

ABC Global Update

2009 December Shipments Rise Sharply vs. 2008

December 2009 proved to be yet another stellar month for California Almonds, with monthly shipments increasing 58% over December 2008. Total worldwide shipments year-to-date (YTD) through December 2009 exceeded 719 million pounds, rising 19% over the same five-month period in 2008. Export shipments rose 23% to reach 532 million pounds, while domestic shipments also rose 9% to 187 million pounds.

Exports to China, the largest shipment destination, reached 106.8 million pounds YTD as of December 2009. This exceeds the entire twelve month shipment volume of FY 2008/09.

| | Million Lbs. Aug.-Dec. 2009 | % Change from Last Year |
|--------------------------------|-----------------------------------|-------------------------------------|
| W. Europe | 213,956,372 | 7% |
| Spain | 72,884,754 | 9% |
| Germany | 51,469,723 | 7% |
| Netherlands | 17,464,750 | 31% |
| Italy | 17,076,762 | 2% |
| France | 13,136,348 | 17% |
| UK | 10,732,775 | -26% |
| Asia Pacific | 199,117,849 | 44% |
| China | 106,771,563 | 111% |
| India | 43,490,428 | -16% |
| Japan | 21,348,105 | 6% |
| Korea | 11,326,950 | 71% |
| Central/E. Europe | 19,072,789 | 25% |
| Russia | 10,103,208 | 39% |
| Middle East/ Africa | 72,594,816 | 32% |
| UAE | 32,719,113 | 39% |
| Turkey | 16,894,213 | 37% |
| Total Exports | 531,732,770 | 23% |

New Year Begins with New EU Regulations

Effective January 1, 2010, California Almonds shipped to the EU with a Voluntary Aflatoxin Sampling Plan (VASP) certificate are now subject to **random controls** as opposed to 5% controls. Shipments without a VASP certificate will continue to be subject to 100% controls.

In addition, the Common Entry Document (CED) is now required for almond imports as of January 1. Importers or the person responsible for the consignment are required to complete the CED and submit it to the appropriate authorities at the first point of entry into the EU no less than one business day before arrival.

Industry members have also reported importers requesting a health certificate in addition to a VASP certificate, indicating this is a new requirement of Commission Regulation (EC) No. 1152/2009. While there may be some changes to the certificate in the future, the EU accepts the VASP certificate as the health certificate and has done so since the VASP program's inception.

Regarding new EU aflatoxin limits, it is still anticipated that the proposed higher levels and 20 kg sampling plan will go into effect in mid/late February.

Canada Proposes New MRLs for Etoazole and Saflufenacil

Health Canada's Pest Management Regulatory Agency (PMRA) announced proposed maximum residue limits (MRLs) for etoxazole and the new pesticide saflufenacil.

The proposed regulation includes MRLs for etoxazole in or on tree nuts, including almonds, at .01 parts per million (ppm) and for saflufenacil in or on tree nuts, including almonds, at 0.03 ppm. Both proposed MRLs are identical to current U.S. MRLs.

Reminder: AgTC Ag Shipper Workshop in Modesto January 19, 2010

The Agriculture Transportation Coalition (AgTC) along with ABC will be hosting an Ag shipper workshop January 19, 2010, at the DoubleTree Hotel in Modesto. The workshop will be presented in roundtable fashion and will not be open to press or carriers. Subjects to be discussed include:

- Ocean carrier services and costs
- New transportation fees
- Automated Export System (AES)
- Economic stimulus package and infrastructure spending
- Trucking
- Looming crisis at the ports
- "No Doc, No Load"

AgTC members pay \$25 while non-members pay \$75 for entry. Registration will remain open until the day of the workshop but space is limited so those interested in attending are urged to register by January 15, 2010. To register, please visit AgTC's website http://www.agtrans.org/Section.asp?article_id=1989.

New Hope for Resolution of Mexican Trucking Dispute in 2010 Spending Bill

In December, President Obama signed into law a \$447 billion spending bill for 2010 excluding language prohibiting Mexican trucks from operating in the U.S.

Restrictions terminating a pilot program allowing Mexican trucks in the U.S. included in the 2009 bill resulted in retaliatory tariff increases on numerous U.S. products exported to Mexico including almonds.

The 2010 spending bill has opened the door to a resolution although some experts predict that Mexico is unlikely to lift the retaliatory tariffs unless the U.S. enhances the program to include more access than previously afforded under the former program. ABC will continue to monitor this situation and update industry as developments occur.

USDA Reports Good News for California Almonds in Poland's Growing HRI Sector

In late December, USDA published its annual Global Agricultural Information Network update on the Hotel Restaurant and Institutional (HRI) sector in Poland.

The report highlights the success California Almonds have already had in Poland while attributing growth in personal incomes and changes in lifestyles as factors driving consumption and preference patterns in Poland.

Potential room for growth exists in restaurants offering healthy foods and snacks with low fat or low sugar content.

To view the entire GAIN report, visit http://gain.fas.usda.gov/Recent%20GAIN%20Publications/HRI%20FOOD%20SERVICE%20SECTOR_Warsaw_Poland_12-23-2009.pdf.

U.S. Trade Representative Announces Negotiations for a Trans-Pacific Partnership Agreement

On December 14, the office of the U.S. Trade Representative (USTR) notified Congress of its intent to enter into negotiations for the Trans-Pacific Partnership (TPP) agreement. The USTR announcement reinforces the U.S. commitment to the TPP, and comes after President Obama's pledge to promote a greater Asia-Pacific trade bloc.

The TPP, a regional Asia-Pacific trade agreement, already includes Brunei, Chile, New Zealand, and Singapore as members, with Australia, Peru, the U.S., and Vietnam joining the discussions. USTR has expressed interest in expanding the TPP to incorporate several other Asian nations, including Japan, Malaysia, and South Korea.

USTR has requested public comments on all issues within the scope of the TPP

agreement. Comments are due by January 25, 2010. For more information or to submit a comment, please see <http://edocket.access.gpo.gov/2009/pdf/E9-29841.pdf>.

Australian Almond Crop to Increase by 25 Percent in 2010

On December 16, the Almond Board of Australia (ABA) announced that Australia's almond crop is expected to increase up to 46,100 metric tons (MT), almost 102 million pounds, in 2010. This will be a 25% increase from the 2009 production total of 36,500 MT (80.5 million pounds). ABA further predicted that Australian almond production will more than double to 80,000 MT (176 million pounds) by 2015.

The announcement was made by ABA's chief executive during a recent trade mission to India. India is currently Australia's biggest almond export market, accounting for over 40% of exports.

Serbia Submits Application for EU Membership

Last month, Serbian president, Boris Tadic, officially submitted his country's application for EU membership.

With the addition of Serbia, there are now eight countries actively engaged in the application process. Croatia, Macedonia, and Turkey have all been confirmed as candidates while Albania, Bosnia-Herzegovina, Iceland, Montenegro, and Serbia have submitted official applications and are currently being considered for candidate status.

Countries in the process of joining the EU prepare by aligning import regulations and policies (among a myriad of regulations and policies) with those of the EU although some countries accomplish this much faster than others. The earliest any additions to the EU would be expected is 2012.

Upcoming Travel

- **January 15 – 21, 2010**
Shirley Horn in Beijing for agency meetings.
- **January 16 – 26, 2010**
Becky Jeffers in Beijing and Tokyo for agency meetings
- **January 23 – 26, 2010**
Julie Adams in Florida for the Peanut and Tree Nut Processors Association conference.
- **January 27 – 29, 2010**
Julie Adams in DC for meetings with USDA, FDA and industry.