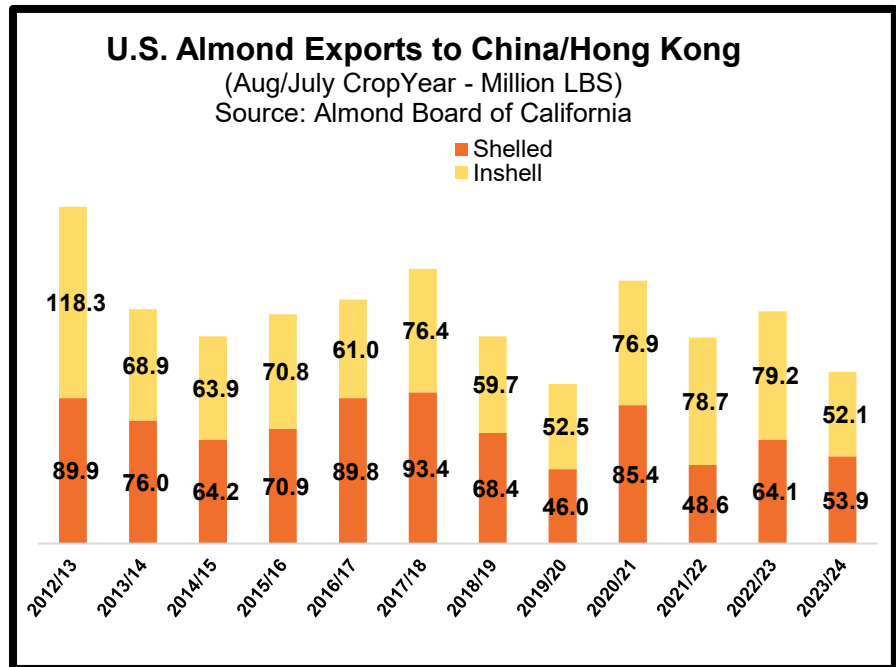




Market Profile: China/Hong Kong

China is California almond's #4 export market in FY 23/24 (August-July) with shipments totaling almost 106 million lbs.

- Shipments to China/Hong Kong in FY 23/24 fell off by 26% due to a weaker economy and increased shipments from Australia.
- The majority of almond handlers finalized their facility registration requirements for the Chinese government by June 2023 and China started approving "new" facilities in July 2024.
- While overall shipments to China/Hong Kong are lower, direct shipments to mainland China are trending higher. However, Australian market share is growing since its FTA with China provides it with significant benefits over California almonds that are still subject to retaliatory tariffs.
- In January 2024, China's Ministry of Agriculture included almond hulls in its official feed ingredients catalog that will finally allow US exporters to ship hull pellets and cubes to China to be used as feed ingredients. Six facilities are on the approved list and can now start shipping almond hull pellets and cubes to China. ABC is working with the Almond Alliance to expand the import protocol to include ground and whole almond hulls.



Strong e-commerce channels provide an opportunity for branded almonds to enter China at a reduced duty rate: 5% vs total of 25% for raw almonds. Processed almond facilities can also self-register under GACC's CIFER system which is a streamlined process compared to that for raw nuts.

Key Issues

Summary of China's retaliatory duties on CA almonds:		MFN rate	232 retaliatory duties	301 retaliatory duties	New US aggregate level	Current US rate including 301 waiver
8021100	Almonds in shell	10%	15%	30%	55%	25%
8021200	Shelled almonds	10%	15%	30%	55%	25%
20081920	Preserved almonds in cans, regardless of preserve and/or processed method	5%	0%	10%	15%	5%
20081999	Processed or preserved almond without vinegar, not in cans.	5%	0%	25%	30%	5%

- In April 2018, China implemented retaliatory duties on various U.S. products including almonds in response to U.S. Section 232 duties on imported steel and aluminum and Section 301 duties related to USTR's investigation of China's forced technology transfers and other market distorting practices. At that time, China's tariffs on US origin almonds increased from 10% to 55%.
- After the U.S.-China Phase One Agreement went into effect in February 2020, China implemented a waiver process on its Section 301 retaliatory duties bringing the tariff on inshell and shelled almonds to an effective level of 25%.
- Australia's FTA with China reduced tariffs on imports of Australian almonds to 0%.
- China's new facility registration law, Decree 248, for all overseas food processors that export to China went into effect on January 1, 2022 and is managed by GACC.
- Decree 248's Article 7, designated 14 food categories as "high-risk products" (including raw nuts and seeds) and required that the foreign countries' competent authorities be involved in China's CIFER registration of these facilities and products making the registration process complicated.
- US companies shipping these products must first register via FDA's Export Listing Module (ELM). Then directly register on GACC's cifer.singlewindow.cn portal their facility and any food products they plan to ship to China in the future. FDA is currently managing the US CIFER portal, but may pass the responsibility to USDA/AMS in the future.
- For those U.S. processors of roasted or packaged almonds for retail sale, they can self-register using the cifer.singlewindow.cn portal. After receipt of the application, GACC will review and assign an approval number to the facility that will also be needed for customs clearance.
- According to Decree 248's Article 15, U.S. food processors are required to include either their FDA Establishment Identifier (FEI) and/or GACC approval number on packaging for future shipments to China.