

ABC Global Update

Update on the North American Free Trade Agreement

The Trump Administration notified Congress that it will sign a new free-trade agreement with Mexico in late November. U.S. Trade Representative Robert Lighthizer said negotiations are continuing with Canada and Canadian Foreign Minister Chrystia Freeland has returned to Washington to lead the effort. Canada stands firm on two demands: that a final deal preserves a dispute process that allows Canada to challenge U.S. tariffs and allow Canada to block U.S. companies from taking over its media industry. Negotiators hope to reach compromise by the end of September in order to meet the deadline imposed in an effort to enable the outgoing Mexican president to sign a deal before his last day in office.

Changes to Chinese Competent Authority Issuing Certificates

From August 21, 2018, a new Chinese government authority will issue official government certification.

The entry-exit inspection and quarantine duties were managed by China's General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ). From August 21, 2018, these duties will be integrated into the General Administration of Customs of the People's Republic of China (**GACC**). As a result, the GACC will start to use new certificates and new stamps.

Inspection and quarantine certificates and stamps with the China Inspection and Quarantine (CIQ) logo and current security features issued prior

to August 21, 2018 will remain valid. During the coming weeks, certificates in both the old and the new format may be presented. The scope of the change extends to all government certificates as required by the import conditions, including health, veterinary, fumigation, and phytosanitary certificates. The security features associated with Chinese government certificates remain unchanged.

Additionally, beginning August 1, 2018, GACC began accepting electronic documents at the point of customs declaration, ceasing to require paper documents as a strict prerequisite for clearance. More information on e-Docs is available at the following [notice](#).

No Changes to the India Fumigation Requirements

Several industry members have raised concerns about changes in fumigation requirements for almonds shipped to India due to a memo recently issued by Indian government officials. ABC has confirmed with USDA/FAS in Delhi and with Indian authorities that the memo was not directed to 3rd countries, and that there is no change in the fumigation parameters which have been in place for more than five years for almonds from California. If you have any questions, contact Julie Adams at jadams@almondboard.com.

Second Tranche of Section 301 Tariffs and Chinese Retaliation Comes into Force

On August 23, the United States began collecting a 25 percent additional duty on \$16 billion worth of

Chinese imports, bringing the total amount of Chinese products subject to tariffs under Section 301 to approximately \$50 billion.

China matched the U.S. move and on the same day, imposing a 25 percent additional duty on \$16 billion worth of U.S. imports. **Almonds were not included in this second tranche; tariffs on almond kernels and inshell remain at 50%.**

Goods subject to the second tranche of tariffs can be found at:

[U.S. Final Tariff List](#)

[China Final Tariff List](#) (in Chinese)

Another Round of Tariffs on China?

The U.S. recently completed public hearings on a proposed list of Chinese goods totaling \$200 billion, which may be subject to additional tariffs. The U.S. could move forward within the coming weeks; China has already indicated the list of U.S. goods totaling \$60 billion which would be subject to retaliatory tariffs.

The Chinese list includes goods that would be at both 10 and 25 percent tariff. Manufactured/roasted almonds (under Chapter 20 of the harmonized tariff code) are among the goods listed, at a rate of 25%. Up to now, almonds under Chapter 20 have not been subject to retaliatory tariffs.

ABC will continue to monitor developments and provide an update to industry members.

Brazilian Court Rules to Suspend the Use of Glyphosate

On August 3, a Brazilian court ruled that new products containing glyphosate could not be registered in

Brazil and existing registrations would be suspended beginning in September, until the Brazilian Health Regulatory Agency (ANVISA) issues a decision reevaluating the safety of glyphosate. The decision also applies to the insecticide abamectin and the fungicide thiram.

The Brazilian court case is the latest to challenge the safety of glyphosate. The European Union voted to phase out glyphosate in December, and the U.S. ninth-circuit court on June 10 judge ruled that Monsanto, the producer of the most popular glyphosate-based product Roundup, must pay damages to a man who alleged that the product caused his cancer.

According to media sources, Brazilian Agriculture Minister Blairo Maggi said that a potential ban on glyphosate in Brazil would be a disaster for the nation's agriculture industry. Glyphosate is regularly used in Brazil, which is one of the largest producers and exporters of soybeans and corn. The Brazilian court decision is subject to multiple appeals.

Organic Sticker Temporarily Allowed on Imported Products to India

Until September 30, 2018, India's Food Safety and Standards Authority of India (FSSAI) will allow imported organic products to enter India with a non-detachable sticker of the FSSAI organic logo, as required per the Food Safety and Standards (Organic Foods) Regulations, 2017. After this date, a FSSAI organic logo must be included on the primary label of all certified organic products.

Without the FSSAI organic logo, imported organic food products will not be allowed entry into India. More information is available at the following U.S. Department of Agriculture GAIN [report](#)

Aflatoxin Violations Update

Japan

The number of aflatoxin violations decreased significantly last month. Japan had only one violation for the month of August. The number of violations for the entire year stands at 37.

European Union

The number of Rapid Alerts slowed during the month of August, but the industry still experienced five violations. The number of violations for the entire year stands at 25.

ABC is working with USDA/FAS and government authorities in both markets, to address the ongoing aflatoxin concerns.

The Almond Conference

Reminder! Many of the issues impacting the production and shipment of almonds will be covered during sessions at the Almond Conference, December 4-6, 2018 in Sacramento.

This year's conference will provide and important opportunity to update on the status of the PEC program in Europe, global trade relations, ABC marketing initiatives, research results, and regulations impacting the growing of almonds. Updates on ABC strategic goals and industry initiatives will also be presented.

The 2018 Almond Conference is expected to be the largest ever, with over 4,000 attendees and 250 exhibitors. **Register now at:** www.Almondconference.com. Hotels are accepting reservations.

Upcoming Travel

- **September 10-12, 2018**
Karen Lapsley in Saskatoon, Canada for Canadian Bioresource Conference.
- **September 11-14, 2018**
Julie Adams in Washington, DC for trade meetings and in Spain for discussions with U.S. and Spanish ministry officials.
- **September 11-18, 2018**
Richard Waycott in China for industry meetings and to attend the Annual Board Meeting of the Specialized Committee for Nuts and Roasted Seeds of China National Food Industry Association.
- **September 24-26, 2018**
Julie Adams in London, UK for trade meetings, and Brussels, Belgian for a European Snack Association meeting.
- **September 24-28, 2018**
Daren Williams and Bunnie Ibrahim in Washington, DC for United Fresh Washington Conference, Agriculture Promotion Groups Educational Showcase, and Congressional staffer meetings.

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