Meat Institute
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March 11, 2025

Office of the U.S. Trade Representative
Jamieson Greer
U.S. Trade Representative
600 17th St NW
Washington, DC 20508

Docket Number USTR-2025-0001: Request for Comments to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm from Non-Reciprocal Trade Arrangements

Dear Ambassador Greer,

The Meat Institute appreciates the opportunity to submit comments to the Office of the U.S. Trade Representative (USTR) in response to Docket Number USTR-2025-0001, "Request for Comments to Assist in Reviewing and Identifying Unfair Trade Practices and Initiating All Necessary Actions to Investigate Harm from Non-Reciprocal Trade Arrangements."

The Meat Institute is the United States' oldest and largest trade association representing packers and processors of beef, pork, lamb, veal, turkey, and processed meat products, and Meat Institute member companies account for more than 95 percent of U.S. output of these products. The Meat Institute provides legislative, regulatory, international affairs, public relations, technical, scientific, and educational services to the meat and poultry packing and processing industry.

The U.S. meat and poultry industry is the economic engine powering the agriculture sector. According to the U.S. Census Bureau, meat and poultry processing is a $227.9 billion industry. Meat and poultry packers and processors employ more than 532,000 workers paying average hourly wages of $22. In 2021, the meat and poultry industry produced 27.95 billion pounds of beef, 27.67 billion pounds of pork, 53.2 million pounds of veal, 138.4 million pounds of lamb and mutton, and 50.4 billion pounds of poultry.[1] Based on USDA Economic Research Service trade multipliers, in 2021, U.S. meat and poultry exports contributed additional export activity of more than $44 billion,[2] supporting workers, communities, producers, and companies along the meat and poultry supply chain.

The domestic U.S. meat and poultry industry's long-term economic viability, though, depends on robust international trade, particularly as domestic per capita consumption of meat and poultry remains stable, and 95 percent of consumers live outside the United States. International trade is, therefore, vital to the long-term strength of the U.S. meat and poultry industry, the workers it supports, and the communities it sustains. In 2024, U.S. meat and poultry exports exceeded $24.6 billion.[3] Annually, approximately 14 percent of U.S. beef production, 15 percent of U.S. poultry production, and 30 percent of U.S. pork production are exported. According

[1] Industry At a Glance, Meat Institute, https://www.meatinstitute.org/Industry_at_a_Glance
[2] USDA-ERS Agricultural Trade Multipliers, https://data.ers.usda.gov/ATM.aspx
[3] USDA GATS Data, https://apps.fas.usda.gov/gats/default.aspx

to a 2022 report published by the Economic Research Service, U.S. agricultural exports support 86,127 jobs in the beef industry, 52,999 jobs in the pork industry, and 45,855 jobs in the poultry industry.[4]

Exports add value to every animal produced and in turn increase demand for U.S. corn and soybeans. For example, on average, pork exports contribute $64 in value to each hog that is marketed in the U.S. and U.S. beef exports yield more than $400 in value per head of cattle. Consequently, the resilience of the U.S. meat and poultry industry is inextricably linked to U.S. trade policy and attendant initiatives that foster U.S. meat and poultry export growth. However, the industry's export potential remains limited by unjustified sanitary barriers, prohibitive tariffs and tariff rate quotas, and onerous registration and approval requirements for exporting facilities, among other impediments.

The Trump Administration's America First Trade Policy Presidential Memorandum and the Presidential Memorandum on Reciprocal Trade and Tariffs establish a robust and reinvigorated trade policy that is capable of proactively addressing these unfounded barriers, which continue to proliferate, and which curtail U.S. meat and poultry export potential, while harming America's farmers, ranchers, and workers that produce the most nutritious, abundant, and efficient food supply in the world. The Meat Institute welcomes the opportunity to work with the Trump Administration to reassert U.S. leadership to advance U.S. meat, poultry, food, and agriculture trade in a manner that revitalizes our farm communities and supports broad-based economic growth. To that end, the ensuing comments identify key market access opportunities for the U.S. meat and poultry industry that align with President Trump's re-energized trade policy agenda and would benefit greatly from the Trump Administration's engagement following several years of America assuming a more diminished role in trade discussions.

China Continues to Renege on Commitments Made in the U.S.-China Phase One Agreement

The U.S. meat and poultry industry has benefited from significant market access gains under the U.S.-China Phase One Agreement. The Meat Institute appreciates President Trump's leadership to secure the agreement, which expanded eligibility for nearly all U.S. beef cuts from cattle of all ages, provided for the adoption of Codex maximum residue limits (MRLs) for growth promoting hormones in beef, increased the number of beef and pork plants approved to export, and provided eligibility for further processed products, among other gains. Barriers to trade, however, remain, including China's requirement that U.S. pork imports be accompanied by ractopamine-free certificates of analysis, even though all U.S. pork destined for China is being produced under ractopamine-free verification programs; China's zero-tolerance policy regarding pathogens on the surface of raw pork and beef imports; and China's ban on the use of Codex and Food and Drug Administration-approved beta agonists.

Additionally, although the Phase One Agreement has significantly simplified the establishment registration process for U.S. meat and poultry export facilities, China, for more than half of 2023, did not update the approved U.S. establishment list nor did the country process administrative revisions to that list, failing to fulfill core tenets agreed to in the Phase One Agreement. China, since November 2024, has once again not updated the list of U.S. establishments. Specifically, under the Phase One Agreement, China is obligated to update its approved plant list within 20 days of receiving updated lists from the Food Safety and Inspection Service (FSIS).[5] Moreover, the eligibility of several U.S. beef, pork, and poultry establishments has already expired and hundreds more are set to

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[4] Economic Research Service (ERS) Multiplier Data, https://investigatemidwest.org/2024/11/06/graphic-us-agricultural-exports-support-1-25-million-jobs/

[5] U.S.-China Phase One Agreement, USTR, https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic_And_Trade_Agreement_Between_The_United_States_And_China_Text.pdf

expire in March. Per the Phase One Agreement, these facilities, which remain in good standing and continue to be approved by USDA, should not be precluded from shipping product to China.

Alarmingly, the country's General Administration of Customs (GACC) has, in direct violation of the Phase One Agreement, suspended a growing number of U.S. beef export establishments for ractopamine findings. While GACC maintains a zero-tolerance policy for ractopamine in beef, Annex 7, provision 4 of the Phase One Agreement, provides, "if China determines, based on scientific inspection, that a particular shipment of U.S. meat or poultry products is in violation of applicable food safety import requirements, China may refuse importation of that shipment." However, the Agreement explicitly states that "a significant, sustained or recurring pattern of non-conformity with an applicable food safety measure" [ie. a ractopamine finding] must be established before China may refuse to accept shipments from an establishment – suspend a facility's export eligibility.[6] In recent months, China has moved to suspend multiple additional U.S. export facilities, including a cold storage establishment. In each of these instances, U.S. beef export facilities were suspended upon their first ractopamine finding, not following a period of repeated violations, and each of the establishments subsequently reviewed and revised internal processes and controls to prevent recurrences. Yet, there remains no clear path to reinstating establishments suspended by GACC.

Annex 7 provision 5 of the Phase One Agreement, meanwhile, compels China to conduct, in consultation with U.S. experts, a risk assessment for ractopamine in cattle and swine without undue delay, and in a manner consistent both with "Codex and FAO/World Health Organization (WHO) Joint Expert Committee on Food Additives (JECFA) risk assessment guidance and with the risk assessment for ractopamine previously conducted by the FAO/WHO JECFA." China, to date, has reneged on this commitment.[7]

Moreover, 42 states are currently banned from exporting poultry to China due to highly pathogenic avian influenza (HPAI) restrictions. However, many of those states meet the requirements to have restrictions lifted, yet China has refused to approve new facilities located in those states to be eligible to ship product. In short, the Government of China has not followed a previously signed HPAI protocol that would release HPAI restrictions on states after 90 days resulting in numerous U.S. states remaining under indefinite restrictions. Reinstating these states' export eligibility is a top priority for the U.S. poultry industry. China, for instance, is the primary market for U.S. chicken paws and wing tips, and without Chinese demand for these products, U.S. companies would have to sell feet and paws to renderers for a few cents per pound.

GACC's consistent, overt disregard for the provisions agreed to in the Phase One Agreement is directly undermining U.S. meat and poultry export potential to China and adds arbitrary, capricious complexity to the export process. It is clear China has not adequately implemented the Phase One Agreement and has frequently acted in direct defiance of its obligations to the detriment of U.S. meat and poultry exporters who have benefitted from its entry into force, but whose export potential remains constrained by GACC's selective, nefarious application of the Agreement's provisions.

The Meat Institute is pleased to see the seriousness with which the Trump Administration intends to address the aforementioned challenges, as evidenced by Section 3 of the President's America First Trade Policy Memorandum issued on President Trump's first day of his second term.[8] The Meat Institute supports sustained bilateral engagement with China until full enforcement of the Phase One Agreement's existing provisions is secured.

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[6] Ibid.
[7] Ibid.
[8] America First Trade Policy Memorandum, The White House, https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/

China's Retaliatory Tariffs on U.S. Meat Exports Constrain Growth

It is equally evident that China's Section 232 and 301 retaliatory tariffs that remain on U.S. meat exports further undermine U.S. market access and violate the spirit of the Phase One Agreement. Continuation of these tariffs by the Chinese government jeopardizes the ability of U.S. meat exporters to access the China market on a level playing field. The U.S. industry has been forced to absorb the cost of China's retaliatory tariffs for the last several years, which returns lower profits for U.S. exporters compared to their competitors and risks nullifying progress the Administration undoubtedly intends to make to combat inflation and hold China accountable to the Agreement's provisions.

The Meat Institute recognizes the diversity of industries and sectors that are impacted by China's specious policies, and both welcomes and understands the Administration's interest in addressing those legitimate concerns. We respectfully encourage USTR to work to remove these tariffs that China erroneously levied on the U.S. agricultural sector and meat and poultry industry in retaliation for actions that have largely, and appropriately, targeted China's technology, intellectual property, national security, and manufacturing sectors, not its agricultural sector. Specifically, China's tariffs have undermined the export potential of U.S. pork and pork variety meats since their imposition. In March 2020, China subsequently implemented an exemption process for Section 301 retaliatory duties, which helped underpin growth in U.S. beef and pork exports, though that exclusion process is not guaranteed to remain in place and could be reversed as USTR proceeds with modifying actions that aim to hold China accountable for its trade commitments.

U.S. pork exports to China face a 25 percent retaliatory tariff on top of the most-favored-nation (MFN) rate of 12 percent, which has left the U.S. pork industry at a significant disadvantage compared to China's other pork suppliers. Meanwhile, most U.S. pork offals contend with a 37 percent tariff rate, which includes an MFN tariff of 12 percent and the Section 232 25 percent tariff. Those rates would jump to more than 60 percent – between 63 and 67 percent – if waivers for the Section 301 tariffs no longer apply. U.S. beef exports, which are only subject to Section 301, not Section 232 retaliatory tariffs, have similarly benefited from the Section 301 waivers, and must only now pay the MFN rate of 12 percent. Should waivers for the Section 301 retaliatory tariffs cease, U.S. beef exports would be forced to pay duties in excess of 40 percent. These tariffs not only make U.S. exporters of beef, and particularly pork, less competitive, but they also yield reduced prices for U.S. pork producers, packers, and processors along the supply chain, which translates to depressed wages for American workers and less revenue for communities that rely on agricultural trade.[9]

Despite Progress, Persistent Regulations Impede U.S. Beef and Pork Exports to Taiwan

The Meat Institute welcomed in January 2021, Taiwan's establishment of Codex MRLs for ractopamine residues in pork products, offering alignment with the standards it established for beef almost a decade earlier. However, Taiwan has not made available the required risk assessment examining ractopamine residue levels in pork and has implemented an onerous country-of-origin labeling regulation for imported pork that undermines the additional access granted to pork imports through the establishment of MRLs. This action is particularly discriminatory against U.S. pork, which has been the subject of sustained, widespread, negative media coverage, as these labels are required for all pork including items that are further processed. Both the risk assessment and labeling scheme require attention to ensure science-based trade principles are applied to U.S. pork exports to Taiwan and are not further impeded by unjustified technical barriers to trade.

[9] China recently announced 10 percent additional tariffs on U.S. pork and beef exports, which took effect March 10, 2025. This will add another 10 percent on top of the numbers described in this paragraph.

In a positive development, in 2023, Taiwan opened its market to Canadian beef from cattle over thirty months of age (OTM). Despite this and other progress made, U.S. beef exporters must continue to participate in a USDA-AMS Export Verification Program to send product to Taiwan, which limits the commercial potential for U.S. beef exports destined for the Taiwanese market. Also, Taiwan continues to impose unfounded restrictions on access for ground beef, beef trimmings, and some offal products. In 2024, Taiwan was the U.S.'s sixth largest value market for beef and fifth largest value market for poultry, whereas pork exports fell 57 percent compared to the previous year, demonstrating the profound impact of Taiwan's trade-inhibiting policies applied to U.S. pork imports.

Opportunities to Access Growing Markets in Southeast Asia are Constrained by Persistent Trade Barriers

Southeast Asia represents a growing, dynamic market for U.S. meat and poultry exports, with its rising population of middle class consumers. U.S. agricultural exports to Southeast Asia increased from $9.4 to $14.2 billion from 2012 to 2022, and the U.S. share of Southeast Asia's agricultural imports has held steady near 11 percent, demonstrating robust growth potential. Moreover, the region's GDP is forecast to increase 26 percent in the next decade and is already the third-largest regional market for U.S. agricultural exports.[10]

Despite persistent tariff and non-tariff barriers that place U.S. meat and poultry products at a competitive disadvantage to products from China, Brazil, Australia, New Zealand, and the European Union, among others, engaging countries in the region – particularly Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam – is vitally important to enhance market diversification for U.S. agricultural goods. As the Administration weighs options to level the playing field for U.S. meat and poultry products in the region, the Meat Institute appreciates the foresight detailed in Section 2, provision (g) of the President's America First Trade Policy Memorandum, which sets out a welcomingly ambitious effort to identify countries with which the U.S. can negotiate agreements on a bilateral or sector-specific basis to obtain export market access for American workers, farmers, ranchers, service providers, and other businesses. The Meat Institute respectfully submits that the most durable way to confront longstanding obstacles that have hindered U.S. meat and poultry trade in the region is through the negotiation of binding, enforceable bilateral or sectoral agreements with the countries cited above.

For instance, many ASEAN countries, including Indonesia, Vietnam, and Malaysia, among others, have adopted a cumbersome plant-by-plant approval process, not a systems-wide approach, as these countries do not recognize the equivalence of the robust U.S. meat inspection system for beef, pork, and lamb. For example, Indonesia requires exporters to submit a lengthy and detailed questionnaire and implements a complex document review process that has resulted in approval of only a few U.S. establishments. Also, Indonesia employs an import recommendation system, in which an importer requests an allocation of a specific volume of beef, which can be imported over the six-month recommendation period. Importers are required to meet a certain percentage of the requested volume or face penalties in future recommendation requests, which compounds other constraints facing U.S. beef exports to the country. Furthermore, Indonesia last year established a new halal authority, which has imposed additional burdensome halal documentation requirements on U.S. exporters. These restrictions have led to an overall decline in beef export value to Indonesia, falling from $118 million in 2021 to $92 million in 2024, though the latter figure represented slight growth compared to 2023. The approval of additional U.S. beef facilities in Indonesia will have the most marked impact on the U.S. industry's ability to compete more fairly in the market, with export value projected to exceed $160 million, and perhaps surpass $270 million, depending on the

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[10] U.S. Agricultural Exports in Southeast Asia, USDA-FAS, chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://ers.usda.gov/sites/default/files/_laserfiche/publications/109672/EIB-277.pdf?v=82387

extent of establishment approvals. No U.S. poultry companies are presently approved to export to Indonesia due to the country's nontransparent Halal-certification process, which has made obtaining valid and reliable import certificates based on a limited number of accredited Halal centers nearly impossible.

Vietnam's establishment registration process for U.S. beef, pork, and poultry facilities deteriorated in 2024, as the country failed to grant new establishment approvals and began requesting business-sensitive information from companies to determine export eligibility. Vietnam is also requiring companies to supply cumbersome product descriptions, which must match exactly the product listed on the 9060-5 export certificate, representing another regulatory departure that is unnecessarily cumbersome and has injected more uncertainty into the export process.

Meanwhile, Malaysia's establishment approval process includes burdensome halal obligations that apply to the entire transportation system and requires U.S. slaughter and further processing establishments to submit detailed questionnaires that request business sensitive information. Because of these nontransparent, excessive requirements, the only U.S. beef establishment approved to export to Malaysia is currently suspended and a mere seven pork facilities are eligible to export. Through its onerous import permit process, Malaysia has also implemented unclear, contradictory labeling requirements, which has led to product being held at ports. Malaysia has failed to communicate changing labeling and other policies to the U.S. government, further exacerbating challenges U.S. exporters have faced navigating the market.

Countries, like Thailand, Vietnam, and Singapore, impose strict non-science trade barriers, including unjustifiable sanitary and phytosanitary measures (SPS), that unduly prohibit U.S. agricultural products from reaching these burgeoning consumer markets. For example, Thailand restricts beef offal and maintains zero tolerance on residues of ractopamine. There is no question about the safety of this product – it was approved for use in the United States after an exhaustive risk assessment by the U.S. Food and Drug Administration, it is recognized as safe for use in livestock production by the *Codex Alimentarius*, and many countries around the world, including several in the region, like Japan, have adopted ractopamine maximum residue limits for imported products. In addition, Singapore implements unwarranted trichinosis requirements and testing for imported pork products, despite the fact that the U.S. has instituted a strong biosecurity program for pork production that has been effective in drastically reducing the risk of trichinae in the U.S. swine herd to negligible levels. The Singapore government also restricts U.S.-approved pathogen reduction treatments. Plus, Vietnam maintains restrictions on white offal products, despite the market being officially open to these products. Notably, Indonesia prohibits the importation of chicken parts, including leg quarters, breasts, legs, and thighs that are the bulk of U.S. poultry exports. Indonesia's Regulation of the Minister of Agriculture No. 34/2016 and Regulation of the Minister of Trade No. 20/2018 jointly operate to limit poultry imports to just three categories: whole birds (fresh or chilled), fatty duck liver of ducks, and frozen other poultry.

Prohibitive tariffs also impede U.S. meat and poultry exports to many countries in the region, including the Philippines and Thailand. The Philippines, for instance, has some of the highest import duties in the world. U.S. pork trade into the Philippines surged in 2021, when the country, to help fill its African Swine Fever-related pork shortage, temporarily reduced import duties and expanded the country's Minimum Access Volume (MAV) quota. Tariffs fell from 30 to 5 percent for pork within MAV, after which they rose to 10 percent. Pork imports above the MAV were subject to 15, and then 20 percent tariffs, down from the MFN rate of 40 percent. Securing enduring tariff relief for U.S. pork exports remains a key priority for the industry, which exported more than $120 million worth of pork and pork products to the Philippines in 2024, making it the U.S.'s tenth largest export market by value.[11] Phasing out the 50 percent tariff on U.S. beef and 30 percent tariff on U.S. pork to Thailand would

[11] USDA GATS Data, https://apps.fas.usda.gov/gats/default.aspx

similarly improve U.S. meat and poultry exporters' ability to compete in this growing market, while ensuring consumers who reside there have access to high-quality, nutrient-dense U.S. animal protein products.

Although non-tariff and tariff barriers in the aforesaid countries constrain U.S. meat and poultry export potential in these increasingly lucrative markets, the Trump Administration's proactive trade policy agenda that focuses on new market access opportunities is well positioned to reverse these impediments. The U.S., in the last few years, has abandoned substantive agricultural trade negotiations, instead allowing competitors like the EU and China, to grow further entrenched in Southeast Asia. The Meat Institute welcomes the Trump Administration's focus on new market opportunities as a clear example of reasserting American leadership in trade discussions. As other countries forge comprehensive trade agreements with preferential duties in Southeast Asia, American workers and companies will be disadvantaged, as U.S. products will face higher costs and barriers to entry compared to their competitors. This will ultimately result in U.S. agriculture ceding market share in this critical economic region, which will strain U.S. business and American workers, who rely on export markets for revenue to complement domestic production.

To level the playing field for U.S. agriculture producers, farmers, ranchers, and food industry workers, the Administration, in line with its America First Trade Policy Agenda, could consider launching trade discussions, particularly with Vietnam, the Philippines, and Indonesia, aimed at eliminating scientifically unjustifiable SPS and other non-tariff trade barriers and drastically reducing tariffs on U.S. meat and poultry products. Although multiple approaches could result in concessions from these trading partners, only binding, enforceable agreements that offer tariff parity with competitors and reduced non-tariff restrictions will provide certainty and long-term economic stability to American farmers, producers, and rural communities.

Removing Ongoing Restrictions on Beef, Addressing Other Emerging Concerns are Necessary to Fully Implement KORUS

The entry into force of the U.S.-Korea Free Trade Agreement (KORUS) in 2012, followed by the subsequent modernization of the agreement during the first Trump Administration in 2018, continues to pay dividends for the U.S. meat industry. The market access terms secured in KORUS – specifically, both the immediate and gradual elimination of tariffs on the vast majority of U.S. pork and beef imports – have yielded one of the leading, most reliable markets for U.S. meat exports.

Under KORUS, most U.S. pork products enter Korea duty-free, whereas the duty rate on U.S. beef has been reduced from 40 percent and will continue to decline each year until it is eliminated in 2026. Export data provide empirical support to underscore the boon of this tariff elimination for the U.S. meat industry. For example, before the implementation of KORUS, U.S. exports of beef and pork to Korea in 2012 totaled $1 billion, but in 2024, U.S. beef and pork export value to Korea surpassed $3 billion. This level of growth, combined with the significant share of the Korean market the U.S. meat industry now commands, would not have been possible absent KORUS, especially because all major red meat competitors have trade agreements with Korea.

Beyond tariff relief, KORUS established strong, science-based trade measures that further contributed to the proliferation of U.S. meat exports to Korea. The agreement established a Sanitary and Phytosanitary Committee to enhance cooperation and consultation on SPS matters. This Committee works to achieve regulatory harmonization through international standards and guidelines to address animal health and food safety concerns. These and other mechanisms facilitate trade in meat and poultry products by promoting transparency and by enshrining a process to discuss and resolve, unjustified, often capricious impediments to that trade.

The U.S. industry, however, still faces numerous access obstacles, including Korea's restrictions on imports of U.S. processed beef products. Additionally, Korea does not permit imports of U.S. beef and beef products from cattle over 30 months of age as well as imports of beef small intestines, tongues, collagen casings, trimmings, and ground beef items from cattle under 30 months of age. Beginning in 2024, Korea no longer accepts Codex MRLs for veterinary drugs. Korea instead now implements its Positive List System (PLS), which references only domestic MRLs, or import tolerances (IT), for veterinary drugs in beef, pork, and chicken, among other items. If a Korean MRL or IT does not exist, antimicrobial products will be subject to a 0.01 ppm residue tolerance, whereas a standard of "nondetection" applies for growth promotants and steroid type anti-inflammatory drugs. Implementation of this system reflects a departure from the international science-based, risk-based standards KORUS attempts to advance and requires continued monitoring and review to ensure it does not erroneously inhibit U.S. meat and poultry trade to Korea.

Despite U.S. poultry exports to Korea now enjoying duty free access, Korea remains a negligible market for U.S. poultry exporters due to its zero tolerance policy for Semicarbizide (SEM), a marker for nitrofuran, an antibiotic that has been banned for commercial use in the U.S. since the 1990s. Korea, in 2017, started suspending U.S. poultry facilities after positive findings of SEM. Nine U.S. poultry facilities are currently banned from exporting to Korea and others have decided to forgo shipping poultry products to Korea over concerns that they, too, will be delisted. Korea's zero tolerance for SEM is an unjustified trade barrier that precludes U.S. poultry exports, especially because CODEX and other countries acknowledge that SEM forms in other natural ways and they have established tolerance levels.

Although resolving some of these longstanding access issues remains a priority for the U.S. meat industry, Korea finished 2024 as our largest beef market and fifth largest pork market by value, demonstrating the broad success of the KORUS agreement. To achieve additional access for the poultry and beef products described above, the Meat Institute recommends working through the consultative mechanisms established in the KORUS agreement and engaging more regularly with Korean officials to secure these desired outcomes.

<u>European Union (EU) and United Kingdom Policies Unduly Restrict Meat and Poultry Exports</u>

The EU's restrictive sustainability policies, including its unreasonable Deforestation-Free Supply Chain Regulation (EUDR), and its non-science-based antimicrobial use regulation enshrined in EU Article 118, threaten to further undermine the already limited access granted to U.S. meat and poultry products. The EUDR regulation would impose excessive, costly, and unwarranted record-keeping, traceability, geolocation, and product segregation requirements on U.S. agricultural producers, particularly beef and livestock producers. Although enforcement of the deforestation initiative has recently been postponed until December 2025, the U.S. should be exempt from this requirement as U.S. agricultural product exports are not retrieved from deforested land, yet farmers, ranchers, and companies doing business in the U.S. would be subject to invasive, burdensome, unwarranted requirements that would act as technical barriers to trade, in violation of the World Trade Organization's principles of domestic regulations not being more trade-restrictive than necessary to fulfill their intended objective.

Meanwhile, Article 118 requires countries to implement prescriptive production-level controls on antimicrobial use and represents yet another attempt by the EU to impose its burdensome policies on trading partners, without allowing flexibility for countries, like the U.S., to address similar concerns through its own policies. Switzerland's decision to adopt Article 118 will impede high-value U.S. beef exports to this critical market, and every attempt should be made to avoid establishing an Export Verification Program (EV) that adds excessive costs to companies shipping or interested in exporting to Switzerland.

Equally as problematic is the EU's hazard-based decision-making approach that has resulted in a persistent ban on the use of hormone growth promotants and FDA-approved beta agonists, along with its ban on the preponderance of pathogen reduction treatments (PRTs) used in U.S. slaughter establishments. Specifically, with the exception of lactic acid solutions used on bovine or bison carcasses, antimicrobial treatments – for example, hyper chlorination, and citric or ascorbic acids – are not allowed for treatment of red meat or poultry carcasses or carcass parts. In fact, most of the U.S. poultry industry primarily uses peracetic acid, which is simply an organic compound of vinegar and hydrogen peroxide. Unless these processing technologies, which have been approved by U.S. regulatory bodies and are accepted in numerous other export markets, are permitted for use by the EU, the U.S. meat and poultry industry will not be able to meaningfully grow its market share. Due to these regulations, U.S. beef enters the EU under two quotas: the EU High Quality Beef Quota and the Hilton Quota. Under the High Quality Beef Quota, 35,000 metric tons is allocated to the U.S., whereas a 20 percent tariff is applied to imports under the Hilton Quota. Adding complexity and cost to the export process, U.S. establishments interested in exporting beef to the EU must participate in an AMS EV program, which limits the number of facilities that can absorb the costs associated with shipping product to the EU.

Despite the UK's departure from the EU, the UK maintains the EU's processing technology, live animal, and plant approval requirements previously discussed, which essentially ban U.S. poultry meat exports and constrain U.S. pork export growth to a potentially significant value market. Because of complications with the apportionment of the Hilton Quota post Brexit, duties on U.S. beef are substantially higher than countries with which the UK has free trade agreements and U.S. pork exports will similarly be subject to higher tariff rates than their competitors. It is critical that possible bilateral negotiations with the UK prominently feature attempts to reduce barriers precluding U.S. meat and poultry trade.

Increasing Establishment Registration Requirements Risk Undermining Market Access for U.S. Meat and Poultry Exports in Global Markets, like Hong Kong

The growing proclivity of existing and potential trading partners to impose establishment registration requirements, through lists, questionnaires, and other means, fails to uphold the principle of equivalence in international trade by downplaying the recognition of USDA as the competent authority responsible for determining the eligibility of U.S. meat and poultry exports. These burdensome, non-science and risk-based policies not only undermine international trading principles, but they also severely constrain the ability of U.S. companies to reach their full export potential.

These requirements are not unique to those described for Vietnam, Malaysia, and Indonesia. Recently, Hong Kong has also required that U.S. establishments exporting raw meat and poultry products appear on an approved list and has announced further regulatory requirements in a series of Annexes that are equally, if not more, problematic for the U.S. meat and poultry industry, particularly Annex 3, which requires overly prescriptive, business sensitive information that should not be mandated to confer export eligibility. The Meat Institute appreciates the ongoing work by USTR and USDA staff to resolve this issue, and welcomes the Administration's continued prioritization of this issue to facilitate a resolution.

Due to the proliferation of establishment registration-related regulations in global export markets, the Meat Institute urges USTR, in coordination with USDA, to defend and advance in trade discussions a systems-based approach to establishment approvals. When list requirements cannot be removed, the Meat Institute recommends that the U.S. government encourage trading partners to accept USDA's Meat, Poultry and Egg Product Inspection (MPI) Directory to satisfy requirements for U.S. beef, pork, and poultry establishments.

Conclusion: Market Diversification Through a Comprehensive Trade Policy Will Help Level the Playing Field for U.S. Meat and Poultry Exporters

As the Administration considers the many tools at its disposal to address existing and emerging trade barriers, the Meat Institute respectfully encourages the pursuit of a comprehensive trade strategy that emphasizes enforcement of existing agreements and that promotes market diversification through the negotiation of new agreements that reduce and eliminate onerous import restrictions, prohibitive tariffs, and other unwarranted non-tariff barriers. The Trump Administration's bold trade policy vision presents a clear opportunity to bolster fair and resilient agricultural trade for U.S. exporters in global markets and is a welcomed departure from the previous Administration's abdication of America's leadership role in negotiating enforceable, standard-setting trade agreements that level the playing field for America's farmers, ranchers, businesses, and workers. This is particularly relevant as China, the EU, and other competitors forcefully, and swiftly, negotiate trade agreements that shirk internationally recognized standards and squeeze U.S. access to growing and mature markets, alike.

As previously detailed, the Trump Administration's prior work to negotiate the Phase One Agreement with China proved to be a boon for U.S. meat and poultry exports. And, thanks to that agreement, China is now the U.S.'s third largest value market for American beef, pork, and poultry exports. As USTR weighs measures to hold China accountable for certain nefarious practices and policies, the Meat Institute requests that particular attention be devoted to the inconsistent plant approval process and intractable product suspension concerns described in this submission's section on China. Language already exists in the agreement concluded during the first Trump Administration, and the Meat Institute supports the Administration's efforts to advance China's compliance with and enforcement of these provisions in a manner that sustains and strengthens the U.S. meat and poultry industry's access to the China market.

Preserving existing agreements, while indispensable, will be insufficient to guarantee export growth or the economic benefits it confers, nor will doing so ensure the U.S. remains competitive in an increasingly dynamic trade environment that features an aggressive, ascendant China and an EU government intent on forging favorable access for their producers. For instance, while the U.S. has completed four trade agreements since 2010, including its successful renegotiation of USMCA, China has entered into 10 new agreements, Japan has inked seven, and the EU and Canada have finalized eight. The America First Trade Policy Agenda presents important opportunities to reassert U.S. leadership in trade discussions and improve the terms of access for U.S. meat and poultry exports in global markets, particularly in Southeast Asia.

Countries, like Indonesia, Vietnam, and the Philippines, represent strong growth markets for U.S. agricultural exports, augmented by rising population and income levels. Pursuing bilateral, trade-facilitative measures with these and other countries in the ASEAN region, will yield long-term benefits for the U.S. meat and poultry industry by injecting more predictability and transparency into business decisions and ensuring U.S. meat and poultry supply chains are not overly dependent on one country or region. These types of bilateral arrangements are also the primary means to achieve enduring relief from both tariffs and onerous non-tariff barriers currently levied against U.S. meat and poultry exports to the region. In embarking on a more proactive, enforceable trade strategy that results in binding access commitments, like the one outlined in President Trump's America First Trade Policy Agenda, the U.S. can more effectively and decisively leverage its innovative, efficient agriculture and farm production sector to compete with those in China and the EU. India, meanwhile, recently took steps to reduce duties on certain frozen turkey and duck products from the U.S., but work is still needed to eliminate the 30 percent tariff levied on whole chickens and 100 percent tariff assessed on certain U.S. chicken product exports to India.

Although challenges with Korea were presented in the foregoing comments, trading partners like Korea, Japan, Canada, and Mexico, represent critical markets for U.S. meat and poultry products and many of the longstanding and emerging issues that exist with these countries can be addressed through consultative mechanisms that were negotiated in those agreements, which the prior Trump Administration bolstered. In contrast, regulatory impediments imposed by the EU, and continued by the UK following its departure from the EU, show little sign of abating. Prioritizing agricultural concerns through decisive actions in those markets is vital for the meat and poultry industry's export potential to both the UK and the EU.

In sum, the Trump Administration has a unique opportunity to once again demonstrate American leadership in the global trade environment for the benefit of American workers and the U.S. economy. Policies, like the ones put forth in the America First Trade Policy Agenda, that seek to open markets and reduce trade barriers enable domestic companies, especially small- and medium-sized U.S. meat and poultry packers and processors, to more effectively plan production, make sourcing decisions, and establish export processes. This benefits all parties, including agricultural producers, America's farmers and ranchers, cold storage facilities, truck drivers, consumers, and others, along the supply chain.

The absence over the last four years of a proactive trade policy agenda that pairs ambitious tariff reductions with the removal of non-tariff barriers – onerous labeling and documentation requirements, arduous plant approval processes, and unfounded SPS measures – has disadvantaged American workers, American farmers and ranchers, and U.S. meat and poultry companies, who face higher costs and barriers to entry compared to those of their competitors. Securing binding, enforceable commitments from trading partners through bilateral and sectoral agreements, as envisioned in the President's America First Trade Policy Agenda, would not only establish a more level playing field for U.S. agricultural exports, but doing so would also enhance livelihoods of American farmers, ranchers, meat and poultry companies, and food industry workers who rely on these critical markets, but whose trade priorities have largely been overlooked.

The Meat Institute appreciates the opportunity to submit these comments and applauds the Trump Administration's keen interest in minimizing trade barriers for U.S. meat and poultry exports in global markets. We remain committed to our strong partnership with the Administration and stand ready to identify priority issues and markets to promote the long-term stability and growth of the U.S. meat and poultry industry, U.S. agricultural communities, and the overall U.S. economy.

Respectfully submitted,

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