



September 12, 2023

## India removes retaliatory tariffs on U.S. almonds

On Sept 5, 2023, the Indian Government officially removed retaliatory tariffs on various U.S. products including almonds. The tariff reduction was announced during Prime Minister Modi's visit to the United States in June 2023. Discussions have been held with U.S. officials for many months/years about the importance of the almond trade with India and the negative impacts of retaliatory tariffs. This has been compounded by the favorable trade agreement recently concluded between India and Australia which benefits Australian almonds in the Indian market.

Effective September 6, the tariffs on almonds will be dropped to India's bound rates of 35 rps/kg for inshell and 100 rps/kg for shelled almonds. While this is great news, we are still at a competitive disadvantage with Australia – whose duty rate is 50% lower.

Australia is hoping to see further reductions, as trade talks continue with India for a broader agreement. For more info, please contact [jadams@almondboard.com](mailto:jadams@almondboard.com).

## UK PEC and EU Updates

Great Britain (GB) is in the process of revising regulations that it retained from the European Union (EU) post-Brexit. This includes EU regulation 2015/949, which governs the Pre-Export Check (PEC) program that recognizes California almonds for a reduced inspection rate upon arrival in the EU.

Following initial discussions between USDA/FAS, UK authorities and ABC, the UK has indicated its willingness to accept a slightly modified version of existing PEC certificate tailored for UK market. We will notify the industry when a final agreement has been reached, and the new GB certificate is available in the ePEC system. It is anticipated there will be a 3-6 month transition period when this GB certificate goes into effect.

On the regulatory front, things were a bit slow as most of Europe was on vacation during July and August. There is uncertainty on how much can be accomplished regarding the Green Deal and Farm to Fork related policies, given the EU Parliamentary elections looming on the horizon. Further, Spain, the current holder of the EU Presidency, is facing its own

political uncertainty with a hung parliament and the prospect of another general election this Winter.

Of particular concern is the uptick in aflatoxin rejections in Europe. There have also been reports of higher pest pressure this year. ABC is closely monitoring rapid alert notifications and working with handlers to address rejections. Shippers are encouraged to closely monitor PEC results. Growers will also need to be attentive to winter sanitation in the orchards to minimize the further risk of Navel Orange Worm carryover which contributes to insect damage and aflatoxin issues. For more information, contact [akulkarni@almondboard.com](mailto:akulkarni@almondboard.com).

## ILWU, PMA Sign West Coast Port Agreement

After more than a year of negotiations, and a few months after reaching a tentative agreement in mid-June, the International Longshore Warehouse Union (ILWU) and the Pacific Maritime Association (PMA) announced on August 31 that the new contract has been formally approved. The ILWU represents port workers in California, Oregon, and Washington, with more than 30% of U.S. incoming container traffic moving through West Coast ports at the Ports of Los Angeles and Long Beach, according to industry estimates. The PMA represents shipping lines and terminal operators at 29 West Coast ports. The previous contract between the parties, which expired on July 1, 2022, represents more than 22,000 dockworkers at all 30 U.S. West Coast ports. The new six-year contract is retroactive to July 1, 2022 and will run through July 1, 2028.

## US and China Discussion Updates

Commerce Secretary Raimondo held a series of meetings recently in Beijing and Shanghai with senior Chinese officials and American business leaders to discuss "issues relating to the US-China commercial relationship, challenges faced by US businesses and areas for potential cooperation," according to a DOC [press release](#). A significant outcome from the meeting with her Chinese counterpart was the formation of multiple working groups to discuss trade and investment issues, as well as U.S. export controls. Raimondo told Chinese Premier Li Qiang, "We seek to maintain our \$700 billion commercial relationship with China, and we hope that that relationship can provide stability for the overall relationship."

## USTR Tai remarks at G-20 on WTO reform

USTR Tai spoke to Trade Ministers at a recent G-20 meeting in India and used her [remarks](#) to address WTO reforms asking trading partners to “end the practice of judicial rulemaking.” It has long been clear that the US believes that the WTO Appellate Body rulings are meant to expand the application of the WTO agreements, rather than simply interpreting the rules as originally negotiated (this issue led former President Trump, and President Biden after him, to block new judges to the Appellate Body). Many WTO members hope to restore the WTO’s dispute settlement body by the 13th Ministerial Conference scheduled to take place in February in the United Arab Emirates. USTR has not agreed to this timeframe.

During a recent roundtable discussion with several California ag leaders about trade, Ambassador Tai stressed the importance of finding opportunities for “win-wins” as well as doing trade “differently” while maintaining integrity. While ABC and others were appreciative of the tariff reductions in India, concerns were raised about other origins gaining ground through their trade deals.

## U.S. and EU intensify steel agreement talks

On the sidelines of the G-20 Meetings in India, EU and U.S. officials affirmed intensified discussion on concluding the Global Arrangement on Sustainable Steel and Aluminum (GSA) as the Oct. 31 deadline rapidly approaches. If a final deal is not reached by Oct. 31, the moratorium on Trump-era tariffs, Section 232 tariffs, and EU retaliatory measures would automatically return on more than \$10 billion worth of exports.

## China’s first report on U.S. WTO Compliance

Beijing strongly criticized US trade policy in a recent, 65-page [report](#) on US compliance with its WTO commitments. The report stated that the U.S. has descended into “unilateralism, protectionism and bullying hegemonism, which has brought severe shocks to the multilateral trading system.” China lays out many accusations in the report (which mirrors the annual USTR document on China’s compliance with its WTO commitments).

## U.S.-Indonesia Trade Talks

In a [statement](#) this month, the Indonesian government claimed that the U.S. and Indonesia have agreed to restart bilateral talks under the Trade and Investment Framework Agreement (TIFA) in 2024. The talks have been stalled since 2018. The statement followed a meeting between USTR Tai and Indonesian Minister of Trade Zulkifli Hasan during a visit to Indonesia (and India) in August for the Association of Southeast Asian Nations (ASEAN) talks. [USTR’s readout](#) of the meeting says the two held productive meetings but did not confirm that TIFA talks will restart.

## Ag Letter to 2024 Presidential Candidates

Farmers for Free Trade and other agricultural groups (including the Almond Alliance) recently [sent a letter](#) to 2024 presidential candidates urging them to “work to diversify export markets for U.S. agriculture” and “ensure U.S.-China relations are handled in a manner that holds China accountable yet maintains market access for U.S. agricultural goods.” While U.S. agricultural exports continue to grow, this will be the first year that U.S. agriculture will experience a trade deficit of \$17 billion.

## Upcoming Events:

- Sep 11-15 Brock to IFPA in DC
- Sep 25-29 Julie in Europe for industry meetings
- Oct 2-6 Abhi in Europe for industry meetings
- Oct 9-13 Julie in Brussels for ESA meetings
- Nov 1-10 Keith in China for Embassy & CIE Show
- Nov 13-17 Abhi/Gabriele in Europe for industry meetings, Waren Verein annual dinner
- Nov 13-15 USAEDC Meetings in Baltimore

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