

ABC Global Update

Trans-Pacific Partnership (TPP) Moves Ahead for Existing Members

Despite U.S. withdrawal, the Trans-Pacific Partnership (TPP-11) is set to take effect at the end of 2018. After President Trump withdrew the U.S. from the TPP in one of his first acts in office, the 11 remaining countries gathered in Santiago, Chile, in March 2017 to discuss a path forward. A year later they signed the revamped deal which is largely the same minus some suspended provisions including intellectual property measures pushed by the U.S.

According to the agreement, six countries needed to complete domestic ratification for the deal to go into effect. With ratification by Australia, that milestone was met; the first round of tariff cuts will go into effect 60 days later (January 1, 2019).

Analysts and U.S. industry groups, particularly those in the agriculture sector, have expressed concern that the U.S.' withdrawal from the deal, will cede to competitors' preferential access to Asian markets.

India Delays Retaliatory Tariffs another 45 Days

India has delayed the implementation of its retaliatory tariffs on certain U.S. goods, including shelled and in-shell almonds, until December 17, 2018.

The additional tariffs were set to go into effect November 2, 2018, in response to the U.S. Section 232 steel and aluminum tariffs. This is the third time India has delayed imposing the tariffs.

If implemented, the tariff rate for shelled almonds would increase from 100 INR/kg to 120 INR/kg and for in-shell almonds from 35 INR/kg to 42 INR/kg.

India Amends Maximum Limit Levels for Metals and Other Contaminants

On October 29, India **notified** the World Trade Organization (WTO) of the **Draft Food Safety and Standards (Contaminants, Toxins, and Residues) Amendment Regulations, 2018**.

The draft standard details the maximum limits of metal contaminants in certain foods.

Additionally, the Standard outlines the maximum aflatoxin levels in Nuts. Nuts for further processing as well as ready-to-eat have a maximum total aflatoxin level of 15 µg/kg and a maximum aflatoxin B1 level of 10 µg/kg. From the draft, it is not clear if the requirements apply to all tree nuts and peanuts. Comments are due by December 28, 2018.

India Almond Kernel Standard Still Under Consideration

Since early in 2018, the India Foods Safety & Standards Authority (FSSAI) has been considering standards for almond kernels, which would be applied at import. Comments provided to FSSAI's Scientific Panel in October outlined concerns about using commercial parameters for import control, rather than food safety parameters.

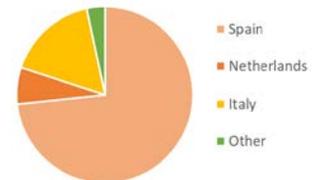
In a follow up meeting with FSSAI authorities, it was clarified that the intention is to focus the standard only on kernels. However, there continues

to be a reticence to move away from the proposed parameters, which include factors such as chip and scratch, oil content, and extraneous vegetable matter).

Local Indian associations have engaged with FSSAI expressing their concern at the possible disruptions if these grade standards move forward.

EU Rapid Alerts up to 30

Aflatoxin rejections in Europe are currently at 30 notifications. The majority of rejections are in Spain, which applies higher levels of inspection to any almond handler on "alert" in Spain.



Other European importers have confirmed that while there have been increased inspections in other countries (3-5%), they are not seeing rejections of California almonds.

Requests for Comments on Negotiating Objectives for a U.S. – Japan Trade Agreement

The Office of the U.S. Trade Representative (USTR) is requesting public comments on a proposed U.S.-Japan Trade Agreement, including U.S. interests and priorities, to develop the U.S. negotiating positions.

Written comments must be submitted by November 27, 2018. A public hearing will be held on December 10, 2018.

USTR is interested in barriers to trade in goods and services, product-

specific import or export interests or barriers, treatment of specific goods, sanitary and phytosanitary measures that should be addressed in the negotiations, as well as customs and trade facilitation issues. More information is available in the following Federal Register [notice](#).

Under the U.S. Trade Promotion Authority, negotiating objectives must be published 30 days before formal negotiations can begin.

USTR Requests Economic Analysis of U.S.-Japan Trade Agreement

Also, in preparation for negotiations with Japan, USTR has asked the International Trade Commission (ITC) to analyze the potential economic effects of removing tariffs on agricultural goods and granting duty-free treatment for competitive imports from Japan.

In a letter to the ITC, USTR stressed that the analysis be completed as soon as possible. The [letter](#) lists [sensitive agricultural products](#) to be considered such as meat, dairy products, and certain fresh fruits and vegetables. Almonds were not included.

The economic analysis is required under the Trade Promotion Authority (TPA), which also establishes that USTR cannot begin formal negotiations with Japan until January 14, 2019.

Almond U.S. Goods Return Discussions with FDA

Given higher than usual aflatoxin results in Europe, a number of consignments have been returned to the U.S. for reprocessing. Several industry members have raised questions about FDA procedures, including reconditioning plans. ABC staff meet with FDA this week to learn more about FDA procedures for compliance and investigations, as well as to begin discussions about the

possibility of developing a more streamlined return program.

ABC will be following up with FDA headquarters in Washington, DC, and with USDA/AMS.

Hong Kong Adopts Amendments to Metallic Contaminants Regulations

On October 29, Hong Kong [notified](#) the WTO that it has adopted the proposed amendments to the ["Food Adulteration \(Metallic Contamination\) \(Amendment\) Regulations 2018."](#)

Changes include replacing existing food categories with specific contaminant maximum levels (MLs) targeting individual food and food groups to better align with the Codex Alimentarius standards, creating MLs for commonly consumed foods in Hong Kong for which there were no relevant Codex MLs, and updating food descriptions and nomenclatures in the regulations.

The amended regulation has a one-year grace period and will enter into force November 1, 2019.

The Almond Conference

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

This year's conference will provide an important opportunity to update on the status of the PEC program in Europe, global trade relations, ABC marketing initiatives, research results, Farm Bill, mid-term elections, and State/Federal 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. Hotels are filling up fast; be sure to **register now at:** www.Almondconference.com.

Upcoming Travel

- **November 4-10, 2018**
Guangwei Huang in Qingdao, China for CIFST 15th Conference.
- **November 12-16, 2018**
Julie Adams and Becky Jeffers in Baltimore, MD for USAEDC Conference.
- **November 26-29, 2018**
Julie Adams in Brussels, Belgium for European Snacks Association meetings and discussions with the European Commission, followed by participation in a USDA/FAS regional meeting in The Hague, Netherlands.

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