

ABC Global Update

April Shipments Strong

With only three months remaining in the crop year, cumulative exports remain strong, increasing 15% versus the same period a year ago. China still leads with over 120 million pounds shipped this year with Spain at 113.5 million pounds. Domestic shipments set a record, up 10% over last year.

	Million Lbs. Aug.-April 2010	% Change from Last Year
W. Europe	354,403,469	10%
Spain	113,513,203	1%
Germany	87,193,386	11%
Netherlands	29,276,700	33%
Italy	28,710,602	9%
France	24,805,959	21%
UK	21,689,163	7%
Central/E. Europe	33,520,980	39%
Russia	19,104,258	45%
Asia Pacific	276,065,939	22%
China	120,711,564	46%
India	66,632,321	-11%
Japan	42,183,500	19%
Korea	20,447,105	36%
Middle East/ Africa	132,174,583	10%
UAE	54,954,826	9%
Turkey	32,342,285	43%
Total Exports	839,599,046	15%

Report on 42nd Codex Committee for Pesticide Residues (CCPR) Regarding Tree Nuts

In April, Gabriele Ludwig, ABC, attended the 42nd CCPR as a delegate of the International Nut and Dried Fruit Foundation (INC). CCPR recommends pesticide maximum residue levels (MRLs) to the Codex Alimentarius Commission, an international

organization that establishes standards for food moving in international trade. Codex MRLs encourage harmonization globally and are often used in markets that do not establish their own MRLs.

At the April meeting, the CCPR recommended the establishment of almonds/treenuts MRLs for buprofezin, hexythiazox (Onagar), fenbuconazole (Indar), and spirodoclofen (Envidor).

It is also important to note that hydrogen phosphide (phosphine, aluminum phosphide, etc) is scheduled for re-evaluation by CCPR in 2014. At this time, no registrant(s) has been identified to provide the necessary data for re-evaluation leading to a concern that existing codex MRLs for phosphine could be lost.

ABC has been working with registrants to ensure that data for almonds/treenuts are included in data packages to establish almond MRLs globally, as well as to encourage support for the nomination of new chemicals into the Codex system. One such example is propylene oxide (PPO), which is now on the CCPR list for review in 2011. This is a crucial first step in the establishment of international MRLs for PPO.

For more information, contact Gabriele Ludwig at gludwig@almondboard.com.

Update: 2010 Rapid Alerts

As of the 18th week of 2010, there have been 12 Rapid Alert notifications issued for excessive levels of aflatoxin in U.S. almonds shipped to the EU. This is down from the same period last year, when there were 18 notifications.

The higher limits for aflatoxin in the EU went into effect on March 9, 2010. Only 1 of the 12 alerts from 2010 was for a shipment that reached the EU after the March 9. As the year moves forward, it is expected that the number of shipments rejected for aflatoxin will decrease because of the higher limits.

Maximum Residue Limit (MRL) Workshop to be Held in San Francisco June 2-3, 2010

The fifth annual MRL Workshop will be held in San Francisco June 2-3. Sponsored by the California Specialty Crops Council, the Workshop will address several critically important issues for stakeholders with interests in exporting agricultural products. Topics include international trade, global registrations, pesticide residue monitoring, residue decline curves, MRL strategies for growers, evolving requirements for international residue standards (U.S., NAFTA, Asia, EU, Codex, etc.), phytosanitary issues (SPS), and an update on methyl bromide use related to provisions of the Montreal Protocol.

For registration or more information, visit <http://specialtycrops.org/mrlworkshop.html>.

USDA Announces New Members to Advisory Committee on Emerging Markets

In April, the USDA announced twenty new members appointed to serve on its Advisory Committee on Emerging Markets. The Emerging Markets Program (EMP) provides funding for technical assistance to promote U.S. agricultural exports in emerging markets.

The Committee includes private sector representatives experienced in agribusiness and management, and with interest and/or experience in exports and similar overseas operations. The primary general mission of the Committee is to make recommendations on policies and programs which will enhance agricultural exports to emerging markets through the use of EMP funds.

The Almond Board has previously used EMP funds for exploratory research on market feasibility in South-East Asia and

Southern India, as well as for technical training on almonds as an ingredient in China. Currently, EMP funds are being used to support market development activities in Poland.

Nestlé's Chocolate Production to Expand in Several Markets

In April, Nestlé announced plans to expand chocolate production in Brazil, Russia, and the Middle East.

Focus in the Russian market will be on the premium chocolate segment with a new brand, Komilfo, to start production this summer.

In Brazil, Nestlé has already invested over \$33 million on their Garoto chocolate and candy plant which is exporting candy to Africa and China.

Lastly, in the Middle East, Nestlé expects double digit growth this year, driven, in part, by the launch of the Kit Kat Senses bar in Kuwait, Saudi Arabia, and the United Arab Emirates.

ITC to Investigate China Market Access

The U.S. International Trade Commission (ITC) has instituted an investigation regarding *China's Agricultural Trade: Competitive Conditions and Effects on U.S. Exports*.

Requested by the Senate Finance Committee, the ITC will be preparing a report on the conditions of competition in China's agricultural market and trade, and their effect on U.S. agricultural exports. The report will cover the period 2005-2009, and is expected to include:

- Overview of China's agricultural market
- Description of the competitive factors
- Overview of China's participation in global agricultural export markets
- Description of the principal measures affecting China's agricultural imports (including tariffs, non-tariff measures, and technical barriers to trade), and;
- Quantitative analysis of the economic effects

The ITC will hold a public meeting in June 2010, and deliver its final report to the Senate in March 2011.

Study Finds Germany, Italy, Spain, and the UK Responsible for 60% of RASFF Notifications

Researchers conducting a study spanning ten years on the EU's Rapid Alert System for Food and Feed (RASFF) have determined that approximately 60% of all notifications came from Germany, Italy, Spain, and the UK from 2000-2009.

Researchers also determined that half of the information is issued at the border inspection points and that the majority of rejected goods are from outside of the EU. The study indicated that there may be a correlation between the volume of imports arriving in Europe and that due to the sheer amount of food entering Europe at those points, one would expect a larger number of notifications originating there.

Trucking to Ports to be Addressed

Efforts to overturn the federal deregulation of intrastate trucking, and allow ports to regulate trucking services may be moving forward on Capitol Hill. Legislation could be introduced shortly that would allow Los Angeles and other ports to ban owner-operators and require motor carriers to use only employee drivers to pick up/discharge containers at port terminals.

Reversing the deregulation hasn't been widely endorsed, with questions as to whether any change was necessary to implement a successful, long-term clean truck program. Concerns have also been raised over the ramifications of allowing states or jurisdictions within states to regulate what types of trucking business can operate within their boundaries. (source: *Journal of Commerce*)

Specialty Crops Look to More TASC Support

It's clear that mitigating technical barriers will play an important role as agriculture gears up with other industrial sectors to meet the White House's National Export Initiative, which has the objective of doubling exports in 5 years. Recent meetings among specialty crops and a number of California commodities have confirmed the importance of addressing market access issues such as import

tariffs and phytosanitary requirements if additional export market growth is to be achieved.

One key program, Technical Assistance for Specialty Crops (TASC), has provided funds specifically to "address unique barriers that prohibit or threaten" the export of specialty crops. The almond industry has utilized these funds in the past to address pesticide residue issues in key export markets. In 2010, TASC funds have been approved to support a delegation of European port officials coming to California to see the effectiveness of aflatoxin control measures. It is anticipated that over the coming year, the almond industry will be working closely with USDA, California officials, and other specialty crops to leverage TASC funds in achieving long-term, unimpeded export growth.

China Inbound Buying Mission May 24-28, 2010

The Western U.S. Agricultural Trade Association (WUSATA) will be hosting a China Retail Inbound Buying Mission May 24-28 in California and Washington. This mission brings pre-screened buyers from China to California and Washington for one-on-one meetings with interested suppliers. Participating companies are encouraged to be export-ready, bring samples and product lists, and be prepared to discuss pricing.

For more information or to register, visit http://wusata.org/events_calendar/pdf/10_CHPI3%20-%20CA%20&%20WA_May.pdf.

Tech Kits Available

Almond Technical Information Kits are available in English, Russian, and Chinese. To request copies, please contact trade@almondboard.com.

Upcoming Travel

- **May 9 – 15, 2010**
Stacey Humble in Shanghai for agency meetings.
- **May 17 – 25, 2010**
Richard Waycott, Julie Adams, Kristi Saitama, and Guangwei Huang in China for 2010 INC Congress, SIAL China Food and Beverage Exhibition, and SNACKEX Asia.