tunisia
 EU - Turkey
 EU (9) Enlargement
 EU (10) Enlargement
 EU (12) Enlargement
 EU (15) Enlargement
 EU (25) Enlargement
 EU (27) Enlargement
 EC Original Treaty
 Economic and Monetary Community of Central Africa
 (CEMAC)
 Economic Community of West African States
 (ECOWAS)
 Economic Cooperation Organization (ECO)
 EFTA - Chile
 EFTA - Croatia
 EFTA - Egypt
 EFTA - Former Yugoslav Republic of Macedonia
 EFTA - Israel
 EFTA - Jordan
 EFTA - Korea, Republic of
 EFTA - Lebanon
 EFTA - Mexico
 EFTA - Morocco
 EFTA - Palestinian Authority
 EFTA - SACU
 EFTA - Singapore
 EFTA - Tunisia
 EFTA - Turkey
 EFTA (Stockholm Convention)
 EFTA accession of Iceland
 Egypt - Turkey
 El Salvador - Mexico
 Eurasian Economic Community (EAEU)
 European Economic Area (EEA)
 Faroe Islands - Norway

Faroe Islands - Switzerland
 Georgia - Armenia
 Georgia - Azerbaijan
 Georgia - Kazakhstan
 Georgia - Russian Federation
 Georgia - Turkmenistan
 Georgia - Ukraine
 Guatemala - Mexico
 Gulf Cooperation Council (GCC)
 Honduras - Mexico
 Iceland - Faroe Islands
 India - Bhutan
 India - Singapore
 India - Sri Lanka
 Israel - Mexico
 Japan - Indonesia
 Japan - Malaysia
 Japan - Mexico
 Japan - Philippines
 Japan - Singapore
 Japan - Switzerland
 Japan - Thailand
 Japan - Vietnam
 Jordan - Singapore
 Korea - ASEAN
 Korea, Republic of - Chile
 Korea, Republic of - Singapore
 Kyrgyz Republic - Armenia
 Kyrgyz Republic - Kazakhstan
 Kyrgyz Republic - Moldova
 Kyrgyz Republic - Russian Federation
 Kyrgyz Republic - Ukraine
 Kyrgyz Republic - Uzbekistan
 Lao People's Democratic Republic - Thailand
 Latin American Integration Association (LAIA)
 Melanesian Spearhead Group (MSG)
 MERCOSUR
 Mexico - Nicaragua
 New Zealand - Singapore
 Nicaragua and the Separate Customs Territory of
 Taiwan, Penghu, Kinmen and Matsu Pacific Island
 Countries Trade Agreement
 Pakistan - China
 Pakistan - Malaysia
 Pakistan - Sri Lanka
 Panama - Chile
 Panama - Costa Rica
 Panama - El Salvador (Central America)
 Panama - Singapore
 Panama and the Separate Customs Territory of
 Taiwan, Penghu, Kinmen and Matsu

Pan-Arab Free Trade Area (PAFTA)
 Peru - Chile
 Peru - Singapore
 Protocol on Trade Negotiations (PTN)
 Singapore - Australia
 South Asian Free Trade Agreement (SAFTA)
 South Asian Preferential Trade Arrangement South
 Pacific Regional Trade and Economic Cooperation
 Agreement (SPARTEUA)
 Southern African Customs Union (SACU)
 Southern African Development Community
 Thailand - Australia
 Thailand - New Zealand
 Trans-Pacific Strategic Economic Partnership
 Turkey - Albania
 Turkey - Bosnia and Herzegovina
 Turkey - Croatia
 Turkey - Former Yugoslav Republic of Macedonia
 Turkey - Georgia
 Turkey - Israel
 Turkey - Morocco
 Turkey - Palestinian Authority
 Turkey - Syria
 Turkey - Tunisia
 Ukraine - Azerbaijan
 Ukraine - Belarus
 Ukraine - Former Yugoslav Republic of Macedonia
 Ukraine - Kazakhstan
 Ukraine - Moldova
 Ukraine - Russian Federation
 Ukraine - Tajikistan
 Ukraine - Uzbekistan
 Ukraine - Turkmenistan
 West African Economic and Monetary Union

 Australia
 Bahrain
 Chile
 CAFTA-DR
 Costa Rica
 Israel
 Jordan
 Morocco
 NAFTA
 Oman
 Peru
 Singapore

FTA's Under Negotiation or Planned

Australia – Gulf Cooperation Council (*Saudi Arabia, the UAE, Kuwait, Qatar, Oman and Bahrain*)

Australia – India

Australia – Indonesia

Australia – Malaysia (MAFTA)

Australia – New Zealand & ASEAN (*Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei Darussalam, Vietnam, Lao PDR and Myanmar, and Cambodia*)

Bimstec Countries (*Bangladesh, Buthan, India, Myanmar, Nepal, Sri Lanka, Thailand*)

Canada – CARICOM (*Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Granada, Guyana, Haiti, Jamaica, Monserrat, Trinidad & Tobago, St. Kitt, Nevis, St. Lucia, St. Vincent & the Grenidines, Surinam*)

Canada – CA4 Countries (*El Salvador, Guatemala, Honduras y Nicaragua*)

Canada – Colombia

Canada – Dominican Republic

Canada – India

Canada – Jordan

Canada - Morocco

Canada - Ukraine

Canada – Singapore

Chile - Malaysia

Chile – Turkey

Chile - Vietnam

China – ASEAN (ACFTA)

China – Australia

China – Costa Rica

China – GCC

China – India

China – Switzerland

China - Taiwan

Colombia - Guatemala

Costa Rica – Singapore

Costa Rica – China

EFTA – GCC (*EFTA: Iceland, Norway, Switzerland, and Liechtenstein*)

GCC: *Saudi*

Arabia, the UAE, Kuwait, Qatar, Oman and Bahrain)

EFTA – Ukraine

EU – ACP Countries (*African, Caribbean and Pacific Group of States: Angola, Antigua and Barbuda, Belize, Cape Verde, Comoros, Bahamas, Barbados, Benin, Botswana, Burkina Faso, Burundi,*

Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Kinshasa), Cook Islands, Cote d'Ivoire, Cuba, Djibouti, Dominica, Dominican Republic, Eritrea, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Republic of Guinea, Guinea-Bissau, Equatorial Guinea, Guyana, Haiti, Jamaica, Kenya, Kiribati, Lesotho, Liberia, Madagascar, (continued) Malawi, Mali, Marshall Islands, Mauritania, Mauritius, Micronesia, Mozambique, Namibia, Nauru, Niger, Nigeria, Niue, Palau, Papua New Guinea, Rwanda, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Solomon Islands, Samoa, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Suriname, Swaziland, Tanzania, Timor Leste, Togo, Tonga, Trinidad and Tobago, Tuvalu, Uganda, Vanuatu, Zambia, Zimbabwe)

EU – Andean (CAN) (*Bolivia, Colombia, Ecuador and Peru*)

EU – ASEAN (*Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei Darussalam, Vietnam, Lao PDR and Myanmar, and Cambodia*)

EU – Canada

EU – Central America (*Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama*)

EU – New Zealand

EU - Pakistan

EU – Philippines

EU – Southern / Eastern Africa

EU – Syria

EU - Taiwan

EU – Ukraine

EU – Gulf Cooperation Council (*Saudi Arabia, the UAE, Kuwait, Qatar, Oman and Bahrain*)

EU – India

EU – Indonesia

EU – Mercosur (*Brazil, Argentina, Uruguay and Paraguay*)

GCC – African Countries

(*Morocco, South Africa, Congo, Sierra Leone, Mozambique, Uganda, Mauritania, Senegal, Zambia, Ivory Coast, Egypt*)

GCC – Malaysia

GCC – New Zealand

India – Canada

India – Chile

India – EFTA (*Iceland, Norway, Switzerland, and Liechtenstein*)

India – Egypt

India – Gulf Cooperation Council (*Saudi Arabia, the UAE, Kuwait, Qatar, Oman and Bahrain*)

India – Hong Kong

India – Israel

India – Malaysia

India - New Zealand

India – Southern Africa Customs Union (SACU - *Botswana, Lesotho, Namibia, South Africa and Swaziland*)

India - Turkey

India – South Korea

Indonesia – New Zealand

Israel – MERCOSUR (*Brazil, Argentina, Uruguay and Paraguay*)

Japan – ASEAN (AJCEPA) (*Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei Darussalam, Vietnam, Lao PDR and Myanmar, and Cambodia*)

Japan – Australia

Japan – Brunei (JBEP)

Japan – Chile

Japan – Gulf Cooperation Council (*Saudi Arabia, the UAE, Kuwait, Qatar, Oman and Bahrain*)

Japan – India (CEPA)

Japan – Israel

Japan – New Zealand

Japan – Pakistan

Japan - Peru

Japan - Taiwan

Korea – Australia

Singapore – Ukraine

Korea – Canada

Korea – China

Korea – EU

Korea – India

Korea – Japan

Korea - MERCOSUR

Korea – Mexico

Korea – New Zealand

Korea – Peru

Korea - Pakistan

Mexico – MERCOSUR (*Brazil, Argentina, Uruguay and Paraguay*)

New Zealand – Hong Kong

Pakistan – Afghanistan

Pakistan – Indonesia

Pakistan – Mauritius

Panama – Guatemala

Peru – EFTA (*Iceland, Norway, Switzerland, and Liechtenstein*)

Peru - Mexico

Peru - Taiwan

Peru - Thailand

Peru - Uruguay

Russia - Ecuador

Singapore – Gulf Cooperation Council (*Saudi Arabia, the UAE, Kuwait, Qatar, Oman and Bahrain*)

Taiwan – Dominican Republic

Taiwan – Honduras – El Salvador

Taiwan – Singapore

Turkey - Jordan

Venezuela – Mercosur

US FTAs Currently Under Negotiation or Planned

Trans-Pacific Partnership (TPP) - *Could add three new country FTAs: New Zealand, Brunei and Vietnam*

Why Should We Care About Foreign FTAs?

- Failure to negotiate FTAs puts U.S. export interests at a competitive disadvantage with countries that continue to negotiate trade deals. For example:
 - CPTPP will put U.S. exporters of beef, pork and wheat at a competitive disadvantage in Japan.
 - The EU has 39 agreements with 95 countries and more under negotiation.
 - The EU pressures its FTA partners to accept European regulatory policies.

United States Free Trade Agreements

14 trade agreements covering 20 nations

- Australia FTA
- Bahrain FTA
- CAFTA-DR
(Dominican Republic-Central America FTA)
- **Chile** FTA
- Colombia TPA
- Israel FTA
- Jordan FTA
- **Korea** FTA
- Morocco FTA
- NAFTA (now **USMCA**)
- Oman FTA
- Panama FTA
- **Peru** TPA
- **Singapore** FTA

Australia Free Trade Agreements

12 trade agreements covering 19 nations

- ASEAN Agreement
- **Chile** FTA
- **China** FTA
- **Japan** FTA
- **Korea** FTA
- Malaysia FTA
- New Zealand FTA
- **Peru** FTA
- **Singapore** FTA
- Thailand FTA
- **TPP** Agreement
- United States FTA

United States Free Trade Agreements

14 trade agreements covering 20 nations

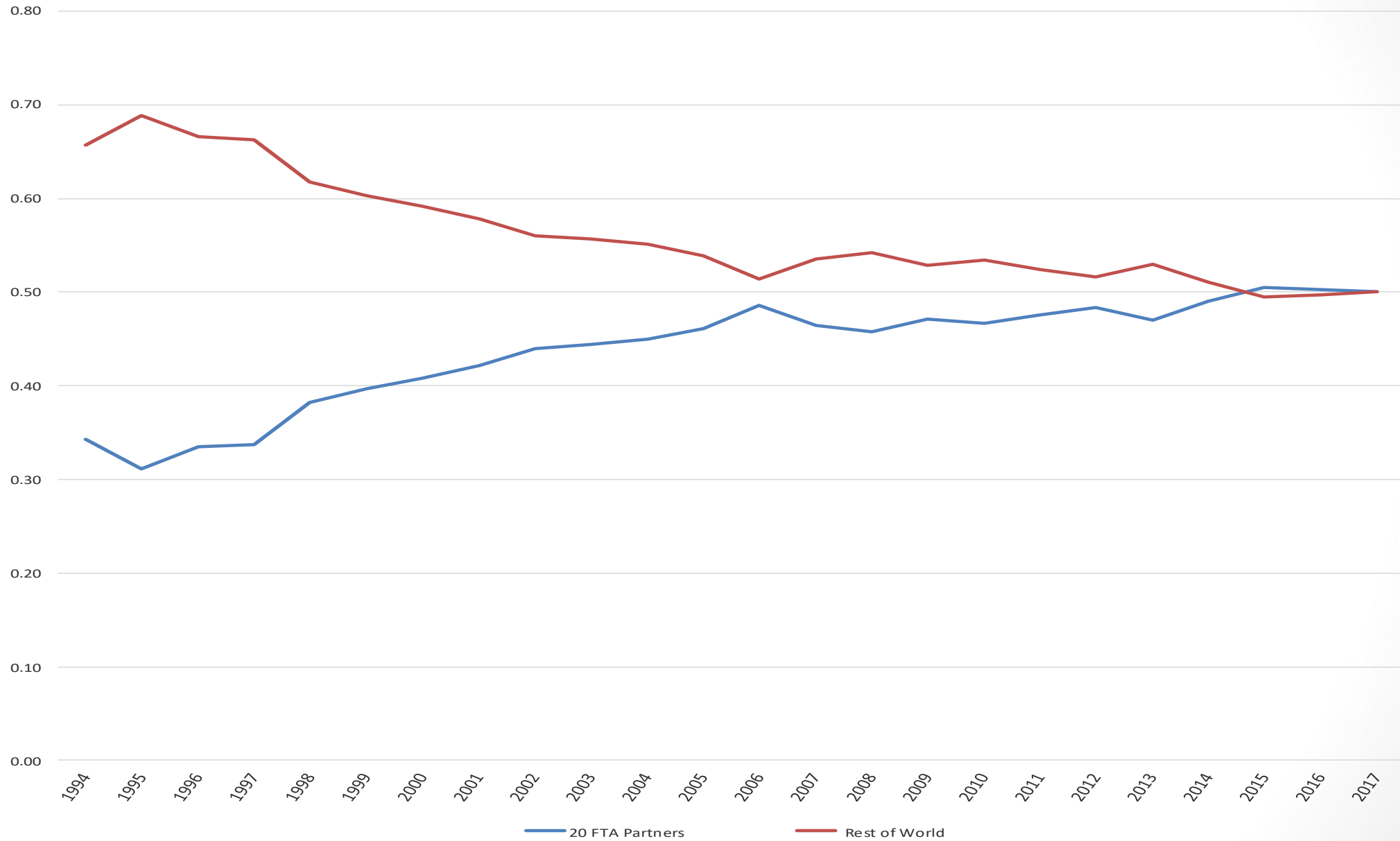
- Australia FTA
- Bahrain FTA
- CAFTA-DR (Dominican Republic-Central America FTA)
- **Chile** FTA
- Colombia TPA
- Israel FTA
- Jordan FTA
- **Korea** FTA
- Morocco FTA
- NAFTA (now **USMCA**)
- Oman FTA
- Panama FTA
- **Peru** TPA
- **Singapore** FTA

Japan	UK	EU
<ul style="list-style-type: none">• Tariff 2.4%• Aflatoxin sampling not in line with Codex	<ul style="list-style-type: none">• March 2019 BREXIT deadline• Portion of TRQ?• New agreement only after transition• Recognition of PEC	<ul style="list-style-type: none">• TRQ 90,000 MT• 2% in quota (sh/ins)• 3.5% out of quota (sh)• 5.6% out of quota (ins)• Cut-off criteria

Effect of Past US FTAs on Ag Exports

FTA	Date Entered into Force	Year Before Agreement	2017	Growth
		Million Dollars		Percent
Canada FTA/NAFTA	1/1/89	2,019	20,608	+921
Mexico - NAFTA	1/1/94	3,618	18,601	+414
Jordan	1/1/02	122	287	+135
Singapore	1/1/04	266	817	+207
Chile	1/1/04	144	930	+546
Australia	1/1/05	410	1,417	+246
El Salvador -CAFTA	3/1/06	239	463	+94
Honduras - CAFTA	4/1/06	249	591	+137
Nicaragua - CAFTA	4/1/06	125	205	+64
Guatemala - CAFTA	7/1/06	455	1,101	+142
Morocco	1/1/06	164	396	+141
Bahrain	8/1/06	15	74	+393
Dominican Rep.	3/1/07	629	1,200	+91
Costa Rica - CAFTA	1/1/09	608	694	+14
Oman	1/1/09	77	59	-23
Peru	2/1/09	424	1,225	+189
South Korea	3/15/12	6,976	6,869	-2
Colombia	5/12/12	868	2,525	+191
Panama	10/31/12	206	647	+214

U.S. Ag Exports to FTA and Non-FTA Countries (Excluding China) Portion of Total

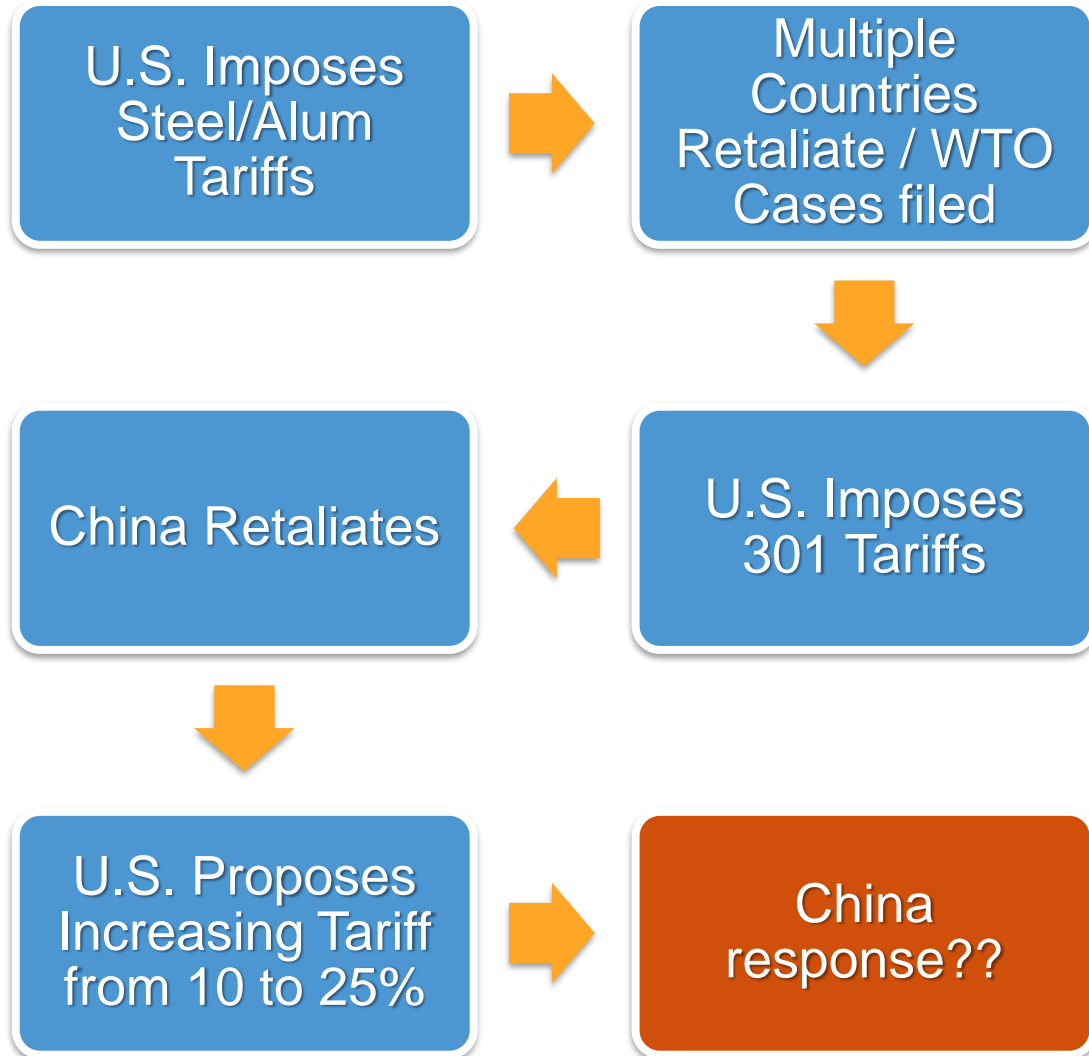


**U.S. Goods Trade Balance with FTA Partners
vs. the Rest of the World**
(Billion U.S. Dollars)

Year	20 FTA Partners	Rest of World
2002	-100	-368
2003	-109	-424
2004	-137	-518
2005	-146	-627
2006	-149	-679
2007	-142	-667
2008	-127	-690
2009	-62	-442
2010	-79	-556
2011	-80	-646
2012	-71	-660
2013	-67	-622
2014	-64	-658
2015	-63	-673
2016	-54	-682
2017	-58	-738

SOME EXAMPLES OF HOW THIS
PLAYS OUT FOR ALMONDS IN THE
REAL WORLD.....

Trade Example: Tariffs



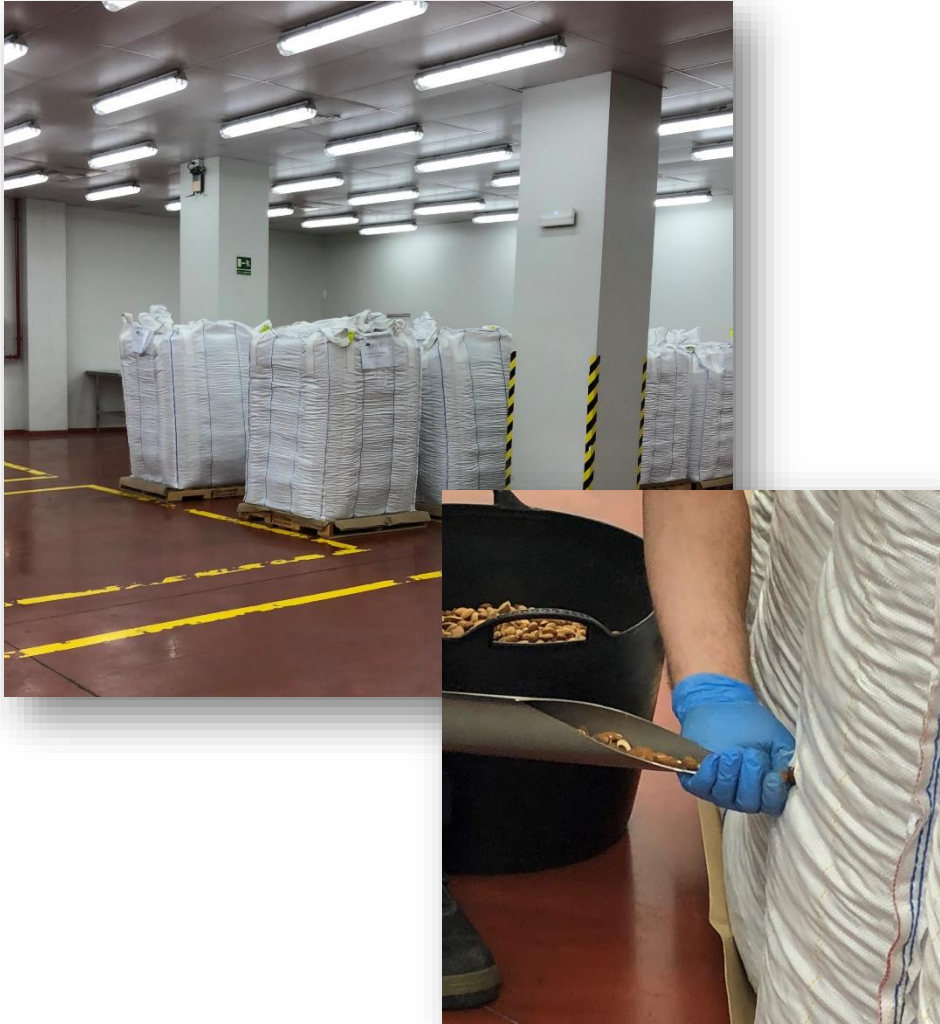
U.S. Section 232 / 301 Tariffs

- U.S. claims national security, intellectual property violations
- Trade partners impose retaliatory tariffs, alleging safeguard measures
- WTO dispute panel convened
- U.S. stating WTO has no authority to rule on a national security issue

Brexit

- 90,000 MT EU tariff rate quota (TRQ) for almonds
- No increase since 1995 establishment
- Allocate % to UK? Keep in EU?

Trade Example: Sanitary/Phytosanitary (SPS)



EU Cut-Off Criteria

- Hazard-based criteria for assessment / approval of pesticide MRL's
- Many currently approved chemicals at risk of being pulled
- Iprodione, glyphosate, chlorpyrifos.....

Aflatoxin Controls

- Tighter aflatoxin standards and analytical methods
- Establishment of Codex recommendations
- EU alignment of limits for tree nuts
- Opens door to origin equivalence programs

Trade Example: Technical Barrier to Trade (TBT)



USDA GRADES

U.S.D.A. Grades (Effective 3/24/97)	Doubles	Chip & Scratch	Foreign Material	Split & Broken	Other Defects	Serious Defects
U.S. Fancy	3%	5%	.05%	1%	2%	1%
U.S. Extra No. 1	5%	5%	.05%	1%	4%	1.5%
U.S. No. 1	15%	10%	.05%	1%	5%	1.5%
U.S. Select Sheller Run	15%	20%	.1%	5%	3%	2%
U.S. Standard Sheller Run	25%	35%	.2%	15%	3%	2%

No Objection Certificate (NOC)

- Port notification establishing right of 1st consignee to “grant” NOC if consignee changes
- Ability to “hold consignments hostage”

Import Documentation / Certification

- Import parameters based on quality factors (e.g. chip/scratch, moisture) rather than established food safety standards
- Reference pricing documentation required on import



Who Knows What's on the Horizon.....

- Issues are more complex
- Technical / political issues often blur
- Tariffs are *easy* – but rarely the only issue we face
- Trade agreements and global organizations help establish common goals, resolve disputes
- ***But*** engagement at a technical level is essential: find win-win solutions *before* dispute settlement is needed!



**The Global Trade Environment – More than
Just Tariffs!**
Thank you!



What's Next

Wednesday, December 5 at 11:10 a.m.

- India: The Strength Within – Room 314
- Growing Organic: Panel Update on Practices and Certification – Room 312-313
- More Crop Per Drop – Room 308-309
- Almond Pasteurization - Landscape of Technologies/Equipment (Part 2) – Room 306-307

What's Next

Wednesday, December 5 at 12:00 p.m.

- Luncheon Presentation – Hall C
Speaker: David Deak

Luncheon is ticketed and is sponsored by Moss Adams



MOSSADAMS



Silent Auction

Start your holiday shopping at our Silent Auction in Hall A+B - all proceeds go towards CA FFA scholarships!

Wednesday & Thursday until 3:00 p.m.

Buy Your Golden Ticket at the FFA Booth

100 GOLDEN TICKETS WILL BE SOLD

★ ★ ★ ★ **GOLDEN TICKET** ★ ★ ★ ★

Throughout the conference 100 golden tickets will be sold. One lucky person will win and get their choice of one item from the live auction.

MUST BE PRESENT AT THE GALA DINNER TO WIN.

**Visit the FFA silent auction booth to purchase
a golden ticket and learn more!**

The golden ticket winner will be drawn prior to the live auction.