



**USAID**  
FROM THE AMERICAN PEOPLE



# EXPORTING AGRICULTURAL PRODUCTS TO THE UNITED STATES

## ROADMAP FOR TUNISIAN COMPANIES

FEBRUARY 2020





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## ACRONYMS

<b>AmCham</b>	American Chamber of Commerce
<b>APHIS</b>	Animal and Plant Health Inspection Service
<b>BRC</b>	British Retail Consortium
<b>CBP</b>	Customs and Border Protection
<b>CEPEX</b>	Tunisian Export Promotion Center
<b>CFR</b>	Code of Federal Regulations
<b>CFR</b>	Cost and Freight
<b>CNL</b>	Competitive Need Limit
<b>EVOO</b>	Extra Virgin Olive Oil
<b>FAO</b>	Food and Agriculture Organization
<b>FDA</b>	Food and Drug Administration
<b>FOB</b>	Free On Board
<b>FOPROHOC</b>	Fund for the Promotion of Packed Olive Oil
<b>FSMA</b>	Food Safety Modernization Act
<b>GICA</b>	Food Preserve Industry Group
<b>GIPP</b>	Interprofessional Grouping of the Fishery Products
<b>GFSI</b>	Global Food Safety Initiative
<b>GlobalGAP</b>	Global Good Agriculture Practices
<b>GMO</b>	Genetically Modified Organism
<b>GMP</b>	Good Manufacturing Practices
<b>GOT</b>	Government of Tunisia
<b>GRMS</b>	Global Red Meat Standards
<b>GSP</b>	Generalized System of Preferences Program
<b>HACCP</b>	Hazard Analysis and Critical Control Points
<b>HS</b>	Harmonized System
<b>HTSUS</b>	Harmonized Tariff Schedule
<b>ISO</b>	International Organization for Standardization
<b>JEC</b>	Joint Economic Commission
<b>ITC</b>	International Trade Center
<b>JOBS</b>	Tunisia Jobs, Opportunities & Business Success Project
<b>MSC</b>	Marine Stewardship Council
<b>MCC</b>	Millennium Challenge Corporation
<b>NACMCF</b>	National Advisory Committee on Microbiological Criteria for Foods
<b>PACKTEC</b>	Technical Center for Packaging
<b>PCQI</b>	Preventive Controls Qualified Individual
<b>QC</b>	Quality Control
<b>SME</b>	Small and Medium Enterprise
<b>SOW</b>	Scope of Work
<b>SQF</b>	Safe Quality Food
<b>STTA</b>	Short-Term Technical Assistance
<b>UFI</b>	Unique Facility Identifier
<b>UN</b>	United Nations
<b>USAID</b>	United States Agency for International Development
<b>USD</b>	United States Dollar
<b>USDA</b>	United States Department of Agriculture
<b>USG</b>	United States Government
<b>WHO</b>	World Health Organization

# Executive Summary

Tunisia has untapped potential to increase its agricultural exports to the United States. In 2016, the Joint Economic Commission (JEC), established by the U.S. and Tunisian governments, in partnership with the private sector, convened in Washington, D.C. to reaffirm the growing economic cooperation between both governments and made commitments to support initiatives in three key sectors, one of which is agri-food. This report responds to a recommendation under the JEC for the United States to support the Tunisian government with a development of a “roadmap” on enhancing agribusiness exports with a focus on the agri-food sector and the U.S. market. Key findings in this report include:

- **U.S. consumer preferences are favorable to increasing Tunisian products in several market segments.** Ongoing trends in U.S. consumer and lifestyle preferences toward Mediterranean and mainstream Tunisian products such as olive oil and harissa create opportunities for Tunisian producers to tap into these markets. Health conscious U.S. consumers are willing to pay a premium for “organic,” “local,” and “sustainable” products.
- **Addressable constraints are preventing Tunisian producers from exporting to the U.S. market.** Key constraints include 1) lack of familiarity with international standards required by U.S. buyers; 2) lack of compliance with certifications required for import into the United States; 3) poor understanding of commercial practices, sales channels, and distribution channels; and 4) insufficient market linkages to integrate Tunisian producers into U.S. supply chains. There are also domestic constraints, including a lack of functional export financing mechanisms to cover the credit risk created by standard terms of payment.
- **Tunisia is an important trading partner for olive oil and dates in the United States** In 2018, Tunisian agricultural exports to the United States reached \$208 million, of which 94 percent was from olive oil and dates. Tunisia supplies the United States with 30-45 percent of its imported dates and 5-15 percent of its imported olive oil.<sup>1</sup> These export figures have the potential to greatly increase should Tunisia address key constraints to enter the U.S. market.
- **The United States Government stands ready to support Tunisian exporters to access the U.S. market.** Through USAID, the Millennium Challenge Corporation, the Department of State, and other USG entities, the United States is committed to developing a program with Tunisian exporters to achieve greater access to the U.S. market.

<sup>1</sup> U.S. Department of Commerce.





# Understanding the U.S. Agri-Food Market: Opportunities for Tunisia

## *A. What are the Opportunities?*

The U.S. import market for value-added (processed) agricultural products is the largest in the world. In 2018, the U.S. imported over \$129 billion in agricultural commodities and agri-industrial products, representing a 6 percent increase over 2017 and a steady yearly growth over the past decade.<sup>2</sup> Over 50 percent of U.S. agricultural imports are horticultural, including fruits, dates, vegetables, tree nuts, wine, essential oils, nursery stock, cut flowers, and hops. Imports of vegetable oils, including olive oil, processed grain products, red meat, and dairy products have grown significantly in recent years.

According to the U.S. Department of Agriculture, Canada, Mexico, and the European Union are the United States' largest suppliers of agricultural products, consisting mostly of consumer-oriented goods such as horticultural products, red meats, and snack foods.

In 2018, Tunisian exports to the United States reached \$668 million, of which \$208 million was for agricultural and agri-food products; olive oil and dates accounted for roughly 31 percent. In 2018, Tunisia was the 5<sup>th</sup> largest General Systems of Preferences (GSP) supplier to the United States, with \$230 million in GSP duty-free exports, especially for olive oil and dates. Given the increasing size of the U.S. market and demand of consumers for a wide variety of Tunisian products, there are certain market segments that Tunisian agri-food exporters can target to significantly increase their exports to the United States. The question is how Tunisian exporters can position themselves to capture a larger share of the market for dates, olive oil, and other traditional products, including a variety of other food products such as derivatives of olive oil, cosmetic products, essential oils, and harissa, among many possibilities.

## *B. U.S. Agribusiness Imports - What Trends in the U.S. Market Favor Tunisian Products?*

The volume of U.S. agricultural imports has increased by an average of 4 percent per annum since 2000. U.S. consumers rely heavily on imports for certain products where demand

<sup>2</sup> U.S. Department of Agriculture. In general, agricultural goods refer to unprocessed commodities, while agri-foods and agro-industrial goods are used interchangeably in this report, referring to highly processed foodstuffs, to lightly processed products such as dates.

far outweighs domestic production. The United States imports nearly all the coffee, cocoa, and spices Americans consume. Imports also account for over 95 percent of all consumption for products such as fish and shellfish – market segments where Tunisia has strong comparative and competitive advantages.

Key characteristics that define the driving forces of consumer trends in the food industry in the United States are local, sustainable, natural, and healthy. A growing trend in recent years favoring Tunisian export opportunities is the appetite for Mediterranean foods and spices.

Figure 1 presents trends from a 2014 National Research Center study. The tendencies for the most part remain unchanged, with several subsequent studies confirming the continued consumer emphasis on locally grown and natural goods.

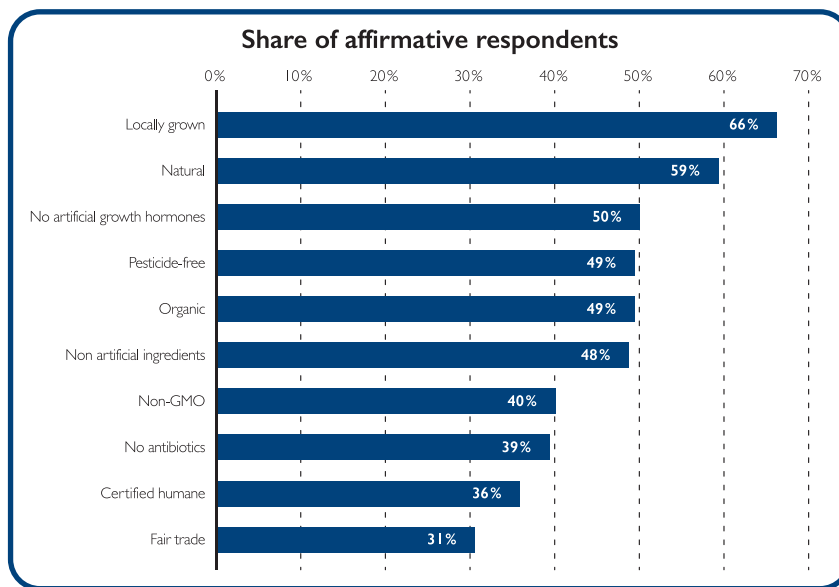


Figure 1. Consumer Trends Purchase Motivation Point

### Local Foods as Priority for U.S. Consumers

The increasing U.S. consumers' preference for "locally grown" foods have mobilized U.S. retailers to offer local alternatives to imported foods to meet consumer demands. Accordingly, imported foods that are substitutes in the local U.S. market must compete in other product characteristics such as price, traditional appeal, variety, or quality. If an imported product is similar in these characteristics, i.e., sold as a commodity, to a local product, most consumers will opt for the local product. For imported products to succeed, differentiation is key.

Differentiation and unique branding opportunities arise when consumers are willing to pay a premium for products that retain their local origin. In the case of olive oil, given that California produces approximately only 2 percent of olive oil consumed in the United States, Tunisian producers retaining

the Mediterranean origin can enter the market to supply the increasing demand.

A similar situation exists with dates. In 2017, California produced 35,000 tons of dates from 9,900 acres. Yield per acre was 3.82 tons, priced at \$2,840 per ton. During the 2017-2018 market year, the United States exported 21.8 million pounds of fresh dates valued at \$67.1 million. The top buyers included Australia, Canada, and the United Kingdom. In the same market year, the United States imported 76.1 million pounds of fresh dates valued at \$79.5 million, with majority of imports coming from Tunisia, Israel, and Pakistan.<sup>3</sup> As such, dates in the U.S. market are a product that overcomes the "local" preference due to low local production.

Preference for local products is a challenge for numerous "traditional" Tunisian products such as harissa and related products. The U.S. retailer, Trader Joe's, is known for selling innovative imported products such as "Harissa Salsa," fusing Maghreb and Mexican cuisines. U.S. companies can produce harissa in a "traditional" way in California or any other state, utilizing either locally grown or processed U.S. peppers and spices. This results in competing local products in the market where consumers face the option of buying "local" harissa made in the United States or imported products from Tunisia or other Mediterranean countries. The challenge for Tunisian producers, in this case, is how to brand or differentiate the product to off-set the preference for local.

### Sustainable Product Preference

U.S. consumers show strong preferences for products that are "sustainable, neutral, or good for the environment." Simply labelling a product as "sustainable" is not enough for most consumers and retail buyers. A third-party certification from a recognized certifying body, such as SGS or TÜV, is typically required.

Consumers will opt to purchase sustainably certified products over products that are not certified as such and will pay a premium for the sustainable products. Studies vary on the level of premium that consumers will pay as there are many variables: geographic location of purchase, type of store where purchase is made, competitive and alternative product, and age and income of the consumer. The standard range of premium is from 10 percent to 100 percent (double). Consumers expect to have sustainable products when they shop at retailers such as Whole Foods Market and Sprouts, which target consumers with a sustainable, local, and organic preference.

3. Source is Agricultural Marketing Resource Center.

### Natural Foods - Growing Demand and Decreasing Prices

While “natural” and “organic” are different, as trends in the food industry, they are grouped to reflect the consumers’ demand for “healthy” foods, which do not add chemicals, hormones, or have genetically modified products (GMOs).

There are many factors that influence consumerism and demand in natural foods including labelling and marketing. Issues concerning the “benefits” or “risks” associated with GMO or the use of herbicides or pesticides cloud this in science and emotion. There is nonetheless a growing preference for products certified as organic. In the United States, a certification by a third-party certifying company is required for selling organic products. While organic products account for approximately 5.5 percent of U.S. food sales, it is a fast-growing market segment. Total sales of organic food reached \$45.2 billion in 2017. As illustrated in Figure 1, 49 percent of consumers look for organic certified products in stores.

Mainstreaming of organic products in supermarkets reflects increasing consumer demand and availability of organic products. Figure 2 demonstrates the exponential increase of organic foods between 2005 and 2014. For example, Kroger, the largest supermarket in the United States by sales and

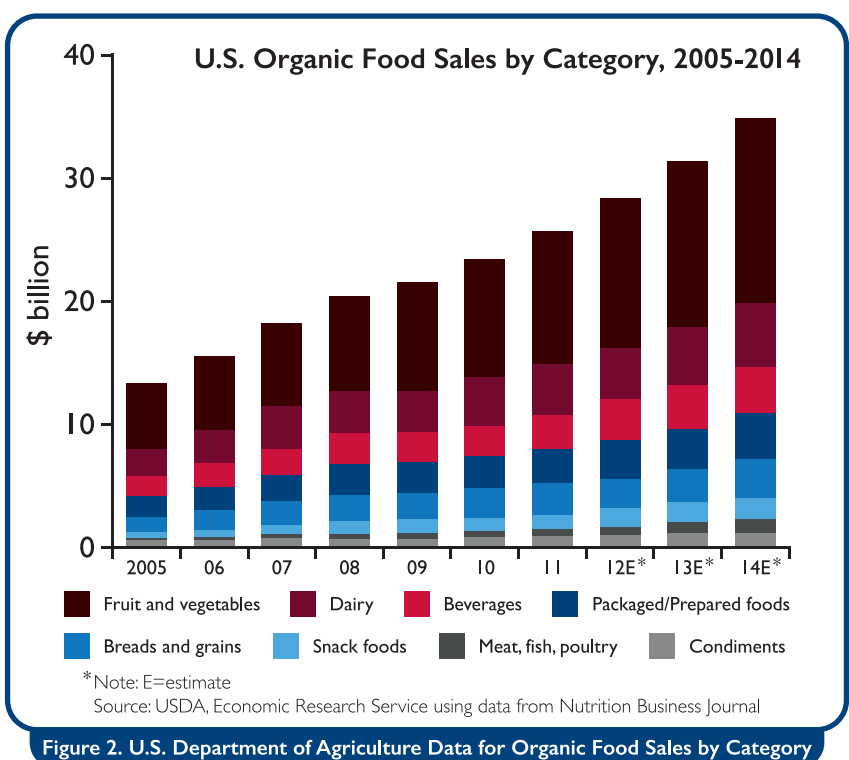


Figure 2. U.S. Department of Agriculture Data for Organic Food Sales by Category

third largest in the world in 2016, has redesigned their store layouts to position organic products next to conventional products. This makes it easier for consumers to choose directly between organic and conventional products, side-by-side.

Organic foods are available in three out of four conventional stores and more than 20,000 natural food stores across the United States. Figure 3 shows total organic sales by store type.

In 2016, Costco Wholesale, a membership club retailer, became the number one retailer of organic products, contributing to 28 percent of their grocery sales.

Market watchers expect organic products to continue their growth; having a certified “organic” label on the product helps set it apart from the commodities of conventional agriculture.

### Health Food Products Trend

Foods related to healthy lifestyles are a major trend that favors many Tunisian exporters. Products that appeal to the consumers’ desire to eat healthy generate added consumer appeal. In the June 2019 issue of the U.S. popular health magazine *Shape*, an article titled “What Is Harissa and How Can You Use This Bright Red Chili Paste?” states:

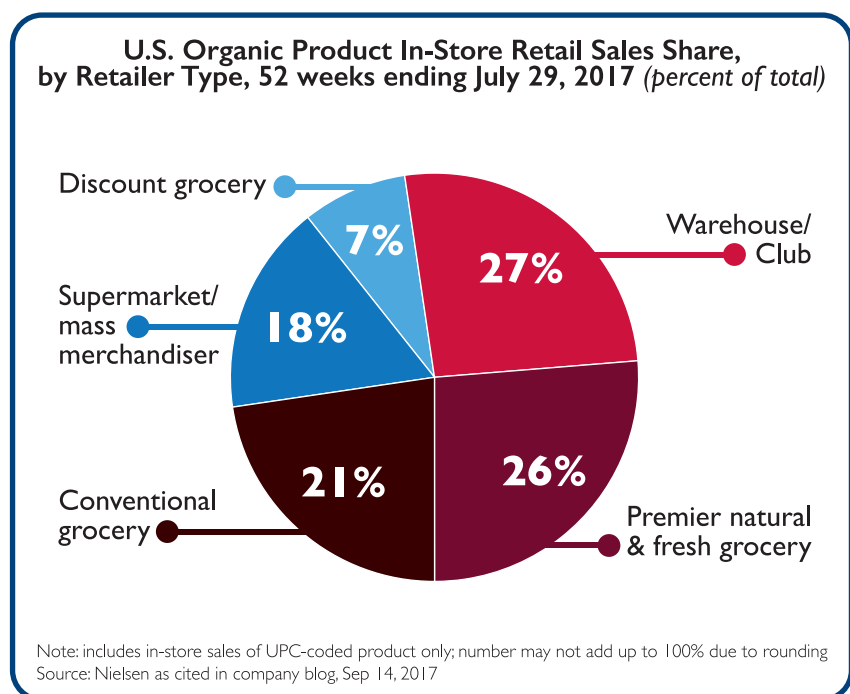


Figure 3. Organic Sales by Store Type



*“Move over Sriracha, you’re about to be upstaged by a bigger, bolder-flavoured cousin—harissa. Harissa can spice up everything from meat marinades to scrambled eggs, or be eaten as a dip or spread for crudité’s and bread...Spicy food can increase your feelings of satiety, meaning harissa makes you feel full and happy,” says Tori Martinet, registered dietitian and director of wellness and nutrition at Restaurant Associates (the company behind the cafes at The Smithsonian Institution and The Metropolitan Museum of Art).”*



### **Mediterranean Cuisine Going Mainstream**

One of the strongest trends in 2017 and 2018 was Mediterranean cuisine going mainstream to U.S. consumers. Trendsetters and consumer publications have extensively covered the growth of Mediterranean cuisine in the American diet. Influential blogs, websites, and magazines like *The Everygirl* and *Business Insider* ran articles on the growth of Mediterranean foods:



*Turmeric, harissa, cardamon, halloumi, za’atar — start Googling now so you’ll know what these words mean when they start popping up on menus everywhere in 2018! As we see more shifts made toward vegetarianism, with more Americans opting for meals that are meatless, we’ll also see restaurants and chefs playing with different flavor profiles to keep things interesting.*

*-The EveryGirl, 7 Food Trends That Will be Huge in 2018*



*Middle Eastern cuisine has been rising in popularity in recent years, and Whole Foods predicted it would be one of the top food trends of 2018. According to Whole Foods, hummus, pita, and falafel are "entry points" into Middle Eastern food, and spices like harissa, cardamom, and za’atar are likely to start popping up on menus more often.*

*-Business Insider, Middle Eastern cuisine is poised to take over America*



*Meals from Morocco, Syria, Lebanese, or Persia also feature delicious yet healthy foods like pomegranate and eggplant. Other seasonings that will jazz up your dinner are dukkah and za’atar. Don’t be afraid to get a little adventurous this year with a healthy Mediterranean diet.*

*-Factsy Health, 10 Healthiest Food Trends of 2018*

Tunisian producers can capitalize upon these trends to increase exports. Care must be taken to emphasize “Tunisian produced” versus “Tunisian style.” Tunisia’s competitive advantage is in the labelling and marketing of “truly Tunisian”

products versus “traditionally Tunisian” products in the U.S. markets.

### C. Which U.S. Market Segments to Target?

The United States is the fifth largest market for Tunisian products, with more than \$668 million exports, behind France, Italy, Germany, and Spain. Olive oil is the principal product exported from Tunisia to the United States, with more than \$78 million in direct sales. This number excludes U.S. imports of Tunisian olive oil shipped from third countries that blend the product into a “Mediterranean blend” oil, which includes olive oil from many origins blended in countries including Spain and Italy.

of which \$78.2 million was olive oil. Olive oil exports have a significant opportunity to increase.

Olive oil is typically a commodity with one origin substituting for another without the consumer noticing a difference. This is particularly true in the United States, where olive oil consumption per capita is less than one liter versus Italian consumption of 12.5 liters or Spanish at nearly 15 liters per capita (Figure 6). This low per capita consumption translates into poor consumer knowledge of differences in olive oil quality.



Figure 4. Sample Tunisian Products in U.S. Market

With the purchase of only one litre per year, U.S. consumers often do not recall the brand they purchased previously or the quality of one brand versus another. Therefore, much of the difference in consumer preferences in the United States is perceived as preferences for Italian or Spanish olive oil depending upon the consumer's upbringing.

Tunisia has traditionally exported the majority of its oil in bulk to other countries, where it is repackaged and resold. As a result, Tunisia does not capture much added value, despite the high quality of the product. For example, retailers ranging from Whole Foods Markets, to Costco, to Walmart sell Tunisian olive oil. However, the packaging and branding is often shown as “Mediterranean Olive Oil” rather than a Tunisian product that “may include” olive oil from a handful of Mediterranean countries and is not exclusive to one origin or another. Consumers often purchase “Italian” olive oil, not knowing that it is in fact, a product of Tunisia and/or other countries blended and/or bottled in Italy. It may be tempting to target

Authentic Tunisian labelled products, including the harissa sold in Trader Joe's, Terra Delyssa Tunisian olive oil sold at Costco, and the preserved oranges sold on Amazon, are important examples of Tunisian exporters' ability to capture value added (Figure 4). Even though the products are not exclusive to Tunisia, exporters can use various strategies to compete in market segments that generate value added by emphasizing on country of origin and authenticity to increase market share.

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### Olive Oil Market Segment

Tunisia has comparative advantages in olive oil production, with roughly 20 percent of the world's olive acreage. The vast majority of this, over 90 percent, is rain-fed, rather than irrigated, making it sustainable. Base oil quality is relatively high, and cost is relatively low. Given the significant barriers to entry in global olive oil production, including climate and the time required for trees to reach their prime yield, Tunisia has untapped potential to increase exports globally. Figure 5 shows the main markets for Tunisian olive oil exports.

In the U.S. market, olive oil and its fractions are the strongest class for Tunisian agriculture exports. Tunisian exports to the United States accounted for \$445.8 million in 2016

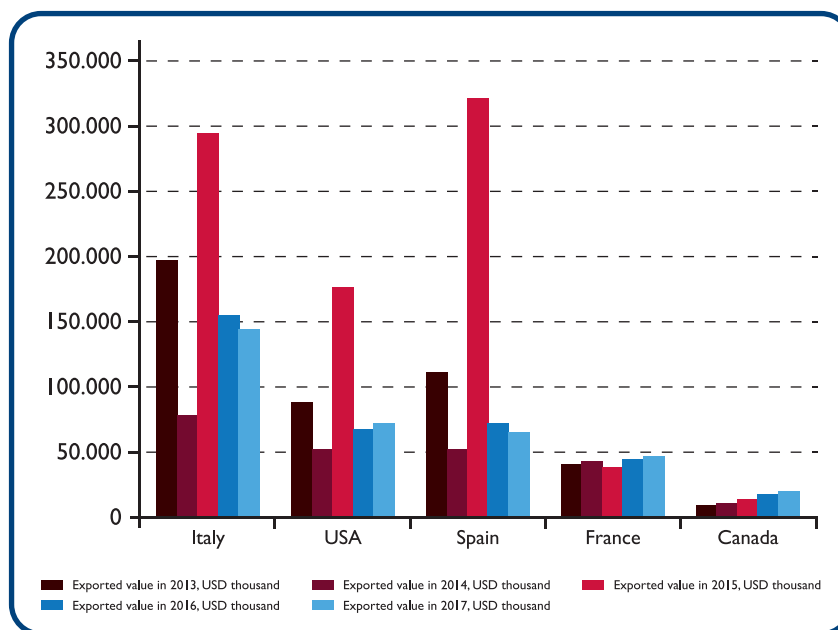


Figure 5. Importing Markets of Olive Oil and Fractions Tunisian Exports

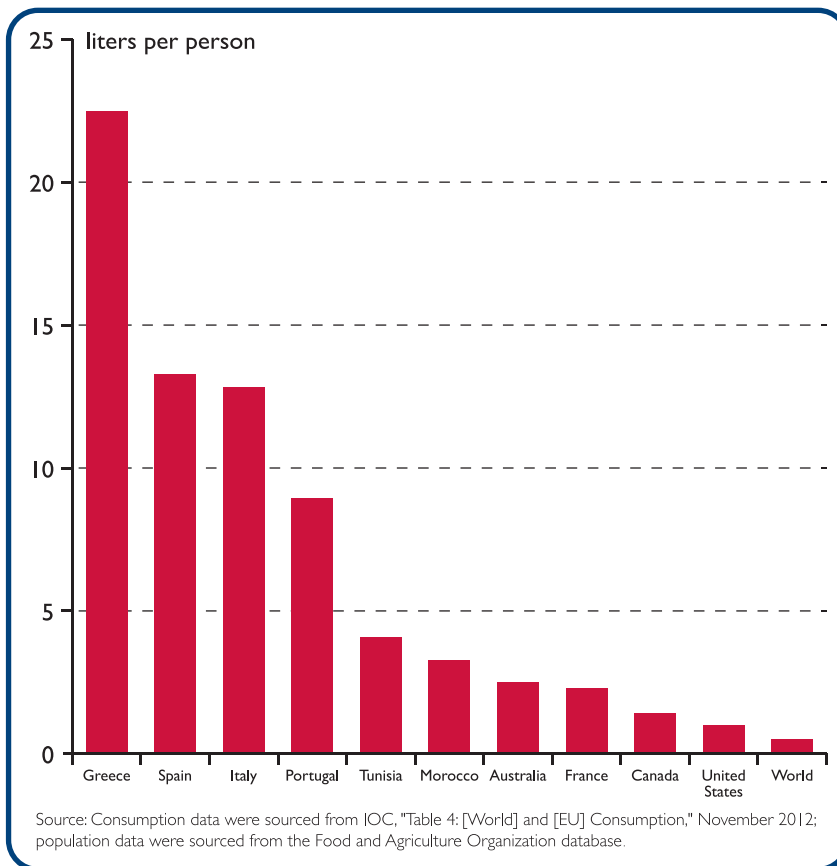


Figure 6. Olive Oil Per Capita Consumption by Country

a higher value-added labelled segment for the U.S. market. As discussed further below, however, this market is fiercely competitive and requires considerable financial resources.

### Seafood Market Segment

In 2016, the United States was the number two destination for Tunisian exports of HS class 16 of meat, fish and seafood preparations, with \$1.734 million. Even though the exports to the U.S. market only accounted for 8.76 percent of Tunisian exports in this class, there is potential for substantial increase. Globally, Italy exports 66 percent of total U.S. imports in meat, fish, and seafood preparations, with France, Macedonia, Algeria, and Tunisia rounding out the top five.

The migration of blue swimming crab in 2014 to Tunisian waters also presents an opportunity for export to the United States. This is a new fishery, and as crab is not traditionally consumed locally in Tunisia, almost all production is exported. The crab is currently being exported to Asian markets either as an end product or to be repacked primarily for the Southeast Asian markets. Tunisian companies are actively pursuing the United States as a market for this crab. According to the Tunisian Ministry of Agriculture, in the first 7 months of 2018, Tunisia produced 1,450 tons of blue crab, valued around \$3.5 million.

Exports from Tunisia of prepared or preserved sardines to the United States in 2016 accounted for only \$646,000. Other products in this category were limited to preparations

and preserves such as whole or pieced tuna with only \$38,000 to the United States.

UN data for export potential to the United States in this market segment reflect a significant opportunity to increase sales of frozen shrimp and prawns, ranking them as the 25<sup>th</sup> greatest opportunity for increased exports to the United States. Other opportunities include prepared and preserved sardines, molluscs and other aquatic invertebrates, and anchovies.

### Dates Market Segment

Dates are another traditional export from Tunisia to the United States, where much of the product enters in bulk to be repacked closer to the market. Dates lead Tunisian trade with 2016 exports of \$239 million. In this segment, the United States accounts for 7.47 percent of Tunisia's exports, with Morocco, France, and Germany representing larger markets for Tunisian dates.

The deglet nour or "finger of light," which is the main variety grown for export, accounts for more than 75 percent of

Tunisia's production and is the main supplier for European markets. It is known for its translucent blonde color and its good storage capacity in a cold room, which allows it to be sold all year round. The dates are sold in the form of trendy natural dates, or in bulk, after having been dried, glucosées, and conditioned.

Cultivation of date palms is only possible in the oasis areas in the south of Tunisia, mainly concentrated in the oases of the Kébili (58 percent), Tozeur (20 percent), Gabès (16 percent), and Gafsa (5 percent) areas. This makes market entry for competitors in the date market segment difficult given the climate and production cycles required for cultivation.

While Tunisian horticultural production is mainly intended for self-consumption, only citrus fruits, tomatoes, and dates are mainly exported. In terms of national importance, dates ranked second in value in agricultural exports in 2018, after olive oil and ahead of fishery products, and first place in the fruit and vegetable category. About 60,000 farmers are involved in date cultivation, which contributes 5 percent to national agricultural production and 16 percent to the receipts of the country's agricultural and agrifood products. The sector is made up of approximately 60 independent exporters.

The UN ranked Tunisia as the number four country with opportunities to increase exports of dates to the United States, behind Israel, Pakistan, and Saudi Arabia.

### Essential Oils and Extracts Market Segment

Essential oils and extracts market products represent another opportunity. However, many of the buyers of these products in the United States have several thousand Stock Keeping Units (SKUs) and identifying which items are most in demand, or that Tunisia can competitively produce, can be a challenge. Nonetheless, initial indicators demonstrate that Tunisia can be competitive in several of these products.

Several features of these products do provide opportunities for Tunisia to be competitive:

- Low volume of product, thus lower transportation costs
- High value per kg, which offsets disadvantage in freight
- Many of these products require extensive use of labor, which is a strength for Tunisia
- Existing companies engaged in the industry with buyer relationships and established proof of concept

### Food service and Ingredients Market Segment

Many producers overlook the opportunities that exist in the foodservice and ingredient industries. Industry buyers often do not care about the origin of the product, or the brand associated with the product. They are focused on price and quality (different from retail where consumers are focused on package, image and advertising).

Given this potential, Tunisian producers for products ranging from olive oil and dates to harissa and extracts and essence should explore the foodservice as a possible market niche.

Further analysis of trade performance and the harmonized system (HS) for exports and imports of Tunisia is included in Annex A categorized by class for the year 2016.







# Exporting to the United States: Regulatory Requirements

## A. Do Tunisian Products Benefit from Trade Preferences in the U.S. Market?

Tunisian exporters can benefit from the Trade and Investment Framework Agreement (TIFA), and specifically, the Generalized System of Preferences (GSP) Program. GSP promotes economic growth in the developing world by providing preferential duty-free treatment for over 3,500 products from a wide range of designated beneficiary countries.<sup>4</sup>

For authoritative information on which products are GSP-eligible, see the most recent U.S. Harmonized Tariff Schedule (HTSUS). The information and full GSP guidebooks can be found at <https://ustr.gov/sites/default/files/GSP%20Guidebook%20Nov%202012.pdf>.

In 2018, Tunisia was the 5<sup>th</sup> largest GSP beneficiary/supplier to the United States, with \$230 million in GSP duty-free exports, including key products for Tunisian agriculture – especially olive oil and dates. Exporters can track Tunisian exports to the United States under the GSP program online. Benefits under the GSP program are subject to trade ceilings, above which preferences such as the Competitive Need Limit (CNL), which imposes a ceiling on GSP benefits for certain products are curtailed. For Tunisia the CNL covers olive oil, with the current limits at 50 percent of total U.S. imports or equivalent to \$78 million (2016).

To gauge the impact of opportunities of GSP as it relates to Tunisian agricultural exports:

- Annex B provides information on leading Tunisian products to the United States and the applied duties
- Annex C provides information on U.S. customs data for Tunisian GSP exports in 2017
- Annex D provides comparative U.S. customs data for Tunisian GSP exports (2018 vs. 2017)

## B. Entering the U.S. Market: Regulatory Framework

### What are the key requirements for entering the U.S. market?

Food entering the U.S. market needs to meet both governmental and buyer standards. The latter often exceed the legal requirements.

<sup>4</sup> U.S. Trade Representative, more information at: <https://ustr.gov/sites/default/files/gsp/GSP%20Guidebook%20March%202017.pdf>

Exporting companies need to be compliant or familiar with key U.S. regulations, which include:

**The Codex Alimentarius** – the Codex Alimentarius Commission “Food Code” is a collection of adopted standards, guidelines, and codes of practice. The Commission, also known as CAC, is the central part of the Joint Food and Agriculture Organization (FAO) and World Health Organization (WHO) Food Standards Program that was established to protect consumer health and promote fair practices in global food trade.

**USDA: APHIS** – The Animal and Plant Health Inspection Service within the U.S. Department of Agriculture has the mission to protect the health and value of American agriculture and natural resources. There are protocols in place for imports. More information can be found at: <https://www.aphis.usda.gov/>.

**HACCP** – Hazard Analysis Critical Control Point is a systematic series of preventative measures to ensure food safety during all stages of production processes. It is useful to understand the regulations for plants that handle meat and seafood.

**Pre-registration of plant and import** – These requirements come from the USDA and Food and Drug Administration.

Important buyer requirements include:

**HACCP Certification**

**ISO 22000:2005** – Sets out the requirements for the food and safety management system and can be certified.

**Global G.A.P.** – Global Good Agricultural Practices.

**FSMA** – The Food and Safety Modernization Act rules are designed to make clear specific actions that must be taken at each of the points to prevent contamination. More information can be found at: <https://www.fda.gov/food/guidanceregulation/FSMA>.

**British Retail Consortium** – BRC is a leading global product safety and quality certification program used by certificated suppliers in over 100 countries and is recognized as a Global Food Safety Initiative (GFSI) benchmarked food safety scheme.

Optional standards include: Organic – National Organic Program; Fair Trade Certification; halal; kosher; and Non-GMO.

Annex E illustrates the requirements for food entry to the U.S. market. The two primary steps for this process are 1) [Registration of Food Facilities](#) and 2) [Prior Notice](#)

[of Imported Foods](#). These forms can be completed by the exporter or they can utilize a service to support their efforts. If exporters have an agent in the United States, the agent can complete this information. If exporters do not have an agent, they will need to establish a relationship with a company that can be the importer of their product on an exclusive basis, or find an individual or company that will act as their contact in the United States. There are companies that will provide this service, listed on <https://www.registrarcorp.com/fda-food> and <https://registerfda.com>.<sup>5</sup> Many exporters utilize family members who have immigrated to the United States as their agents. The primary responsibility for this role is to provide the FDA and other U.S. officials with a local contact.

**What requirements are particularly relevant to Tunisian exports?**

*HACCP requirements for the fish and meat industry*

Regulations relating to the "Procedures for the Safe and Sanitary Processing and Importing of Fish and Fishery Products" are published in 21 CFR 123.<sup>6</sup> These regulations require processors of fish and fishery products to develop and implement Hazard Analysis Critical Control Point (HACCP) systems for their operations. Details for this process are covered on the FDA website at: <https://www.fda.gov/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/Seafood/ucm176892.htm>.

HACCP is mandatory for all fish products entering the United States. It is a standard which identifies a process. Therefore, it can be possible that a processing plant is not HACCP certified but a product produced in the plant under the approved HACCP system is certified. A plant can be certified for one product or production line and not another. This fact is often overlooked by sellers and buyers; however, is not overlooked by the FDA in monitoring imports to the United States.

HACCP systems are based on the seven principles articulated by the National Advisory Committee on Microbiological Criteria for Foods (NACMCF): 1) hazard analysis, 2) critical control point identification, 3) establishment of critical limits, 4) monitoring procedures, 5) corrective actions, 6) record keeping, and 7) verification procedures. Companies must develop procedures that meet these standards and have a third-party auditor certify the company. Third-party certifiers in Tunisia include SGS (<https://www.sgs.tn/>) and TÜV [https://www.tuv.com/en/corporate/about\\_us/1/interim\\_solution\\_tuev\\_rheinland\\_tunisia/tunisia.html](https://www.tuv.com/en/corporate/about_us/1/interim_solution_tuev_rheinland_tunisia/tunisia.html).

Typically, companies hire outside auditors and support individuals or agencies to assist them in developing these standards. These companies review the process and prepare a strategy for meeting the HACCP terms with the company. Achieving HACCP can be a quick process, if the company is prepared and already meeting standards. On the other hand,

5. Companies are cited for illustrative purposes. Their inclusion does not represent an endorsement.

6. CFR is the Code of Federal Regulations, where all federal regulations are published, <https://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>



it can also take years to modernize and meet the standards. Numerous processing plants in Tunisia are HACCP certified for some of their products. If the process is in place for some products, it is not necessary to reinvent the process to achieve compliance with a different product. Nonetheless, certification may require new equipment, flooring, lighting, or other structural or capital improvements.

#### ***HACCP requirements for non-seafood or meat processing plants***

While HACCP is not required for processed foods that do not include meat or seafood, few buyers in North America that will accept products that are not, at a minimum, from a plant and process that is HACCP compliant. This is unlike many other countries where plants can have processes that are HACCP compliant but not HACCP certified, which happens frequently where the buyers do not require HACCP certification. Russia is a good example.

The exception to strict HACCP certification requirements in the United States is sales to ethnic markets where buyers recognize brands or traditional products and are personally confident in the quality control of the processor. Beyond these sales, Tunisian companies need to have HACCP at a minimum for a credible export strategy.

#### ***Food Safety Modernization Act (FSMA)***

The United States is moving toward the Food Safety Modernization Act (FSMA) standards, with registration beginning October 1, 2020. FSMA requires:

- A food safety plan written by a Preventive Controls Qualified Individual (PCQI)
- Hazard analysis
- Preventive controls
- Monitoring
- Corrective actions
- Verification
- Supply chain program
- Recall plan
- Associated records

FSMA holds importers accountable for their foreign suppliers. Importers must be able to verify to the FDA that their foreign supplier has an adequate preventive control plan in place. The requirement for mandatory electronic registration began on January 4, 2020, and the requirement for providing a unique facility identifier (UFI) will begin October 1, 2020. While FSMA is not required today, most buyers require that the facilities that they work with be FSMA compliant to avoid future issues. For details on FSMA, see <http://fsma-resource-center.com/fsvp.html>.

#### ***Other Safety Standards***

Large U.S. buyers have their own standards, which may go beyond HACCP to include social standards. These range from employee hours, breaks, and restrooms, to paying a fair wage, and providing health and environmental considerations. If a supplier has achieved British Retail Consortium (BRC) standards, they will comply with most "voluntary" standards set by the buyer.

The Global Food Safety Initiative (GFSI) is coordinated by The Food Business Forum CIES. This industry-driven initiative with growing supporters is a global food network composed of approximately 400 global retailers and manufacturers. Given the risks of recalls and liabilities associated with food borne illnesses, the GFSI is providing buyers with confidence that foods have been produced at the highest level of sanitation.

GFSI is not a certifying organization but recognizes several standards as meeting their requirements. These organizations are known as benchmarked standards:

- BRC Global Standard for Food Safety
- BRC-IOP Global Standard for Packaging and Packaging Materials
- IFS Version 6
- CanadaGAP
- Global Red Meat Standard (GRMS)
- PrimusGFS Standard
- IFS PACsecure Version 1
- IFS Logistics Version 2.1
- SQF (Safe Quality Food)
- GlobalGAP
- Global Aquaculture Alliance Seafood Processing Standard

This is not a static list, and new agencies are being added from time to time as they adopt, meet, or exceed the GFSI standards. Figure 7 below shows a comparison of most required standards of exports to the United States.

### Non-Safety Related Standards

Beyond food sanitation standards, there are countless standards that buyers recognize to set supplier products apart from others. The International Trade Center (ITC) has a website that covers these standards and should be reviewed by the exporter to determine what standards they currently achieve and what is achievable for their business. Each standard that they achieve helps to set a producer apart from other suppliers who do not meet these standards. Producer should weigh the cost of achieving the standards against the competitive edge that these standards provide them.

There are several standards outlined by the United Nations that address these issues. Standards for product differentiation cover everything from gender equality and social justice to environmental issues. The website <https://sustainabilitymap.org/home> provides an online tool for the producer to determine eligibility for various standards. Some of these standards are self-certifying, while others require a third-party certifying agency.

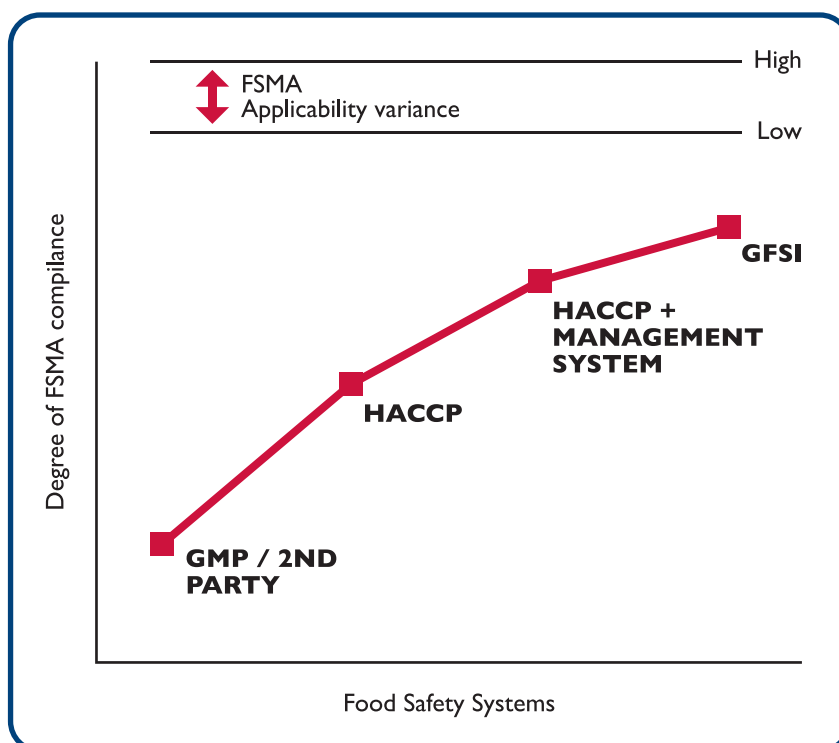


Figure 7. Food Safety Systems Comparison<sup>8</sup>

7. Source is from Florida Association for Food Protection, more information found on this website: <http://www.fafp.net/wp-content/uploads/2018/05/FSMA-Certification-for-Foreign-Suppliers-Hank-Karayan-SGS.pdf>



# Exporting to the United States: Logistics and Distribution



## A. General Strategy and Market Knowledge

General knowledge of commercial practices and distribution channels in the U.S. market on the part of Tunisian companies is limited, yet it is essential to capture the U.S. market. This is why many companies and agencies have participated in trade events, or approached buyers, but have been unable to close a sale.

Many factors affect results from trade show participation. Trade shows should not be a “first step,” although it unfortunately is for many potential exporters. Prior to exhibiting or contacting buyers, exporters should be familiar with the target market and have developed a strategy for market entry.

- Small Tunisian producers: Without significant resources, these producers should not target large retailers in the U.S. market (such as Whole Foods or Costco). These retailers typically require significant investment to purchase shelf-space, and marketing or sales support to convince them the product will move. A small producer with a high-quality product and strong marketing may instead target specialty or boutique retail channels.
- Medium-sized Tunisian producers: Without strong marketing but with a very competitive price point, they may want to focus on the food service market, where branding is less important than quality and price.

It is essential that before exhibiting at a trade event, the exporter is familiar with potential buyers and their preference, including whether the potential importer has a broker in place to market the product. U.S. retailers will not buy product that is not available in stock or that does not have a broker to support sales. Exhibiting at a trade show is ineffective without first having a good idea of which type of buyer to focus on, having product in the market, and having a broker to create sales (or a plan to pursue these).

### Market Linkages

#### *The Role and Importance of a Broker*

A broker represents a brand in the market. Brokers, like every successful business, focus on return on investment and profit. If the profit margin for sales per unit base or on bulk volume is attractive to brokers, they will invest their time into representing the product within the market through the relationships they have already established.

If a Tunisian brand is entering the market, brokers will spend a high percentage of their time launching the product without the immediate return on their efforts as the product works into distribution. Therefore, for a broker to take on a new brand, they typically require a “launch” fee, which can run from \$1,000 to \$5,000 per month, depending upon the amount of time they are going to spend on the product. An exporter looking to market a brand in the United States will be expected to pay a launch fee for a minimum of six months. During this time, the broker will work to place the product with retailers.

Unfortunately, most brokers will not “guarantee” success during the launch period as there are many factors that they do not control, including product quality, price, and competition. Therefore, it is critical that exporters choose the “right” broker to work with them and their product. The exporter should know all products that the broker represents and base their decision on the brokers’ portfolio. If the broker has no business in the exporter’s product category, is that a good thing or a bad thing? It depends upon if the exporter’s product will complement the other products in the broker’s portfolio. For example, if the broker carries tomato sauce but no pasta, then perhaps the exporter’s pasta would be an excellent fit for them. However, this would not be the case if the broker sells tomato sauce to pizza manufacturers with no interest in pasta. This is a decision that the exporter will have to make based upon their own product and market expectations and strengths.

A brokers’ margin is typically 3 to 5 percent of the sales price to the company. Many exporters sweeten this percentage by providing other benefits and promotion allowances, which help brokers motivate their staff to sell the products. Brands will often offer a special performance incentive fund (spif) to their brokers to promote the brand. A spif serves as a bonus or other remuneration given to a salesperson for promoting the product.

#### How to select a broker

Tunisian exporters need to conduct some industry and market analysis. Some suggestions include:

- Understand the industry and target market segment the exporter is entering.
- Find broker candidates – visit trade events and study the product to know how it is sold and who is selling it.
- Evaluate the candidates – trust and understanding are two primary criteria for finding a broker. Can a broker be trusted and is he/she excited to sell the product? Is the broker strong in the areas of retail market coverage, trade contacts, market

knowledge and good relationships with the targeted buyers?

The exporter’s level of commitment is also important. Many retailers require a free case of product for each store as a stocking allowance to get the product shelved. Keep in mind that before the exporter’s product hits the shelf, other products are already being sold and generating money for the retailer. The retailer will only consider adding the exporter’s product if he/she is confident that the store will make more profit. The broker should help the exporter to convince the retailer that the exporter’s product can generate more sales.

Choosing the right broker requires time, market knowledge, and an ability to judge the right person for the exporter’s needs. It is important to identify importers in the United States that are actively interested in Tunisian imports or importing products from origins similar to Tunisia.

### B. What are the Logistical Options in Exporting to the United States?

Logistics and distribution play key roles in successful exporting, especially to the United States. Companies typically export through one of three channels:

- I. Importer** who owns the product and sells to distributors, retailers, or foodservice buyers directly;
- II. Company-owned importer with broker or other sales network** in place to sell to distributors, retailers, or foodservice buyers directly; and/or,
- III. Retailer or foodservice company** buying directly.

Details for each option are outlined below. There are scenarios where the lines between each of these options are crossed and therefore, exporters require knowledge of these channels and flexibility. Figure 8 shows the flow of products through the distribution system that could be useful to Tunisian exporters.

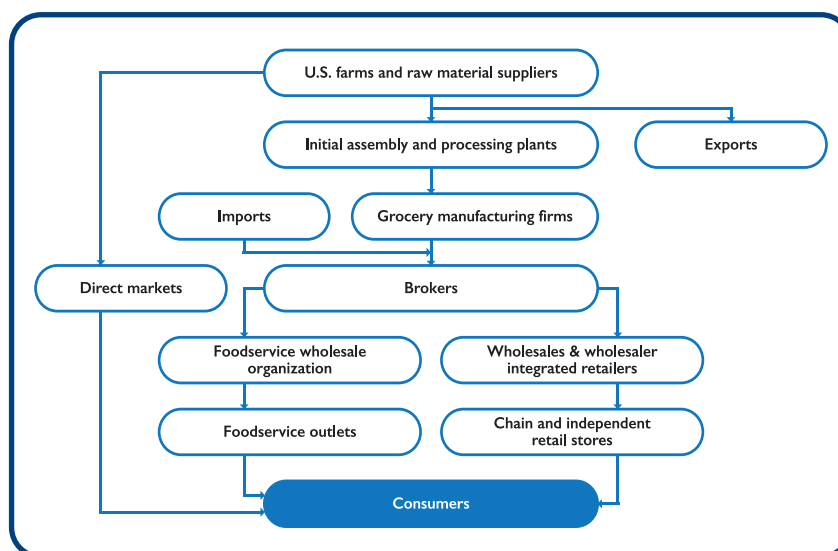


Figure 8. U.S. Food Distribution System





**I. Importer who owns the product and sells to distributors, retailers, or foodservice buyers directly**

As noted earlier, imports of food products to the United States require an official importer. This company must have a presence in the United States, either through a brick and mortar installation or as an importer of record through an agent/representative. This agent/importer must file the Prior Notice of Imported Foods and is responsible for filing the import declaration and related documents. This work is done by a Customs Broker on behalf of the importer. The broker will either require prior payment of import costs or require a bond be in place to cover import duties and costs. Even with GSP in place, this bond will be required.

The official importer can own the product, or it can be owned by the exporter or other entity. The importer, however, is liable for related duties and taxes. The importer may have their own warehouse or may store the product in a public warehouse.

In some cases, the importer can perform the role of the broker and distributor and go directly to the retailer through its own network. In 50 percent of the cases, the imports go through distributors to reach the consumers—39 percent retail and 11 percent food service. In the other 50 percent of cases, the importer is performing the role as the importer distributor. Major companies such as Ziyad Brothers, Roland Foods, and Atalanta are involved in this role with Mediterranean imports that are also their own distributor. Figure 9 presents the cost structure on imports throughout the food channel.

The margin of the importer will vary depending upon their role in the process. Risks associated with imports include perishability and market volatility. In addition, it can range from a loss due to market conditions to as much as 100 percent for a specialty item that the importer has an exclusive

or monopolistic supply of or relationship to. This is not often the case in the food industry due to the competitive nature of food products, but can exist with a new product or brand – more likely with wine or other alcoholic beverages. A typical importer’s margin, given “normal” risks would be 5-15 percent.

Having an importer who purchases the product ex-works, FOB vessel, or CFR port of entry is an option of less risk for the exporter. But less risk also means less profit from beyond the producer’s dock. Nonetheless, for a new company, the reduced risk is likely to outweigh the more limited profit potential. The exporter’s “risk” is finished when title/ownership of the product changes hands, which is often tied to the bill of landing (depending upon sales terms).

**II. Exporter-owned importer with broker or other sales network in place to sell to distributors, retailers, or foodservice buyers directly**

Exporters can opt to be their own importers by establishing an operation in the United States. This can take many forms, from brick and mortar to working with any number of companies providing this type of service to foreign manufacturers. In this scenario, the exporter owns a company in the United States that is its importer and often its master broker/distributor. Through this mechanism, the exporter’s U.S. company can promote the product and subsequently a retailer or distributor can buy the product from the U.S.-based warehouse and inventory. Without products already in the U.S. market, most retailers, or even distributors, will not purchase the products, since they are not set up to import products. An exception may be “fast moving” items that they can sell quickly. Figure 10 shows the market entry options and inherent opportunities for each.

Retailers do not like inventory; they want to move product as much as possible. The benchmark target for movement for most grocery stores is 20 times per year. To accomplish this, retailers need to have limited items that sit in their inventory for no more than 2.5 weeks. Retailers do not want to be importers or distributors of products that have slow turnover.

For an exporter building a market, without the full support of an importer, company-owned inventory in the United States is a way to work with retailers and distributors directly by offering them products that are already physically in place in the United States often in a public warehouse for in/out and storage. The exporter, or the service company and broker, is responsible for importing and warehousing and for sales to the distributor or retailer.

A distributor will carry any product that the retailer desires. Therefore, the

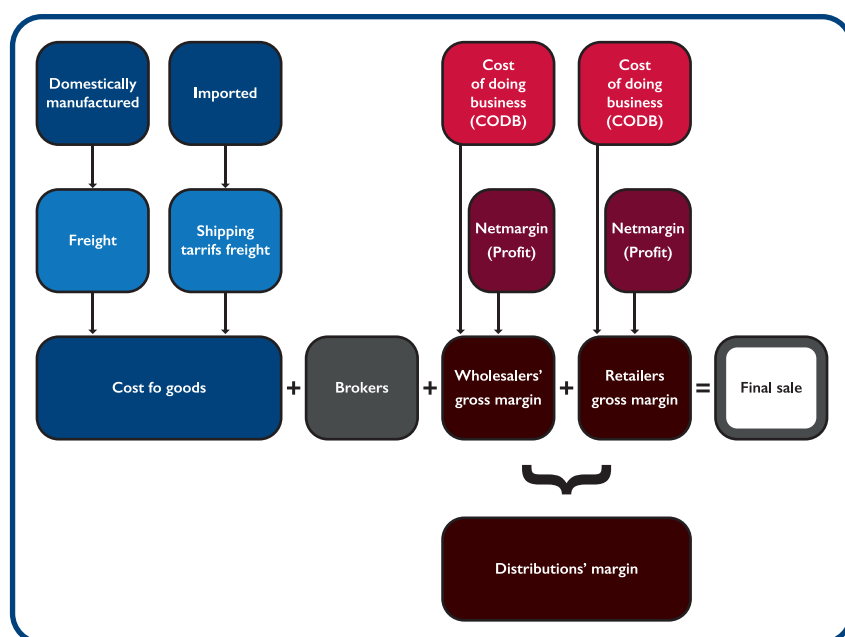


Figure 9. Distribution Margin Capture

Matrix of operational choices for U.S. market entry				
Opportunity/benefits	U.S. Market Entry Options			
	Sell to An Importer	Sell Direct from Outside US	Set Up a US Company Personnel	US Based Importer Service Company
Choose currency conversion timing			✓	✓
Coordinate trade promotions				✓
kick-start US operations	✓			✓
Minimize overhead costs	✓	✓		✓
Overcome time zone and language differences			✓	✓
Eliminate fixed costs				✓
Better control supply channel and associated costs		✓	✓	✓
Have your own vendor id		✓	✓	✓
Control who buys your product		✓	✓	✓
Eliminate long-term employee commitments	✓			✓
Minimize start-up costs	✓	✓		✓

Figure 10. U.S. Market Entry Points and Opportunities

broker will work to sell the product to retailers, and the retailers will require the distributor to handle the product.

There are numerous public warehouses that will operate as the importer of record and distributor for Tunisian or other exporters. For exporters looking to establish an operation in the United States, they need to first understand their target market and locate their operations to effectively serve that market.

The transportation system in the United States allows for a centrally located warehouse to distribute product to most regions of the country. Exporters need to consider target markets. For example, olive oil consumption is strongest in the Northeast, so a distributor in the Northeast would be preferable to a distributor on the West Coast for olive oil. California, however, has relatively strong demand, so if this is the target market, a California-based distributor is best. Alternatively, consumers of spiced food willing to try new cuisine are mainly on the West Coast; therefore, if an exporter is looking for a market for its harissa, then a West Coast distributor is likely to be preferred over a Northeast warehouse.

The selection of a warehouse needs to be undertaken on an individual basis taking the following into consideration:

- a. Customer base
- b. Broker location and strength
- c. Transportation cost impact on product price and price elasticity
- d. Efficiencies and economies of scale of distribution

The broker chosen by the exporter will greatly influence warehouse location.

### III. Retailer or foodservice company buying directly

An exporter may have the option to sell directly to a retailer or foodservice. This, however, presents risks without a thorough knowledge of the market. For example, the exporter would then be liable for all duties and taxes.

In 50 percent of the cases, imports go through distributors to reach the consumers—39 percent retail and 11 percent foodservice. Major companies are involved in this way with Mediterranean imports and are also their own distributor, as described above.

## C. What are the Current Main Channels for Distribution of Tunisian Agricultural Foods in the U.S. Market?

**Bulk items:** The two biggest items hitting the U.S. market from Tunisia are olive oil and dates, both of which are sold in large quantities as bulk products.

**Olive oil sales:** Most of the olive oil entering the U.S. market is either in bulk or blended with oil from other countries, with much of the blending occurring in Italy, Spain, or other markets that can then brand the product as an origin of their own country.

KEYWORD	RESULTS
Tunisian Olive Oil	90 (including several non-olive oil products that may include Tunisian olive oil like harissa and tuna fish.)
Italian Olive Oil	3,000 listings – with far fewer non-olive oil products listed
Spanish Olive Oil	573 listings
Greek Olive Oil	840 listings
Turkish Olive Oil	122 listings
Lebanese Olive Oil	57 listings
Israeli Olive Oil	79 listings
US Olive Oil	2,000 listings
Mediterranean Olive Oil	+ 1,000 listings

Figure 11. Amazon Listings for Olive Oil by Origin

While the Tunisian olive oil industry is supporting the marketing of retail packed olive oil funded with taxes on bulk exports, the retail sales of Tunisian olive oil remains limited in the United States. While Amazon.com is not the end-all for marketing of food products, with only 10.5 percent<sup>8</sup> of consumers admitting to purchasing food from the online giant, many large importers and specialty food producers utilize Amazon as a bellwether for the success of a product, so it is a good gauge of market penetration for Tunisian olive oil as a Tunisian branded product (Figure 11).

**Date sales:** Like olive oil, much of the dates sold from Tunisia into the United States are shipped in bulk and repacked into consumer packages, or used as an ingredient. There are a number of Tunisian brands that do make their way into the diaspora and ethnic market under a Tunisian name, but much of this is under private labels. Given the potential for increased dates sales in the U.S. market, exporters will need to identify strategic niche opportunities to enter the market, such as either bulk or smaller ethnic markets.

**Harissa and other products:** Some Tunisian brands have found a market in the grocery industry, with harissa being the leading product with a wide distribution, including a product that is privately labeled for Trader Joes. These products are often sold with the support of a local broker or agent for the companies.

**Foodservice products:** It is difficult to obtain an accurate understanding of distribution in the restaurant and other institutional distribution networks due to the fact that the brand name and origin are lost in the kitchens before it is consumed.

Large importers like Roland Foods and Atalanta import products from Tunisia and distribute them under their own and supplier brands.



8. Amazon.com grocery sales were up 32 percent in 2017 and industry forecasts are that grocery sales through the Omni channel (internet) will grow at an average of 13 percent per year up to 2022.





# Future United States - Tunisia Cooperation

## A. Moving Forward

In the spirit of cooperation that has characterized JEC meetings, the United States government (USG) stands ready to aid Tunisian exporters to increase their exports to the U.S. market. This assistance will be led primarily, although not exclusively, by the United States Agency for International Development (USAID). Other USG entities including the Millennium Challenge Corporation (MCC), the Office of the U.S. Trade Representative, and the Department of State, will also play key supporting roles.

USAID's Tunisia JOBS project will be the primary instrument for delivering this assistance, supported by other USAID and USG programs. In line with this report's findings, the aim of U.S. government assistance is to help the Government of Tunisia and private exporting companies create a roadmap for the U.S. market in five related areas:

1. Gaining a better understanding of the U.S. market
2. Establishing standards
3. Ensuring company capabilities to export in a highly competitive market
4. Establishing strong market linkages
5. Addressing policy and other constraints impacting exports

## B. Action Plan

### Gaining a Better Understanding of the Market

#### Issue

While major companies exporting to the United States know the market extremely well, that is not the case for most Tunisian firms, especially small and medium-sized businesses. Basic knowledge of U.S. standards, consumer demands, distribution channels, and opportunities, and other topics described in this report is often minimal.

For example, many exporters that have participated in U.S. trade shows in the past (e.g., Fancy Foods) express frustration that they have invested their resources with limited results. There are many factors that would limit the results of investment in trade events. The common thread, however, is a lack of market knowledge in understanding who the buyers are and how to get product into distribution.

#### Proposed Action

Tunisia JOBS, in its first year, entered into partnerships with various public and private institutions to convey this knowledge. Export-related events was organized by AmCham and Chambers of Commerce (including Sfax, Beja, and Gafsa), as well as CEPEX.

These activities are ongoing, most recently through participation in the Sfax Export Forum in December 2019, where JOBS delivered a workshop on the composition of the U.S. market to olive oil producers. Similar export-focused activities are planned in other regions, including underserved regions where agriculture plays a key role.

In partnership with CEPEX, PACKTEC, and AmCham's Export Lab, JOBS will provide information regarding improving export capabilities to companies throughout Tunisia.

### Establishing Standards

#### Issue

While many Tunisian exporters have ISO22000 and HACCP standards in place for several products, few have these standards in place for potential priority products demanded in the U.S. market. Furthermore, few companies have FSMA or GFSI standards in place. These standards are key, as most buyers in the United States will not consider a product that is not FSMA or GFSI certified. In order to effectively export to the United States, companies must achieve these certifications.

#### Proposed Action

USAID, through Tunisia JOBS and other projects, will provide support to potential exporters on two parallel tracks.

**Enhancing knowledge of standards for "Near Export Ready" companies.** This will consist of seminars in Tunis and in other regions focused on these standards, including the investment required to put them in place. Tunisia JOBS will cover some of these topics in the U.S. market presentations described above. However, while the former will include companies that may have a general interest in the U.S. market, this activity will be more focused on companies that have already made some commitment to the market and are farther along the export-ready curve to seriously consider the investment required in these certifications.

Tunisia JOBS will identify these companies through its own SME network as well as through partner institutions (again, Chambers of Commerce, CEPEX, GICA, GIPP, and Gifruits) as well as in the course of its ongoing work in assisting Tunisian companies to become more competitive, grow their sales and exports sustainably, and thus create regional growth and employment. To date, Tunisia JOBS has supported more than 450 companies and expects to add an additional 500 companies in 2020.

#### Helping to certify companies in order to enter the U.S. market.

Tunisia JOBS will select approximately 30 near-export-ready companies per year on a cost shared basis to help them prepare for certification by an independent third party in FDA, FSMA, USDA, and BRC certifications. These will be companies that have established market linkages with potential buyers (or as described below, where Tunisia JOBS has helped them make those linkages) and are far enough in their capabilities to export to warrant this investment. An initial effort will be an assessment from an expert in food sanitation. Tunisia JOBS will build on success stories from

this group to get the word out on the benefits – indeed the necessity – of certifications. Especially for SMEs in underserved regions, Tunisia JOBS will assume greater risk by companies who are near ready for exporting but may require more assistance. A significant percentage of selected companies will come from Tunisia's underserved regions.

### Ensuring Company Capabilities to Export to a Highly Competitive Market

#### Issue

Exporting is a difficult undertaking. Exporting to competitive markets like the United States is even tougher. Companies often do not have the full range of experience and skills in numerous areas to "close the deal." This is especially the case in many underserved regions in Tunisia.

#### Proposed Action

Parallel to supporting and assisting companies in achieving acceptable food sanitation certificates, producers need to be trained in the following areas:

- Market distribution system
  - Food
  - Seafood
- Export sales transaction
- Export pricing
- Export packaging and shipments
- Development of company export expansion plan
  - U.S. Distribution system
  - Supporting the market
    - Slotting fees
    - Brokerage fees
    - Marketing campaigns
- Export plan development

Tunisia JOBS will provide direct technical assistance to participating companies through both Tunisian and international expertise.

### Establishing Standards

#### Issue

Companies interested in exporting often focus on market trends, e.g., "there is demand for x product in the United States so therefore, we can enter that market." But execution requires knowing specific buyers in specific markets. Moreover, it requires detailed knowledge of how to get goods to that market.

#### Proposed Action

Market linkages involves two critical areas. Foremost is helping exporters identify specific buyers/importers as well as to work with the correct broker.

Identifying buyers. Tunisia JOBS will help selected companies in this area through providing U.S. importers with information about Tunisian companies and their products; establishing initial contacts; highly targeted trade show participation; and buyer and seller missions.

Tunisia JOBS will support market linkages for selected companies in a variety of areas. These include:

- Marketing training – one on one and group
  - “Elevator” or sales pitch
  - Sales mission training
  - Tradeshow training
- Market research training
  - How to identify a market niche
  - How to find buyers
  - How to find brokers

Tapping its consultant inventory and their importer contact, Tunisia JOBS will continue to introduce leading U.S. importers—especially of Mediterranean goods—to exporters. These contacts have already resulted in some strong interest by major buyers.

Tunisia JOBS will support trade show participation on a co-shared basis. Displaying products at a trade show can be an important step to generate new sales and meet potential customers. Trade show participation is often unsuccessful, however, because it should not be the first step taken on the road to exports. Companies need to be prepared to display their products, make their pitch, and most importantly, go to meet previously identified potential buyers and not instead to passively wait for buyers to come to their booth.

Tunisia JOBS will mobilize its trade consultants and buyer contacts to arrange meetings for all companies participating at trade shows with JOBS’ assistance well before trade show. Three likely trade shows where Tunisia JOBS will provide support include:

- Seafood Expo (Boston, March 2020)
- National Restaurant Show (Chicago, May 2020)
- Fancy Food Show (New York City, June 2020)

Selecting a broker: It is essential that before exhibiting at a trade event, the exporter have an importer in place and a broker to market the product. U.S. retailers will not buy product that is not immediately available in stock or who do not have a broker to support sales. Exhibiting at a tradeshow or finalizing sales in general is ineffective without first having product in the market and a broker to create sales. More information on selecting a broker is in Chapter 4.

The USG, through USAID and Tunisia JOBS, will also align Tunisian exporters and U.S. buyers through seller and buyer missions. Seller or exporter missions will include visits by Tunisian companies to meet with potential buyers in multiple cities prior to or after a trade show in the United States. The potential buyers may or may not be at the trade show. These visits will also include interviews and familiarization with potential brokers.

## Addressing Policy and Other Constraints

### Issue

There are other issues that may affect a company’s ability to export to the United States or other markets. For example, U.S. importers have identified uncompetitive payment terms

offered by Tunisian exporters (specifically for bulk olive oil) as one hinderance to increased export sales. According to these buyers, competitors for bulk olive oil from other origins regularly offer 60- and 90-day terms on shipments. This allows the importer to buy the product, package it, and get it to their customers with a neutral or only slightly negative cash flow. Another example is the export certification process in Tunisia, which many exporters describe as cumbersome and adding to costs.

### Action Plan

Through its access to finance component, Tunisia JOBS will work with Tunisian financial institutions to develop financing products for Tunisian exporters, especially for olive oil. Similarly, the project will engage the Tunisian government and the private sector to address the export certification constraint.

## C. Conclusion

Through USAID as well as other agencies and departments the United States Government stands ready to assist Tunisian exporters in tapping the potential of the U.S. agricultural market. As agreed in the JEC in May 2016 and more recently at the JEC meeting in June 2019, this joint cooperation and economic engagement between our private companies serves to deepen the economic ties and partnerships between our two countries and people in a manner that will promote economic development in both countries.



**Annexes** 

## Annex A Tunisian Product Performance to Date

Analysis of trade performance harmonized system (HS) for exports and imports of Tunisia are detailed below by class (2016).

Class	Description	Tunisia's Performance
07	Edible Vegetables	<p>Tomatoes and dried vegetables lead the way on exports, with more than \$43 million.</p> <p>Class 070129 (Dried Herbs and Vegetables) had \$228,712 of imports into the United States duty free under Chapters 10 and 18.</p>
08	Edible Fruits – Dates	<p>Dates fall under this category and are the lead Tunisian trade in this class, with 2016 exports of \$239,365 million accounting for 1.74 percent of all Tunisian export trade.</p> <p>Other key products in this classification include citrus, apricots, cherries, melons, and dried fruit.</p> <p>In class 08, the United States accounts for 7.47 percent of Tunisia's exports, with Morocco (20.74 percent), France (18.35 percent), and Germany (9.71 percent) having a larger share.</p> <p>Class 080410 (Dates) had \$30,182,762 in exports to the United States in 2016, with \$22,254,498 claimed under the GSP program (74 percent).</p> <p>ITC's study ranked Tunisia as the number four country with opportunities to increase exports of dates to the United States, behind Israel, Pakistan, and Saudi Arabia.</p>
09	Spices, including coffee and tea	<p>Primarily because of the high value of coffee and tea imports into the country, Tunisia runs a significant trade deficit in these products, in excess of \$44 million.</p> <p>The export data, however, documents nearly \$3 million in exports of products in HS code 0910 (ginger, saffron, turmeric, thyme, bay leaves, and curry) and another \$2.3 million in class 0904 (pepper, peppers, and capsicum).</p> <p>These two categories (0910 and 0904) are areas where exports may be subject to increases with the right support and achievement of competitive or comparative advantages.</p> <p>In 2016, Tunisia exported \$554,000 worth of capsicum (peppers) to the United States. This is an increase from \$181,000 in 2015.</p>
12	Oil seed, oleag fruit, grain, seed, fruit, etc, nes.	<p>Exports in this class reflect \$4.219 million of medicinal plants, \$1.6 million in locust beans, and \$1.016 million in oil seed.</p> <p>Medicinal plant exports is an area that should be explored further. They are labor intensive, and the low wages and high unemployment in Tunisia give the country an advantage in the production of these products.</p> <p>In this class, two HS codes 1211909280 (herbal teas) and 1211909290 (cosmetic perfumery) had duty-free imports (10) into the United States of \$483,804.</p>
15	Olive oil and its fractions	<p>Strongest class for Tunisian agriculture exports overall and to the United States. This class includes olive oil and its fractions, which account for \$445.8 million in exports during 2016 (\$78.2 million in olive oil). Olive oil exports have a significant opportunity for increase.</p> <p>Tunisia accounts for 6.06 percent of global olive oil trade. The trade balance for this classification is off-set by the fact that Tunisia imports in excess of \$91 million in soybean oil, another \$38 million in other vegetable oils, \$25 million in palm oil, and \$8.6 million in coconut oil.</p> <p>Tunisian exports from this class are focused on Italy (\$174.6 million) and Spain (\$83.7 million) contributing 53 percent of the total exports in this class. The United States follows with 16.44 percent of total exports (\$78.259 million). France and Canada round out the top five countries.</p> <p>Olive oil is typically a commodity with one origin substituting for another without the consumer noticing a difference. This is particularly true in the United States where olive oil consumption per capita is less than one litre versus Italian consumption of 12.5 litres or Spanish at nearly 15 litres per capita. This low consumption translates to poor consumer knowledge of differences in olive oil quality.</p> <p>With the purchase of only 1 litre per year, consumers often do not recall the brand they purchased last time or the quality of one brand versus another. Therefore, much of the difference in consumer preferences in the United States is perceived differences with priorities going to Italian or Spanish olive oil depending upon their upbringing.</p> <p>Figures 12, 13 and 14 provide additional data on global olive oil consumption and quality standards.</p>
16	Meat, fish, and seafood preparations	<p>There are \$19.8 million in exports in class 1604, prepared/preserved fish. This is off-set by imports of \$22 million. Furthermore, there is an additional \$460,000 of exports of prepared/preserved crustaceans and molluscs. Of this \$19.8 million of exports, only \$145,000 went to the United States in 2017, down from more than \$700,000 in each of the two prior years.</p> <p>In class 16, U.S. Customs recorded \$2.49 million in imports from Tunisia, with 93 percent (\$2.3 million) falling under the GSP or duty free under HS Chapter 10.</p> <p>In 2016, the United States was the number two destination for Tunisian exports of class 16 meat, fish, and seafood food preparations with \$1.734 million of products, but this accounted for only 8.76 percent of Tunisian exports in this class. Italy lead the class with nearly 66 percent of total imports (exceeding \$13 million). France (\$1.55 million), Macedonia (\$702,000), and Algeria (\$593,000) finish the top five importers.</p> <p>Exports from Tunisia of class 16041319010 prepared or preserved sardines, etc. to the United States in 2016 were \$646,000. Other products in this category were limited to class 16041448010 preparations and preserves and other tunas, whole or in pieces, with only \$38,000 dollars to the United States, while exporting \$961,000 to other markets in this class.</p> <p>UN data for export potential to the United States in class 16 demonstrates a significant opportunity to increase sales of frozen shrimp and prawns, ranking them as the 25<sup>th</sup> greatest opportunity for increased exports to the United States. Other opportunities in class 16 include prepared and preserved sardines, molluscs and other aquatic invertebrates, and anchovies.</p>

19	Cereal, flour, starch, milk preparations and products	<p>There are significant exports here, with \$12.4 million of breads and biscuits and another \$9.1 million in pasta and couscous. This is interesting given that Tunisia is not a major producer of wheat and imports (\$415 million of wheat in 2017).</p> <p>Wheat products and bread are subsidized by the government to keep them affordable for the public. Most wheat products are not labor intensive as pasta is produced mechanically, therefore finding a competitive advantage that allows for these exports is not readily identifiable.</p> <p>In 2016, the United States imported \$314,591 worth of pasta and couscous, with 98 percent (\$309,215) duty free.</p>
20	Preparations - vegetable, fruit, nut, etc.	<p>Vegetable, fruit, nut, etc. food preparations includes a wide range of products, with category 2004 being prepared or preserved vegetables (excluding frozen).</p> <p>In this category, 2016 recorded \$5.5 million in exports. Other important exports in this class are canned/preserved tomatoes, with \$1.766 million in export sales, and jams/jellies, with \$549 million.</p> <p>U.S. imports of class 20 were \$554,884, with \$286,526 (52 percent) under the GSP program.</p>
21	Miscellaneous edible preparations – harissa and other marinade products	<p>Class 2103 (sauces, mixed condiments, and mixed seasonings) would include most forms of harissa and other traditional Tunisian marinade products.</p> <p>Exports in this category exceeded \$15 million, with class 2106 (food preparations, nes) recording export sales in 2016 in excess of \$9.6 million, and yeast with sales of \$1.262 million.</p> <p>These are significant export opportunities, as these categories are value-added food items, many of which require significant labor to convert from raw materials to exportable products.</p> <p>Exports to the United States account for 4.31 percent of Tunisia's exports, with France (31.57 percent), Senegal (20.95 percent), Algeria (10.45 percent), and Germany (7 percent) having a larger share.</p> <p>Class 21 had 92 percent (\$2.3 million) of exports to the United States enter under the GSP program. This is a significant category, with total imports at \$2.5 million. In this class, 47 percent were under the HS code 2103908000, which would cover harissa and other sauces.</p>
22	Beverages, spirits, and vinegar	<p>In 2016, Tunisia exported in excess of \$13 million worth of non-alcoholic beverages, excluding water and juices. In addition, Tunisia exported \$1.777 million in wine.</p>
30	Seabass, fresh or chilled excluding liver, fillets and other fish meat	<p>This class (030) had 2017 imports into the United States of \$56,152, which entered the United States duty free under HS Chapters 1-98.</p> <p>Tunisian exports in class 030 had a significant fall in exports during the 2014 and 2015 seasons compared to 2012 and 2013, with a recovery in 2016.</p>

## Annex B

### Leading Tunisian Products to the United States and Applied Duties

Data as of Nov. 6, 2018

NTLC	Product Description	Tariff regime	Applied tariff (as reported)	Applied tariff (converted)	Total ad valorem equivalent tariff
03028411	Seabass, excl. fillets, livers and roes, fresh or chilled, scaled, in immediate containers weighing with their contents 6.8 kg or less	MFN duties (Applied)	0.03	0.03	0.03
03028450	Seabass, excl. fillets, livers & roe, fresh or chilled, not scaled, or scaled in immediate containers over 6.8 kg	MFN duties (Applied)	0	0	0
03028411	Seabass, excl. fillets, livers and roes, fresh or chilled, scaled, in immediate containers weighing with their contents 6.8 kg or less	Preferential tariff for GSP countries	0	0	0
08041020	Dates, fresh or dried, whole, with or without pits, packed in units weighing (with immediate container, if any) not over 4.6 kg	MFN duties (Applied)	13.2 cents/kg	132.00 \$/Ton	0.0374
08041040	Dates, fresh or dried, whole, with pits, packed in units weighing over 4.6 kg	MFN duties (Applied)	1 cents/kg	10.00 \$/Ton	0.00363
08041060	Dates, fresh or dried, whole, without pits, packed in units weighing over 4.6 kg	MFN duties (Applied)	2.8 cents/kg	28.00 \$/Ton	0.02551
08041080	Dates, fresh or dried, other than whole	MFN duties (Applied)	0.298	0.298	0.298
08041040	Dates, fresh or dried, whole, with pits, packed in units weighing over 4.6 kg	Preferential tariff for GSP countries	0	0	0
08041060	Dates, fresh or dried, whole, without pits, packed in units weighing over 4.6 kg	Preferential tariff for GSP countries	0	0	0
15091020	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container under 18 kg	MFN duties (Applied)	5 cents/kg on contents and container	50.00 \$/Ton	0.01048
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	MFN duties (Applied)	3.4 cents/kg	34.00 \$/Ton	0.00852
15091020	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container under 18 kg	Preferential tariff for GSP countries	0	0	0
15091040	Virgin olive oil and its fractions, whether or not refined, not chemically modified, weighing with the immediate container 18 kg or over	Preferential tariff for GSP countries	0	0	0
16041500	Prepared or preserved mackerel, whole or in pieces, but not minced	MFN duties (Applied)	0.03	0.03	0.03
16041500	Prepared or preserved mackerel, whole or in pieces, but not minced	Preferential tariff for GSP countries	0	0	0

## Annex C

### U.S. Customs Data for Tunisian GSP Exports to the United States in 2017

HS Code	Product Name	Program Claimed	Rate Program	2017 Value	GSP	Percent
302845000	Seabass, fresh or chilled, excluding livers, roes, fillets and other fish meat of heading 0304, NESOI	No program claimed	10 - Free under HS Chapters 1-98	\$56,152		
				\$56,152		
712906000	Fennel, marjoram, parsley, savory and tarragon, dried, crude or not manufactured	No program claimed	10 - Free under HS Chapters 1-98	\$94,758		
712906500	Parsley, dried, whole, cut, sliced, broken or in powder, but not further prepared, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$43,784		
712908580	Vegetables & mixtures of vegetables, dried, whole, cut, sliced, broken or in powder, but not further prepared, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$90,170		
				\$228,712		
804102000	Dates, whole, with or without pits, fresh or dried, packed in units weighing (with the immediate container, if any) not more than 4.6Kg	No program claimed	61 - Dutiable HS chapters 1-97	\$4,760,084		
804104000	Dates, whole, with pits, fresh or dried, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$2,627,734		
804104000	Dates, whole, with pits, fresh or dried, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$1,190,336		
804106000	Dates, whole, with pits removed, fresh or dried, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$19,626,764		
804106000	Dates, whole, with pits removed, fresh or dried, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$339,562		
804108000	Dates, fresh or dried, except whole	No program claimed	61 - Dutiable HS chapters 1-97	\$1,638,282		
				\$30,182,762	\$22,254,498	74%
813402060	Berries, dried, except barberries and blueberries	No program claimed	61 - Dutiable HS chapters 1-97	\$919,800		
				\$919,800		

HS Code	Product Name	Program Claimed	Rate Program	2017 Value	GSP	Percent
1211909280	Plants and parts of plants used as herbal teas or herbal infusions (single species, unmixed), fresh or dried	No program claimed	10 - Free under HS Chapters 1-98	\$4,648		
1211909290	Other plants and parts of plants, NESOI, used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried	No program claimed	10 - Free under HS Chapters 1-98	\$479,156		
				\$483,804		

1509102030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$1,610,600		
1509102030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg	No program claimed	61 - Dutiable HS chapters 1-97	\$96,377		
1509102050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$4,485,854		
1509102050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg	No program claimed	61 - Dutiable HS chapters 1-97	\$64,374		
1509102060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container under 18kg	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$123,094		
1509102060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container under 18kg	No program claimed	61 - Dutiable HS chapters 1-97	\$14,920		
1509104030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$21,564,505		
1509104030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$676,603		
1509104040	Certified organic olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container 18 kg or over	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$87,524		
1509104050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$15,803,274		
1509104050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$3,870		
1509104060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container 18 kg or over	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$3,577,729		
1509104060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$69,312		
1509902000	Olive oil and its fractions, refined, not chemically modified, weighing with the immediate container under 18 kg	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$4,418,294		
1509904000	Olive oil and its fractions, refined, not chemically modified, weighing with immediate container 18 kg or over	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$9,235,839		

1509904000	Olive oil and its fractions, refined, not chemically modified, weighing with immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$15,000		
				\$61,847,169	\$54,687,165	88%

HS Code	Product Name	Program Claimed	Rate Program	2017 Value	GSP	Percent
1604133000	Sardines, sardinella and brisling or sprats, skinned or boned, in oil, in airtight containers	No program claimed	61 - Dutiable HS chapters 1-97	\$8,286		
1604134000	Sardines, sardinella and brisling or sprats, NESOI, in immediate containers weighing with their contents under 225 grams each	No program claimed	10 - Free under HS Chapters 1-98	\$380,694		
1604141099	Tunas and skipjack, in oil, in airtight containers, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$50,864		
1604142259	Albacore tuna, not in oil, in airtight containers weighing not over 7 kg, NESOI, 4.8 Percent of u. S. Consumption of canned tuna during preceding year	No program claimed	61 - Dutiable HS chapters 1-97	\$115,222		
1604150000	Mackerel, whole or in pieces, but not minced, prepared or preserved	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$1,942,104		
				\$2,497,170	\$2,322,798	93%

1902112090	Pasta, exclusively, containing eggs, uncooked, not stuffed or otherwise prepared, product of a country other than an eu country	No program claimed	10 - Free under HS Chapters 1-98	\$16,932		
1902114000	Pasta containing eggs, NESOI, including pasta packaged with sauce preparations, uncooked, not stuffed or otherwise prepared	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$23,856		
1902192090	Pasta, exclusively, without egg, uncooked, not stuffed or otherwise prepared, product of a country other than an eu country	No program claimed	10 - Free under HS Chapters 1-98	\$153,886		
1902194000	Pasta not containing egg, NESOI, including pasta packaged with sauce preparations, uncooked, not stuffed or otherwise prepared	No program claimed	61 - Dutiable HS chapters 1-97	\$5,376		
1902400000	Couscous, whether or not prepared	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$114,541		
				\$314,591	\$309,215	98%

2001901000	Capers, prepared or preserved by vinegar or acetic acid, in immediate containers holding more than 3.4 Kg	No program claimed	61 - Dutiable HS chapters 1-97	\$4,798		
2001902000	Capers, prepared or preserved by vinegar or acetic acid, in containers holding 3.4 Kg or less	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$44,716		
2001903800	Vegetables NESOI, prepared or preserved by vinegar or acetic acid	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$13,852		
2002100020	Tomatoes, whole or in pieces, prepared or preserved otherwise than by vinegar or acetic acid, in containers holding less than 1.4 Kg	No program claimed	61 - Dutiable HS chapters 1-97	\$12,546		

2002908050	Tomatoes, NESOI, prepared or preserved otherwise than by vinegar or acetic acid, other	No program claimed	61 - Dutiable HS chapters 1-97	\$15,016		
2005709700	Other vegetables, otherwise prepared or preserved than by vinegar or acetic acid, not frozen, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$13,254		
2005995040	Pimentos (capsicum anuum) prepared or preserved otherwise than by vinegar or acetic acid, not frozen, in containers holding over 227 g	No program claimed	61 - Dutiable HS chapters 1-97	\$137,280		
2005995590	Fruits of the genus capsicum (peppers) or of the genus pimenta (e.G., Allspice) except pimentos (capsicum anuum) prep/pres ex by vinegar or acetic acid	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$34,728		
2005998000	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	No program claimed	61 - Dutiable HS chapters 1-97	\$85,464		
2005999700	Other vegetables and mixtures of vegetables, NESOI, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$11,434		
2008306000	Lemons (citrus limon, citrus limonum) prepared or preserved NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$5,876		
2008999190	Fruit, nuts and other edible parts of plants, prepared or preserved NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$175,920		
				\$554,884	\$286,526	52%

HS Code	Product Name	Program Claimed	Rate Program	2017 Value	GSP	Percent
2103204020	Tomato sauces, NESOI, in containers holding less than 1.4 Kg	No program claimed	61 - Dutiable HS chapters 1-97	\$4,562		
2103908000	Mixed condiments and mixed seasonings, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$1,217,354		47%
2103908000	Mixed condiments and mixed seasonings, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$177,716		
2103909091	Other sauces and preparations, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$344,666		
2103909091	Other sauces and preparations, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$26,878		
2106909885	Confectionery (including gum) containing synthetic sweetening agents (e.G., Saccharin) instead of sugar, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$577,832		
2106909898	Food preparations not elsewhere specified or included, not canned or frozen	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$219,776		
				\$2,568,784	\$2,359,628	92%



## Annex D

### Comparative U.S. Customs Data for Tunisian GSP Exports to the United States (2018 vs. 2017)

HS Code	Product Description	X/M Program	Rate Program	2017	2018	Difference	% Change
302845000	Seabass, fresh or chilled, excluding livers, roes, fillets and other fish meat of heading 0304, NESOI	No program claimed	10 - Free under HS Chapters 1-98	\$47,874	\$-	\$(47,874)	-100%
306144090	Crabs, frozen, except crabmeat, NESOI	No program claimed	10 - Free under HS Chapters 1-98	\$-	\$11,612	\$11,612	
712906000	Fennel, marjoram, parsley, savory and tarragon, dried, crude or not manufactured	No program claimed	10 - Free under HS Chapters 1-98	\$94,758	\$60,172	\$(34,586)	-36%
712906500	Parsley, dried, whole, cut, sliced, broken or in powder, but not further prepared, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$31,414	\$55,116	\$23,702	75%
712908580	Vegetables & mixtures of vegetables, dried, whole, cut, sliced, broken or in powder, but not further prepared, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$78,964	\$144,762	\$65,798	83%
804102000	Dates, whole, with or without pits, fresh or dried, packed in units weighing (with the immediate container, if any) not more than 4.6Kg	No program claimed	61 - Dutiable HS chapters 1-97	3,778,514	\$6,071,832	2,293,318	61%
804104000	Dates, whole, with pits, fresh or dried, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$2,355,730	\$4,538,720	\$2,182,990	93%
804104000	Dates, whole, with pits, fresh or dried, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$619,596	\$-	\$(619,596)	-100%
804106000	Dates, whole, with pits removed, fresh or dried, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$16,172,188	\$38,552,694	\$22,380,506	138%
804106000	Dates, whole, with pits removed, fresh or dried, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$318,842	\$31,658	\$(287,184)	-90%
804108000	Dates, fresh or dried, except whole	No program claimed	61 - Dutiable HS chapters 1-97	\$280,404	\$186,586	\$(93,818)	-33%
804204000	Figs, whole, fresh or dried, in immediate containers weighing with their contents over 0.5Kg each	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$110,148	\$110,148	
813402060	Berries, dried, except barberries and blueberries	No program claimed	61 - Dutiable HS chapters 1-97	\$919,800	\$134,744	\$(785,056)	-85%

HS Code	Product Description	X/M Program	Rate Program	2017	2018	Difference	% Change
1211909280	Plants and parts of plants used as herbal teas or herbal infusions (single species, unmixed), fresh or dried	No program claimed	10 - Free under HS Chapters 1-98	\$4,648	\$-	\$(4,648)	-100%
1211909290	Other plants and parts of plants, NESOI, used primarily in perfumery, in pharmacy or for insecticidal, fungicidal or similar purposes, fresh or dried	No program claimed	10 - Free under HS Chapters 1-98	\$479,156	\$107,188	\$(371,968)	-78%
1509102030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg	GSP (excluding GSP for LDLC only)	18 - Free special duty programs	\$719,316	\$4,260,687	\$3,541,371	492%
1509102030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg	No program claimed	61 - Dutiable HS chapters 1-97	\$44,890	\$95,585	\$50,695	113%
1509102050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg	GSP (excluding GSP for LDLC only)	18 - Free special duty programs	\$2,693,747	\$4,449,925	\$1,756,178	65%
1509102050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container under 18kg	No program claimed	61 - Dutiable HS chapters 1-97	\$48,302	\$389,167	\$340,865	706%
1509102060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container under 18kg	GSP (excluding GSP for LDLC only)	18 - Free special duty programs	\$123,094	\$57,683	\$(65,411)	-53%
1509102060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container under 18kg	No program claimed	61 - Dutiable HS chapters 1-97	\$14,920	\$-	\$(14,920)	-100%
1509104030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over	GSP (excluding GSP for LDLC only)	18 - Free special duty programs	\$19,845,579	\$63,945,906	\$44,100,327	222%
1509104030	Certified organic olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$664,640	\$1,063,634	\$398,994	60%
1509104040	Certified organic olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container 18 kg or over	GSP (excluding GSP for LDLC only)	18 - Free special duty programs	\$-	\$-	\$-	
1509104040	Certified organic olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$31,982	\$31,982	
1509104050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over	GSP (excluding GSP for LDLC only)	18 - Free special duty programs	\$11,758,518	\$55,815,261	\$44,056,743	375%
1509104050	Olive oil and its fractions, labeled as extra virgin, not chemically modified, weighing with the immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$6,935,555	\$6,935,555	
1509104060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container 18 kg or over	GSP (excluding GSP for LDLC only)	18 - Free special duty programs	\$2,573,180	\$4,010,366	\$1,437,186	56%

1509104060	Olive oil and its fractions, virgin, not chemically modified, weighing with the immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$69,312	\$90,200	\$20,888	30%
1509902000	Olive oil and its fractions, refined, not chemically modified, weighing with the immediate container under 18 kg	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$2,884,934	\$1,300,953	\$(1,583,981)	-55%
1509904000	Olive oil and its fractions, refined, not chemically modified, weighing with immediate container 18 kg or over	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$6,833,783	\$9,291,990	\$2,458,207	36%
1509904000	Olive oil and its fractions, refined, not chemically modified, weighing with immediate container 18 kg or over	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$71,996	\$71,996	
1510006000	Olive-residue oil & blends of olive oil & olive-residue oil, and their fractions, not chemically modified, edible, weighing 18kg or more with container	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$-	\$12,135	\$12,135	

HS Code	Product Description	X/M Program	Rate Program	2017	2018	Difference	% Change
1604133000	Sardines, sardinella and brisling or sprats, skinned or boned, in oil, in airtight containers	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$9,612	\$9,612	
1604134000	Sardines, sardinella and brisling or sprats, NESOI, in immediate containers weighing with their contents under 225 grams each	No program claimed	10 - Free under HS Chapters 1-98	\$373,800	\$233,164	\$(140,636)	-38%
1604141099	Tunas and skipjack, in oil, in airtight containers, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$11,172	\$11,172	
1604142259	Albacore tuna, not in oil, in airtight containers weighing not over 7 kg, NESOI, 4.8 Percent of u. S. Consumption of canned tuna during preceding year	No program claimed	61 - Dutiable HS chapters 1-97	\$115,222	\$-	\$(115,222)	-100%
1604143099	Other tunas and skipjack, not in oil, in airtight containers, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$4,244	\$4,244	
1604150000	Mackerel, whole or in pieces, but not minced, prepared or preserved	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$838,380	\$1,101,960	\$263,580	31%
1605211030	Shrimps and prawns, prepared NESOI, frozen	No program claimed	10 - Free under HS Chapters 1-98	\$-	\$11,000	\$11,000	

1902112090	Pasta, exclusively, containing eggs, uncooked, not stuffed or otherwise prepared, product of a country other than an eu country	No program claimed	10 - Free under HS Chapters 1-98	\$16,932	\$-	\$(16,932)	-100%
1902114000	Pasta containing eggs, NESOI, including pasta packaged with sauce preparations, uncooked, not stuffed or otherwise prepared	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$23,856	\$-	\$(23,856)	-100%
1902192090	Pasta, exclusively, without egg, uncooked, not stuffed or otherwise prepared, product of a country other than an eu country	No program claimed	10 - Free under HS Chapters 1-98	\$126,953	\$115,342	\$(11,611)	-9%
1902194000	Pasta not containing egg, NESOI, including pasta packaged with sauce preparations, uncooked, not stuffed	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$-	\$14,256	\$14,256	

1902194000	Pasta not containing egg, NESOI, including pasta packaged with sauce preparations, uncooked, not stuffed or otherwise prepared	No program claimed	61 - Dutiable HS chapters 1-97	\$5,376	\$-	\$(5,376)	-100%
1902400000	Couscous, whether or not prepared	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$46,280	\$63,446	\$17,166	37%
1902400000	Couscous, whether or not prepared	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$28,972	\$28,972	

HS Code	Product Description	X/M Program	Rate Program	2017	2018	Difference	% Change
2001901000	Capers, Prepared Or Preserved By Vinegar Or Acetic Acid, In Immediate Containers Holding More Than 3.4 Kg	No program claimed	61 - Dutiable HS chapters 1-97	\$4,798	\$11,058	\$6,260	130%
2001902000	Capers, Prepared Or Preserved By Vinegar Or Acetic Acid, In Containers Holding 3.4 Kg Or Less	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$21,664	\$28,838	\$7,174	33%
2001903800	Vegetables NESOI, prepared or preserved by vinegar or acetic acid	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$-	\$ -	\$-	
2002100020	Tomatoes, whole or in pieces, prepared or preserved otherwise than by vinegar or acetic acid, in containers holding less than 1.4 Kg	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$25,544	\$25,544	
2002100080	Tomatoes, whole or in pieces, prepared or preserved otherwise than by vinegar or acetic acid, in containers holding 1.4 Kg or more, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$11,978	\$11,978	
2002908050	Tomatoes, NESOI, prepared or preserved otherwise than by vinegar or acetic acid, other	No program claimed	61 - Dutiable HS chapters 1-97	\$15,016	\$-	\$(15,016)	-100%
2005709700	Other vegetables, otherwise prepared or preserve than by vinegar or acetic acid, not frozen, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$5,116	\$44,456	\$39,340	769%
2005995040	Pimentos (capsicum anuum) prepared or preserved otherwise than by vinegar or acetic acid, not frozen, in containers holding over 227 g	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$-	\$-	
2005995590	Fruits of the genus capsicum (peppers) or of the genus pimenta (e.G., Allspice) except pimentos (capsicum anuum) prep/pres ex by vinegar or acetic acid	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$20,506	\$142,322	\$121,816	594%
2005998000	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	No program claimed	61 - Dutiable HS chapters 1-97	\$20,434	\$299,386	\$278,952	1365%
2005999700	Other vegetables and mixtures of vegetables, NESOI, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$11,434	\$11,320	\$(114)	-1%
2007994500	Jams, NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$-	\$4,314	\$4,314	
2008306000	Lemons (citrus limon, citrus limonum) prepared or preserved NESOI	GSP (excluding GSP for LDBC only)	18 - Free special duty programs	\$5,876	\$-	\$(5,876)	-100%

2008999190	Fruit, nuts and other edible parts of plants, prepared or preserved NESOI	GSP (excluding GSP for LDDB only)	18 - Free special duty programs	\$92,390	\$133,540	\$41,150	45%
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HS Code	Product Description	X/M Program	Rate Program	2017	2018	Difference	% Change
2103204020	Tomato sauces, NESOI, in containers holding less than 1.4 Kg	No program claimed	61 - Dutiable HS chapters 1-97	\$4,562	\$-	\$(4,562)	-100%
2103908000	Mixed condiments and mixed seasonings, NESOI	GSP (excluding GSP for LDDB only)	18 - Free special duty programs	\$888,580	\$726,766	\$(161,814)	-18%
2103908000	Mixed condiments and mixed seasonings, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$177,716	\$177,716	\$-	
2103909091	Other sauces and preparations, NESOI	GSP (excluding GSP for LDDB only)	18 - Free special duty programs	\$173,722	\$238,864	\$65,142	37%
2103909091	Other sauces and preparations, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$8,202	\$43,868	\$35,666	435%

2106909885	Confectionery (including gum) containing synthetic sweetening agents (e.G., Saccharin) instead of sugar, NESOI	GSP (excluding GSP for LDDB only)	18 - Free special duty programs	\$426,896	\$-	\$(426,896)	-100%
2106909898	Food preparations not elsewhere specified or included, not canned or frozen	GSP (excluding GSP for LDDB only)	18 - Free special duty programs	\$8,078	\$-	\$(8,078)	-100%

2204215040	Red wine of fresh grapes of an alcoholic strength by volume not over 14 percent vol, in containers holding 2 liters or less, valued over \$1.05/Liter NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$37,632	\$37,632	
2204215055	White wine, except icewine, of an alcoholic strength by volume not over 14 percent vol, in containers holding 2 liters or less, valued over \$1.05/Liter, NESOI	No program claimed	61 - Dutiable HS chapters 1-97	\$-	\$31,968	\$31,968	
2204218060	Grape wine of an alcoholic strength by volume over 14 percent vol in containers holding 2 liters or less, NESOI	GSP (excluding GSP for LDDB only)	18 - Free special duty programs	\$-	\$21,600	\$21,600	



## Annex E

### Step-by-Step Guide for Technical Aspects of the Import of Food Products into the United States

A basic step-by-step guide for technical aspects of the import of food products into the United States. Additional information can be found on [www.FDA.gov](http://www.FDA.gov).

Topics addressed in this guide include the following:

- I. *U.S. Customs and Border Protection (CBP) clearance process including documents that are required by CPB for shipments to enter the United States;*
- II. *U.S. Food and Drug Administration (FDA) requirements; and*
- III. *Marking/Labeling of the product.*

This guide provides samples of documents that are required for the food products to enter the United States.

#### Step 1 - U.S. Customs and Border Protection (CPB) Clearance Process

The CPB clearance process involves the following four phases:

- 1) *Entry*
- 2) *Inspection*
- 3) *Appraisal*
- 4) *Classification*

**Entry:** The importer and exporter are responsible for providing the correct documents for the entry phase. The CPB defines "entry" not merely as the arrival of goods at a port, but as the process of presenting documentation for clearing goods through Customs. The exporter must provide the CPB with the following documents to ensure a successful entry into the United States:

- 1) A bill of lading, airway bill, or carrier's tracking number; this document must have the consignee's information as evidence of the consignee's right to make entry.
- 2) A commercial invoice that shows the value and description of the goods. A proforma invoice may be used when a commercial invoice cannot be produced.
- 3) Entry/immediate delivery document (Customs Form 3461). This form is available at: <https://www.cbp.gov/sites/default/files/assets/documents/2016-Jun/CBP%20Form%203461%20-%20ACE%20Fillable.pdf>
- 4) Packing slips for each container that is transporting the food products.

The following three pages contain examples for aforementioned documents required by U.S. Customs and Border Protection (CBP).

The importer may not claim samples of food products being sent to the United States as "samples" on any CPB documentation. Even if this is the purpose of sending food products to the United States, they are a food commodity

and can be consumed in the United States. Therefore, CPB sees food products being sent for sample purposes as if they were being sent for commercial use and will be consumed.

Imported merchandise not entered through Customs in a timely manner (within 15 calendar days) is sent by Customs to a general order warehouse to be held as unclaimed. The importer will then be billed the cost of transporting and storing the food products in the warehouse. This is why it is important to provide CPB with the correct documentation in a timely manner.

**Inspection:** At this time, CPB has the right to conduct an inspection of any merchandise entering the United States. If an inspection occurs, and CPB concludes that samples need to be taken, then CPB will take a sample of the food products for further examination. If samples are taken, they will be returned to the shipment prior to formally completing the clearance process.

**Appraisal:** The CPB will now appraise the products and determine if there needs to be a duty applied for entering into the United States.

**Classification:** The CPB will classify the foods in a food commodity category.

#### Step 2 - U.S. Food and Drug Administration (FDA) Requirements

The FDA requires Prior Notice to be filed before the food products physically arrive in the United States. Filing this document ahead of time will also allow for there to be no delay in time between when the food products physically arrive and when processing can occur. The importer should file Prior Notice directly after the food products leave the country of origin. Prior Notice is not completed earlier because the importer will also need information from the bill of lading or carrier information, commercial invoice, and packaging information to complete the Prior Notice process.

Filing Prior Notice can be completed via the internet and fax. Internet filing information and step-by-step guide to filing Prior Notice is at:

<https://www.fda.gov/food/importing-food-products-united-states/step-step-instructions-prior-notice-food-articles-prior-notice-system-interface-pnsi>

## \*\*Prior Notice Guide\*\*

### Prior Notice — Step 1

- For a new prior notice submission, the exporter must create a Web Entry.
- If an exporter has already started a web entry or prior notice and wants to go back to it, choose either "Find Existing Web Entry" or "Find Existing Prior Notice."

### Prior Notice – Step 2

- Select the exporter's entry type from the pull-down menu.

### ENTRY TYPES

☐ **Consumption** - PNSI entry type is used for imported food going directly into the commerce of the United States without any time or use restrictions placed on them by CBP. A consumption entry is the most common CBP and PNSI entry type.

☐ **Consumption (Express Courier)** - Same as the Consumption entry type above with consideration made for shipments via Express Couriers who provide a tracking number instead of an Airway Bill Number or Bill of Landing number. This entry type is to be used only by shippers sending articles of food to the United States via express couriers. It is not to be used by express couriers transmitting prior notice on behalf of their customers.

☐ **Mail (Commercial purpose)** – PNSI entry type for food arriving by international mail for commercial purposes.

☐ **Mail (Non-commercial purpose/non-commercial sender)** – PNSI entry type for food arriving by international mail for non-commercial purposes from non-commercial senders.

☐ **Informal** – PNSI informal entry type covers certain commercial, non-commercial, and mail shipments, dependent on value and other restrictions, that are entered for consumption, i.e. for use or sale. In most cases, informal entry can be used if the food is valued at \$2,000 or less, with exceptions for certain food subject to quota/visa restrictions.

### Prior Notice – Step 3

Web Entry (Create)

- Enter the "Entry Information."
  - ☐ Enter the entry identifier. If not known, select the "Not Known" box.
  - ☐ Enter the number of prior notices that will be submitted with this web entry.

(Note: exporters will need a separate prior notice for each different product, which includes different size packaging or different manufacturer.)

### Prior Notice – Step 4

Web Entry (Create)

- Enter the "Port of Arrival" information.
  - ☐ If the port code is not known, select the State from the pull-down menu and use the "Find Port Code" button.
  - ☐ Enter "Anticipated Arrival Date" using the calendar icon.
  - ☐ Enter the "Anticipated Arrival Time" using the pull-down menu.

### Prior Notice – Step 5

Web Entry (Create)

- Enter the "Submitter" information. The Submitter/Transmitter's full address, phone number and email address is required information.
  - ☐ If an exporter is the submitter, select "Yes" as the answer to the question, "Are you the Submitter for this Web Entry?" Continue to the Importer information.
  - ☐ If an exporter is not the submitter, select "No." Select the country of the submitter from the pull-down menu and select the "Enter Submitter" box.
    - Provide the Business Name and Full Address and the Submitter's name, phone number, and email address.
    - Select "Save."

### Prior Notice – Step 6

Web Entry (Create)

- Enter the "Importer" information.
  - ☐ If the importer is the same as the submitter, select "Yes" as the answer to the question, "Is the Importer the same as the Submitter?" Continue to the Carrier information.
  - ☐ If the exporter is not the submitter, select "No." Select the country of the importer from the pull-down menu and select the "Enter Importer" box.
    - Provide the Name and Full Address of the importer.
    - Select "Save."



### Prior Notice – Step 7

Web Entry (Create)

- Enter the "Carrier" information.
  - ☐ Select the "Mode of Transportation" from the pull-down menu and select the "Enter Carrier" box.
    - Enter the SCAC or IATA code. If not known, use the Find Code button.
    - If the carrier is a privately owned vehicle, enter the Vehicle License Number and the Subdivision/ State or Province that issued the license plate number, instead of entering the SCAC or IATA code.
    - Enter either the Bill of Landing, Airway Bill or Tracking number, as appropriate.
    - Select "Save."

### Prior Notice – Step 8

Web Entry (Create)

- Select "Save."
- Title changes from Web Entry (Create) to Web Entry (View)
- Select the "Create Prior Notice" button.

### Prior Notice – Step 9

Prior Notice: Article (Create)

- Select the "Country from which the Article is Shipped" from the pull-down menu.

### Prior Notice – Step 10

Prior Notice: Article (Create)

- Enter the "Product Information."
  - ☐ Enter the "FDA Product Code." If not known, select the "Search Button" and build the product code.
  - ☐ Enter the "Common or Usual Name/Market Name."

### Prior Notice – Step 11

Prior Notice: Article (Create)

- Enter the "Product Identifiers" information, if applicable.
  - ☐ Select the "Add" button if the product is one that requires a lot code or production code, e.g., acidified or low acid canned foods and infant formula.

### Prior Notice – Step 12

Prior Notice: Article (Create)

- Enter the "Quantity and Packaging" information.
  - ☐ If this is a bulk product, such as a truck load of hay, enter the amount under base unit and select the "Bulk-Shipment" button.
    - Select "Save."
  - ☐ For all other products, enter the base unit as the size of the smallest package.
    - For example, if the shipment contains cans of soda, the base unit might be 20 fluid ounces or; if the shipment contains bags of candy, the base unit might be 1 pound (avg.).
  - ☐ Enter the quantity of food from largest container to smallest.
    - For example, if the shipment contains 1,000 cases and each case contains 100 bags of candy, an exporter would enter 1,000 as the "Number" and cases under the "Package Type." On the next line, an exporter would enter 100 as the "Number" and bag as the "Package Type."
  - ☐ Select "Calculate" to check the total quantity.
  - ☐ Select "Save."
- Title changes from Prior Notice: Article (Create) to Prior Notice: Related Facilities (View)

### Prior Notice – Step 13

Prior Notice: Related Facilities (View)

- Enter the "Manufacturer" Information.
  - ☐ Select the FDA Country of Production from the pull-down menu.
  - ☐ Select "Enter Manufacturer."
  - ☐ Fill in the "Food Facility Registration Number," city and mail code, if applicable. Annex G provides an example registration form.
    - If the food facility registration number is not known, go toward the bottom of the page and select the box for "Manufacturer is not required to register or registration number is not known."
    - Select the reason the registration number is not being provided from the pull-down menu.
  - ☐ Enter the Name and Full Address of the manufacturer.
  - ☐ Select "Yes" or "No" depending on whether this manufacturer should be used as the default for all other Prior Notices associated with this web entry.
  - ☐ Select "Save."

### Prior Notice – Step 14

Prior Notice: Related Facilities (View)

- Enter the "Shipper" Information.
  - ☐ Select the Country where the Shipper's business is located from the pull-down menu.
  - ☐ Select "Enter Shipper."
  - ☐ If the Shipper is the same facility as another entity in the entry, select it from the "Shipper Same Facility as" pull down menu and select "Save."
  - ☐ If it is not the same facility as another entity in the entry, enter the Name and Full Address.
  - ☐ Select "Yes" or "No" depending on whether this Shipper should be used as the default for all other Prior Notices associated with this web entry.
  - ☐ Select "Save."

### Prior Notice – Step 15

Prior Notice: Related Facilities (View)

- Enter the "Owner" Information.
  - ☐ Select the Country where the Owner's business is located from the pull-down menu.
  - ☐ Select "Enter Owner."
  - ☐ If the Owner is the same facility as another entity in the entry, select it from the "Owner Same Facility as" pull down menu and select "Save."
  - ☐ If it is not the same facility as another entity in the entry, enter the Name and Full Address.
  - ☐ Select "Yes" or "No" depending on whether this Owner should be used as the default for all other Prior Notices associated with this web entry.
  - ☐ Select "Save."

### Prior Notice – Step 16

Prior Notice: Related Facilities (View)

- Enter the "Ultimate Consignee" Information.
  - ☐ Select "Enter Ultimate Consignee."
  - ☐ If the Ultimate Consignee is the same facility as another entity in the entry, select it from the "Ultimate Consignee Same Facility as" pull down menu and select "Save."
  - ☐ If it is not the same facility as another entity in the entry, enter the Name and Full Address.
  - ☐ Select "Yes" or "No" depending on whether this Ultimate Consignee should be used as the default for all other Prior Notices associated with this web entry.
  - ☐ Select "Save."

### Prior Notice – Step 17

Prior Notice: Related Facilities (View)

- Enter the "Holding Facility" information only if US Customs and Border Protection has directed this article to a holding facility.

### Prior Notice – Step 18

Submit Prior Notice

- Select the "Submit Prior Notice" button.
- Review the data and select "Yes" at the bottom of the page if it is correct. Choose "No" if an error is discovered.

### Prior Notice – Step 19

Complete Web Entry

- "Are you ready to complete your Web Entry?"
  - ☐ Select "No" if an exporter needs to add more Prior Notices to this web entry.
    - Select "Create Prior Notice" and enter the prior notice information following steps 9-19 above.
  - ☐ Select "Yes" if an exporter has no other Prior Notices to attach to this web entry.
  - ☐ Select Print Summary to get a print out of the prior notice confirmation number(s) and all of the information submitted.

### Step 3 - Marking/Labeling of the Product

The packaging containing the food products and the containers that the packaging is being transported in must have a country of origin marking. The marking should read "Product of <country of origin>" and should be written clearly and conspicuously in English. The importer must certify on entry that, if the products are repackaged, they will properly mark the repackaged containers; if they do not repackage, but resell to repackers, notification of the marking requirements will be given to such repackers.

## Annex F

### U.S. General Labelling Requirements

All food product labels must have the following four required statements:

1. An identity statement
2. A net weight statement
3. A list of ingredients
4. Company name and address

#### General label requirements:

- Minimum print size for each of the four required statements is 1/16 inch (1.587 mm).
- The product identity and net weight statements must appear on the portion of the label displayed to the consumer.
- The ingredient listing and company name statements must be easy to see on the package label.
- The label must clearly identify these major allergens: milk, eggs, fish, crustacean shellfish, tree nuts, peanuts, wheat, or soybeans.

#### What is an identity statement?

- The common name of the food, or an appropriate descriptive term, matching up with Standard of Identify.
- A fanciful name commonly used by the public is acceptable when the nature of the food is obvious.
- Brand names, trademarks, or product identities that are misleading are not allowed.

#### Net weight

- The net contents are listed in either ounces, pounds, fluid ounces, pints, and/or quarts depending on the consistency of the product and common practice.
- The net weight statement shall have the words Net Weight, or Net Wt. for food products sold by weight. The terms Fl. oz., or Net\_ fl. oz. or Net Contents\_ fl. oz. shall be used for products sold by fluid measure.
- The net weight statement must be parallel to the base of the package and shall be in the lower 30 percent of the label.
- Labelling requirements for net weight are specific based on your product and packaging.

#### Listing ingredients

- Ingredients are listed in decreasing order of predominance from most to least. The ingredient with the greatest quantity is listed first and the least is listed last.
- All of the food ingredients must be listed by their common or usual name.
- If an ingredient used contains two or more other ingredients, these ingredients must also be listed.
- Shortening or oils must be identified by the common name such as soybean oil, corn oil, lard, etc.

- Salt, garlic, celery, and onions can be described as spices, but other spices may need to be identified.

#### Listing company name and address

- The name and complete address (including street address, city, state, and zip code) of the manufacturer, packer, or distributor of the product must be listed on the label.
- If the firm listed on the label does not manufacture the food, then the relation between the firm and the food must be declared with a term such as "Distributed by" or "Packed by" or "Manufactured for."

#### Labelling foods with allergenic ingredients

The following products are considered allergenic ingredients:

1. Milk
2. Eggs
3. Fish
4. Crustacean shellfish
5. Tree nuts
6. Peanuts
7. Wheat
8. Soybeans

Required details to be listed on ingredients:

- Type of tree nut (e.g., almonds, pecans, walnuts)
- Type of fish (e.g., bass, flounder, cod)
- Type of crustacean shellfish (e.g., crab, lobster, shrimp)

If allergenic foods are present, food processors are required to label foods in one of two ways:

In the list of ingredients, put the name of the food source of the major food allergen in parenthesis after the common or usual name of the ingredient when that name does not already appear in the ingredient statement

**Ingredients:** Enriched flour (wheat flour, malted barley, niacin, reduced iron, thiamine mononitrate, riboflavin, folic acid), sugar, partially hydrogenated soybean oil, and/or cottonseed oil, high fructose corn syrup, whey (milk), eggs, vanilla, natural and artificial flavouring, salt, leavening (sodium acid pyrophosphate)

Immediately after or adjacent to the list of ingredients, put the word "Contains" followed by the name of the food for each of the major food allergens present in the food's ingredients.

Example: Contains Wheat, Milk, Egg, and Soy

**Therapeutic claims:** Making "therapeutic claims" that promote products for the cure, mitigation, treatment, or prevention of disease is equivalent to making new drug claims.

This requires FDA approval based on scientific data.

Some examples of claims that would require FDA approval include:

- Ginger is used in food and drinks as a preventive medicine against colds and flu.
- The powerful antioxidants found in tea are believed to help prevent cancer and lower cholesterol.
- Recent research suggests consuming 5-8 cups of tea each day can reduce cholesterol and plaque of the arteries.

### **Country of origin labelling**

Country of Origin Labelling (COOL) is a labelling law that requires retailers, such as full-line grocery stores, supermarkets, and club warehouse stores, to notify their customers with information regarding the source of certain foods.









