

ABC Global Update

Almond 2025 Goals Launched at 2018 Almond Conference

The annual Almond Conference on December 4-6 proved to be another success, in terms of sessions and participants. Four concurrent tracks covered issues ranging from irrigation use, production practices and pasteurization technologies to regional marketing programs and the current trade situation. In addition to all of the California growers and processors, individuals from more than 15 countries and all major production regions were in attendance.



The Conference also saw the launch of the **Almond Orchard 2025 Goals** which cover four areas: **water, harvest**

dust, pest management and zero waste. The goals are the latest way the California almond industry is demonstrating its commitment to continuous improvement. For more information, please see:

www.almonds.com/processors/goals

Renegotiated NAFTA Signed on November 30th

On November 30, the Presidents of United States, Mexico, and Canada signed the reworked North American Free Trade Agreement (NAFTA), now known as the United States-Mexico-Canada Agreement (USMCA).

The leaders signed USMCA on the sidelines of the G20 Summit in Argentina after over a year of tense negotiations. Before it is able to come into effect, the Agreement requires ratification by all three countries'

legislatures. Until the USMCA is fully ratified, the current NAFTA will remain in effect.

President Trump now has 60 days to report to Congress the changes to U.S. law that will be required in order to comply with the Agreement. The International Trade Commission (ITC) has 105 days to complete an investigation into the economic impacts USMCA will have on the United States.

While the Section 232 steel and aluminum tariffs are still unresolved, USTR Lighthizer told reporters that the three nations will focus on a resolution to the tariffs now that the Agreement is signed. No timeframe was indicated for the discussions.

International Trade Commission Investigation into U.S. - EU Trade Agreement

On November 20, the U.S. International Trade Commission (ITC) **announced** the beginning of its investigation into the economic effects of lower U.S. tariffs on goods from the European Union (EU) under a U.S.-EU Trade Agreement.

More specifically, the ITC will look at the probable economic effect of "providing duty-free treatment for imports of currently dutiable products from the EU on (i) industries in the United States producing like or directly competitive products, and (ii) consumers."

The ITC will publish a report of its findings once the investigation is complete.

A public hearing regarding this investigation will be held on December 18, 2018. Additionally,

interested parties are invited to submit written comments by January 4, 2019.

U.S. – China Agree to 90 Day “Truce”

The U.S. government has indicated it will hold tariffs on \$200 billion in Chinese goods at 10%, rather than moving ahead with a planned increase to 25% effective January 1, 2019. The decision came after the December 1 meeting between President Trump and Chinese President Xi Jinping, where it was agreed to hold off on any further trade escalation for 90 days (December - March 2019), allowing time for a trade agreement to be reached. While the timing is short, it is hoped that sufficient progress can be made to encourage further discussions. At this point, it is unclear what the focus of any deal would involve, or how “success” will be defined.

BREXIT: Details are Murky....

After months of negotiation, the UK and the EU have reached an agreement governing UK’s exit from the EU on March 29, 2019, at 11pm GMT. As outlined, the transition will run until the end 2020. It leaves the UK subject to EU rules: as part of the EU customs union and bound by all EU regulations throughout the transition period (including food safety and environmental regulations) until a future framework is established. However, the transition period lets the UK avoid a sudden return of custom checks and tariffs which would be part of a “hard BREXIT.”

The UK Parliament is expected to vote on the transition agreement in December, but agreement is meeting with resistance – a bit of a “dog’s

breakfast” with no camp satisfied by the compromise. The European Commission says that it will ensure that the “withdrawal will happen in an orderly manner” and that it is preferable to a “no deal” scenario.

USTR Updates Section 301 Report

On November 20, USTR released a **report** updating an earlier report on its Section 301 investigation of China’s policies and practices related to technology transfers and intellectual property.

The original report, which was published in March, served as the basis for a total of \$250 billion in tariffs on imports of Chinese goods that were imposed in three tranches.

The updated report states that China is continuing to erect trade barriers, is continuing its policy of forced technology transfers, and is flouting international rules by stealing intellectual property. Further, China maintains its investment and foreign ownership restrictions and has discriminatory licensing restrictions.

USTR also says in its report that China is downplaying the importance and efforts of its “Made in China 2025” policy, which is China’s plan to increase production of a range of industrial goods.

Farm Bill getting Close?

Agriculture Committee leaders in the House and Senate have reached agreement on Farm Bill language, in hopes of passing the bill before Congress adjourns this month. However, leaders are waiting for scoring by the Congressional Budget Office before completing final language and releasing the Conference Report. Few hard facts are known about the deal reached.

India Trade Meetings set for February

In the week prior to Gulfood in Dubai, ABC will hold its annual trade conference in Delhi for Indian importers on **Wednesday, February 13, 2019**. We then head to Gulfood and will be exhibiting in the U.S. Pavilion. More info to come!

Upcoming Travel

- **January 17-21, 2019**

Julie Adams and Richard Waycott at Peanut Tree Nut Association Conference.

Of Special Note

ABC offices will be closed Friday, December 24, 2018 and reopen Tuesday January 2, 2019.

From all of us to all of you, a joyous holiday season!



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