

ASTA ANNUAL MEETING

MAKING SENSE OF A CHANGING TRADE ENVIRONMENT

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QUESTIONING TRADE AND TRADE RELATIONSHIPS

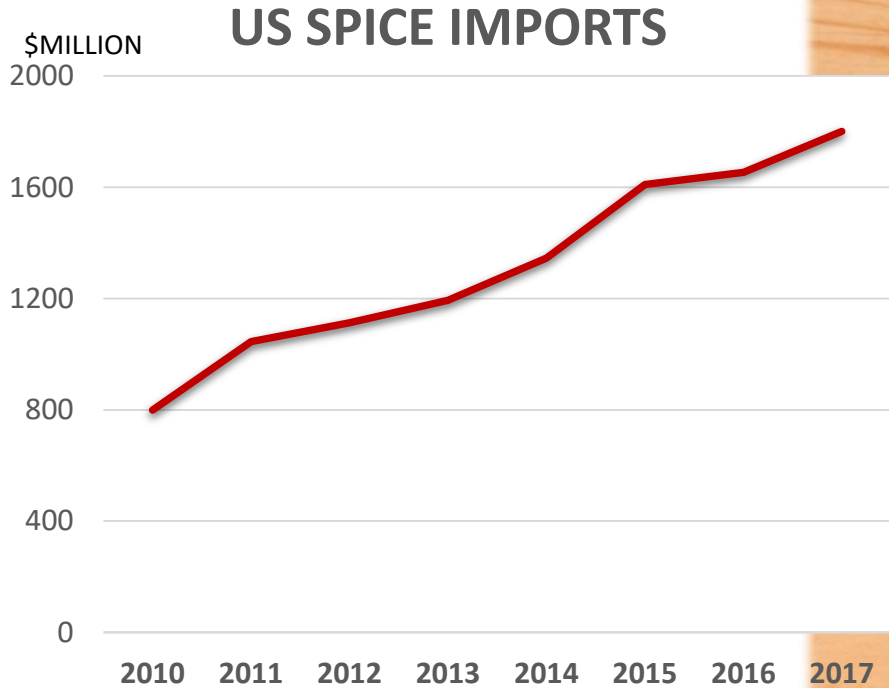
- TPP
- CHINA
- GSP
- WTO

WHY DOES THIS MATTER FOR SPICES?

BECAUSE *UNCERTAINTY IS COSTLY*



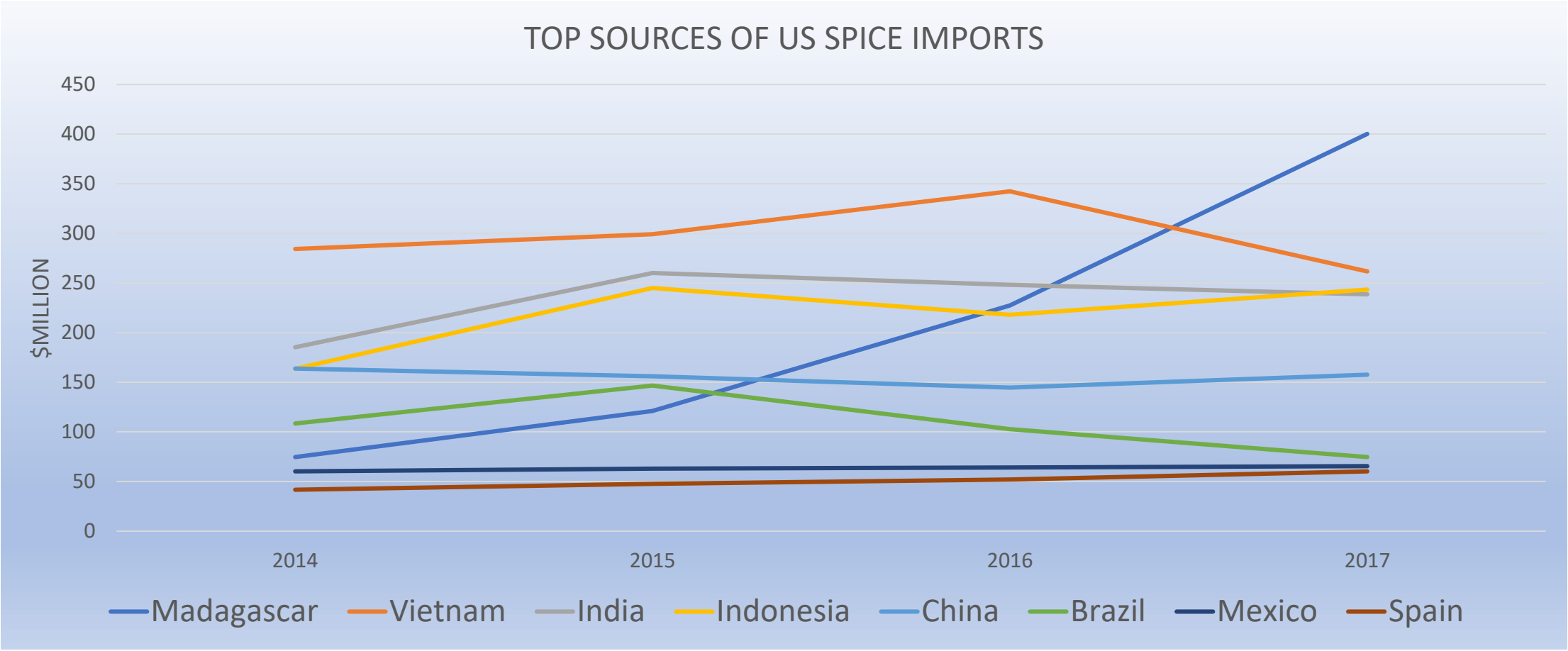
SPICE INDUSTRY DEPENDS ON TRADE



Source: UN Data, United Nations Statistics Division



US SPICE IMPORTS ARE TRULY GLOBAL



TRANS-PACIFIC PARTNERSHIP

ALLIANCE OF 11 COUNTRIES—BUT NOT THE UNITED STATES

JAPAN, CANADA, **MEXICO**, CHILE, AUSTRALIA, NEW ZEALAND, **MALAYSIA**, BRUNEI, **VIETNAM**, PERU, SINGAPORE

- Tariff Cuts Have Already Begun
- Greater Transparency, Coordination On Regulations, Including Food Safety

LOOK FOR OTHER KEY SPICE SUPPLIERS, LIKE **INDONESIA**, TO JOIN

CHINA

US TARIFFS ON CHINA

- 25% tariffs on \$50 billion of intermediate goods
- 10% tariffs on \$200 billion of products
 - *Dried onions and garlic, fennel, marjoram, parsley, tarragon and savory; sesame, mustard and poppy seeds*

CHINA'S RETALIATION—FOOD AND AG TARGETED

- 25% tariffs on \$50 billion--soybeans, pork, wine
- 10% tariffs on \$60 billion--feathers to french fries
 - *Frozen, processed foods, which contain spices*

CHINA

US-CHINA NEGOTIATIONS ONGOING

- Intellectual Property Protection
- Forced Tech Transfer/Theft
- Limited Foreign Investment

WHAT TO WATCH

- Timeline--"about four weeks"
- Tariffs—will they come off?
- Enforcement
- Purchases v. reform

INDIA AND TURKEY--GSP

GSP DESIGNED AS A TOOL FOR DEVELOPMENT, PROVIDES TARIFF-FREE ACCESS TO US MARKET

MAY 4, ADMINISTRATION WILL END GSP ELIGIBILITY FOR INDIA AND TURKEY

- India, For Failure To Provide Market Access
- Turkey, No Longer Qualifies As a Developing Country

A COALITION OF US IMPORTERS URGING DELAY

LARGE NUMBER OF PRODUCTS FROM BOTH COUNTRIES COULD NOW FACE TARIFFS:

- Chili peppers, Allspice, Paprika, Ginger, Thyme, Mace, Fennel, Marjoram, Savory, Tarragon



WHAT DOES THIS MEAN FOR ME?

DIFFERENT RULES FOR DIFFERENT MARKETS

- Tariff Rates May Fluctuate, Food And Ag First
- Standards And Rules May Differ, Too
- More Difficult To Resolve Disputes

LOOK FOR OPTIONS TO EASE TRANSACTION COSTS, STREAMLINE OPERATIONS, AND PARTICIPATE IN GOVT PROCESSES

