Meat Institute
Nourishing Today
Sustaining Tomorrow

Office of the U.S. Trade Representative
Laura Buffo
Chair of the Trade Policy Staff Committee
600 17th St NW
Washington, DC 20508

Docket Number USTR-2024-0015: Request for Comments on Significant Foreign Trade Barriers for the 2025 National Trade Estimate Report

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-2024-0015, "Request for Comments on Significant Foreign Trade Barriers for the 2025 National Trade Estimate Report."

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 2023, U.S. meat and poultry exports exceeded $23.6 billion. Annually, approximately 13 percent of beef production, 15 percent of poultry production, and 25 percent of pork production are exported, although those figures have been higher in recent years.[3] Exports underpin the entire meat and poultry supply chain because they add value to every animal produced and in turn increase demand for U.S. livestock, poultry, corn, and soybeans. 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

[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, accessed February 2022, https://apps.fas.usda.gov/gats/default.aspx

barriers, prohibitive tariffs and tariff rate quotas, and onerous registration and approval requirements for exporting facilities, among other impediments.

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 USTR's work 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. However, barriers to trade 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. 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).[4]

Although China finally did start adding U.S. establishments to its approved plant list in late 2023 – thanks to substantial outreach and engagement from the U.S. government – 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.[5] 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.

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

---

[4] 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

[5] Ibid.

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.[6]

Moreover, 37 U.S. states are currently banned from exporting poultry to China due to highly pathogenic avian influenza (HPAI) restrictions. However, more than 20 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, including cooked products that are not subject to HPAI restrictions. Reinstating these states' export eligibility is a top priority for the U.S. poultry industry.

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.

Retaliatory Tariffs Remain on U.S. Meat Exports to China and Must be Discontinued

It is equally evident that USTR's Section 232 and 301 investigations, which resulted in retaliatory tariffs that remain on U.S. meat exports, has not elicited compliance with or enforcement of the Phase One Agreement. Continuing to pursue escalatory trade policy, will serve only to further jeopardize the ability of U.S. meat exporters to access the China market on a level playing field. This will also lead to increased prices, domestically, as U.S. importers absorb the cost of these tariff increases, thereby nullifying progress the Administration has made to combat inflation and further straining American consumers.

The Meat Institute recognizes the diversity of industries and sectors that are impacted by China's specious policies and understands the U.S. government's interest in addressing those legitimate concerns. However, we continue to respectfully encourage USTR to work to remove these tariffs, the brunt of which has been borne disproportionately by the U.S. agricultural sector and meat and poultry industry. Specifically, China's retaliatory tariffs due to the 301 and 232 investigations 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 its Section 301 duties following a public comment period earlier this year.

Currently, U.S. pork exports to China face a 25 percent retaliatory tariff on top of the most-favored-nation (MFN) rate of 8 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

[6] Ibid.

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 retaliatory 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.

Furthermore, U.S. pork exports to China reached a record $2.28 billion in 2020, but subsequently declined to $1.7 billion in 2021, falling further to $1.36 billion in 2022, and finally decreasing again in 2023 to $1.24 billion, below previous estimates of $1.33 billion.[7] These declines are partly due to China's pork production rebounding following the introduction of ASF in the country but are mostly related to China's retaliatory duties on U.S. pork products that continue to limit U.S. market share and export potential.

As previously mentioned, China remains the third largest export market for U.S. beef and pork products, by value, and while the Meat Institute appreciates USTR's ongoing work to diversify U.S. agricultural supply chains and markets, there is no replacement for the China market. Unfortunately, U.S. pork exporters, who supply high-quality, consistent products to Chinese customers and consumers, continue to cede hard-fought market access to foreign competitors because of retaliation for U.S. trade and tariff policies. In fact, U.S. meat exporters, and U.S. agricultural producers, have disproportionately faced the detrimental consequences of China's retaliation for U.S. policies that have largely targeted China's technology, intellectual property, national security, and manufacturing sectors, not its agricultural sector.

Proactive Efforts to Address Foreign Animal Disease are Essential to Preserving Trade and Business Continuity

Detections of foreign animal diseases, such as African Swine Fever (ASF) and HPAI, pose significant threats to U.S. meat and poultry supply chains and exports. Although ASF has not been detected in the U.S., a positive finding would yield immediate, devastating consequences for producers, packers and processors, and ancillary industries across North America, due to the integrated nature of pork supply chains in the USMCA region. Positive ASF findings would severely constrain the production and processing of pork across the continent, wreak havoc on these integrated supply chains, exacerbate consumer prices, and devastate communities that rely on cross-border pork trade.

Historically, approximately 25% of pork production is exported, and U.S. pork exports in 2023 contributed $64 per head slaughtered, supporting workers, livelihoods, and communities across the U.S. Continued, and more proactive, coordination between USTR and USDA – in particular, the Animal and Plant Health Inspection Service, who is leading ASF zoning and regionalization negotiations with trading partners – is critical to preserving trade and business continuity, in line with international standards, for the U.S. pork industry. ASF presents extraordinary challenges and requires unwavering focus and prioritization from both USDA and USTR to minimize supply chain shocks and safeguard access to existing markets without jeopardizing the potential global footprint of the U.S. pork industry.

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

In addition to engaging in meaningful regionalization negotiations with some of our high-value markets in Asia, like Japan and Korea, it is imperative that the U.S. government redouble its efforts to secure trade continuity agreements with Canada and Mexico, which would also advance a goal set forth by USTR to establish durable regional supply chains. Mexico and Canada are top four value markets for U.S. pork and pork products, and, in 2023, Mexico was the U.S.'s largest value market for U.S. pork, with exports exceeding $2.3 billion. The U.S. pork industry has recently approved traceability programs that we have shared with the U.S. government, and we urge USTR to work closely with USDA to make meaningful progress on finalizing ASF regionalization framework agreements with U.S. trading partners. Much of the pork the U.S. industry exports cannot be easily absorbed domestically, further necessitating agreements with trading partners that preempt ASF detection to mitigate the significant impact of movement and other trade restrictions that would be imposed in the days immediately following a positive ASF finding in the U.S. swine herd.

Also, HPAI remains an ongoing threat to the U.S. poultry industry and U.S. poultry exports, as trading partners, including Mexico and Colombia, have in the past years reneged on previous HPAI arrangements with the U.S. and have disregarded internationally recognized science-based trade principles. The Meat Institute appreciates the work of the U.S. government to address HPAI-related restrictions, including with Mexico and Colombia, and encourages USTR to support efforts by USDA to resolve and preempt unwarranted bans on U.S. poultry product exports, including in China, as previously discussed. This includes enforcing existing HPAI agreements; the lack of enforcement of these agreements with the aforementioned countries and other trading partners is projected to cost the U.S. poultry industry more than $700 million in export losses this year. Additional priority markets include South Africa and Kazakhstan, which have each failed to respond to requests to lift HPAI restrictions for nearly a year, impacting 21 eligible states in the case of South Africa and 29 states eligible to ship to Kazakhstan.

The need for additional, sustained collaboration has only increased with HPAI detections in dairy cows. Efforts should be made to continue to ensure U.S. beef trade is not subject to unwarranted, non-scientific HPAI-related restrictions in foreign export markets, as Colombia imposed for several months this year. The Meat Institute appreciates the work by the U.S. government to lift those unjustified restrictions in Colombia and encourages USTR, in coordination with USDA, to preempt other attempts by trading partners to implement similar specious restrictions, which conflict with the World Organization for Animal Health's guidance to avoid placing HPAI bans on beef trade.[8] Mitigating unfounded trade restrictions related to foreign animal diseases promotes global food security, protects livelihoods for U.S. workers and companies, defends science- and risk-based decision-making, and safeguards supply chains, particularly when product intended for export cannot easily be repurposed domestically.

Securing Beef Access to Australia Remains Critical

The U.S.-Australia FTA, implemented in 2005, is perhaps most consequential for the enhanced collaboration it has fostered between the two countries. Before the FTA entered into force, Australia's duties on U.S. pork and beef were already zero, except for some processed pork products, which were subject to a 5 percent duty that was phased out.

[8] World Organisation for Animal Health, High Pathogenicity Avian Influenza in Cattle, https://www.woah.org/en/high-pathogenicity-avian-influenza-in-cattle/

U.S. exports of pork to Australia have grown dramatically, from $10.6 million in 2004 to more than $247 million in 2023. Volume increased from 3,400 mt in 2004 to more than 70,000 mt in 2023. Roughly 70 percent of Australia's processed pork is produced using imported product, making it a lucrative destination for U.S. hams and picnics.

Despite the FTA, Australia continues to restrict access for chilled/frozen U.S. beef, due to persistent, unjustified bovine spongiform encephalopathy (BSE)-related bans, and largely limits imports of U.S. pork to product destined for further processing. The Meat Institute appreciates ongoing efforts by USTR to engage Australia to secure improvements in access for U.S. meat producers and processors, and urges prioritization be given to removing restrictions on U.S. beef exports that have been in place for two decades.

Recently, Australia's Department of Agriculture, Fisheries and Forestry (DAFF) published a report, which included a review of fresh beef and beef products from the United States including product sourced from cattle imported from Canada and Mexico. DAFF concluded USDA applies rigorous control measures to bovine imports from Canada and Mexico, asserting the protocols address Australia's biosecurity concerns with beef sourced from bovines born and raised in Canada and Mexico and legally imported into the U.S. Consequently, DAFF recommended allowing the importation of fresh beef and beef products from the U.S. derived from immediate slaughter, feeder, and breeder bovines born and raised in Mexico and Canada, pending a final food safety risk assessment in the case of beef derived from Canadian cattle.[9] This favorable determination necessitates a redoubling of efforts to finally secure access for U.S. beef exports to Australia.

Additional priorities include removing the ban on bone-in pork imports from the U.S. and addressing the stringent biosecurity rules governing the movement and destruction of imported pork packaging materials, including associated time and temperature requirements, that impede U.S. pork product exports to Australia.

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

The entry into force of the U.S.-Korea Free Trade Agreement (KORUS) in 2012, followed by the subsequent modernization of the agreement 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. USDA 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

[9] Australian Department of Agriculture, Fisheries and Forestry, Animal biosecurity risks of fresh beef and beef products derived from bovines born and raised in Canada or Mexico and legally imported and slaughtered in the United States, https://www.agriculture.gov.au/biosecurity-trade/policy/risk-analysis/animal/fresh-usa-beef-from-canada-mexico-imports

to Korea in 2012 exceeded $1 billion, with volume of 276,000 mt. This included 126,000 mt valued at $582 million for beef and 150,000 mt, valued at $421 million for pork. Upon entry into force of the agreement, and the tariff reductions associated with its implementation, U.S. beef and pork export value to Korea approached $3 billion in 2023. 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, including Australia and Canada, have free 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 (SPS) Committee to enhance cooperation and consultation on SPS matters. This Committee works to achieve regulatory harmonization through international standards and guidelines, including those of the World Organization for Animal Health, 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 and U.S. beef and beef products derived from cattle imported from Canada for immediate slaughter. Beef and beef products derived from cattle imported from Canada that reside in the U.S. less than 100 days prior to slaughter are also ineligible. It is crucial that USTR work to ease some of these restrictions to ensure the U.S. can realize the benefits of KORUS. Moreover, Korea maintains BSE-related restrictions on 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 earlier this year, 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 Progress, Persistent Regulations Impede U.S. Beef and Pork Exports to Taiwan

Recognizing the profoundly detrimental consequences of global disengagement for the U.S. meat and poultry industry, whose future vitality depends on its ability to access consistent, predictable export markets, the Meat Institute welcomed, and continues to support, the U.S.-Taiwan Initiative on 21st-Century Trade. In January 2021, Taiwan finally established 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.

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.

Sustainability Trade Text Should Advance Science, Outcomes-Based Approaches and Should Not Unduly Restrict Meat and Poultry Exports

The Meat Institute appreciates USTR's interest in considering sustainability and the environment as core tenets of trade policy but cautions against pursuing text as part of agreements or other negotiations that inhibits rather than promotes U.S. agricultural trade, and trade in meat and poultry products. The U.S. is a leader in the production of nutrient-dense, animal-source foods that are at the heart of solutions for all three components of sustainability – social, economic, and environmental – as defined by the UN Food and Agriculture Organization.

The U.S. meat and poultry industry has made ambitious commitments to reduce its environmental footprint, establishing a proven track record of producing nutrient-dense foods while optimizing impacts on the air, water, and land we all share. Further achievements are well within reach, for example, through aligned species-specific sustainability commitments (e.g., the U.S. Roundtable for Sustainable Beef, U.S. Roundtable for Sustainable Poultry and Eggs, and the U.S. pork industry's We Care® Ethical Principles) and through industry-wide continuous improvement frameworks like the Protein PACT for the People, Animals, and Climate of Tomorrow.

By pioneering and adopting innovative, modern animal health and production practices and adhering to science- and risk-based standards, the U.S. meat and poultry industry is providing the highest quality animal care, producing more food, and feeding more people in the U.S. and around the world using fewer natural resources. For example, between 1961 and 2018, the U.S. cattle and beef industry, through continued sustainability efforts and improved resource use, reduced emissions by more than 40%. Since 1996, the U.S. has had the lowest beef greenhouse gas (GHG) emissions intensity in the world. Meanwhile, U.S. pork producers now use 76% less land, 25% less water, and 7% less energy to produce twice as much pork, whereas U.S. chicken producers have not only reduced land and water use by 72% and 58%, respectively, but have also lowered their GHG emissions by 36%.

Recognizing sustainability's critical role in the global food system, the Meat Institute, in 2021, officially launched the Protein PACT for the People, Animals, and Climate of Tomorrow, which unites partners across animal protein in the first-ever joint effort to accelerate the entire U.S. animal protein sector's progress toward global sustainable development goals for healthy people, healthy animals, healthy communities, and a healthy environment. Through the Protein PACT, Meat Institute members have developed robust metrics for continuous improvement and public commitments that sustain healthy animals, thriving workers and communities, safe food, balanced diets, and the environment. These commitments align with the United Nations' 2030 Sustainable Development Goals.

Trade in animals and animal products not only sustains livelihoods and communities, but also minimizes food waste, while ensuring people around the world have access to sufficient, safe, and nutritious food that meets their dietary preferences and needs. As the pace of climate-related impacts on food production and supplies accelerates, innovative practices and technological advancements embraced and implemented by U.S. animal agriculture, yielding more food from fewer resources, will help feed growing domestic and global populations. This, however, will make the work of reducing barriers that inhibit U.S. animal agriculture producers' access to dynamic, burgeoning foreign markets even more urgent.

The Meat Institute, therefore, urges USTR to recognize and promote industry-driven, outcomes-based, market-oriented approaches, like Protein PACT and others championed by the U.S. meat and poultry industry, in negotiations, frameworks, and other fora that emphasize sustainability, climate, and the environment. These industry-led efforts complement government sustainability policies and provide solutions to sustainability challenges by accounting for regional diversity, economic and social conditions, and climatic and environmental factors, without imposing inflexible requirements on trading partners.

Moreover, USTR, in coordination with USDA, is well positioned to not only actively advance voluntary, evidenced-based, trade-facilitating approaches to sustainability, but also to proactively push back against more prescriptive approaches that act as barriers to trade and undermine supply chain efficiency. For instance, trading blocs, like the European Union (EU), are increasingly championing initiatives, including the Farm to Fork strategy and Deforestation-Free Products regulation (EUDR), that primarily serve as protectionist measures masquerading as impactful, forward-looking initiatives that are meant to improve global food systems and bolster food supply chain transparency.

Instead, these initiatives impose onerous requirements on the EU's current and future trading partners by applying one-size-fits-all, hazard-based decision-making. Countries, like the U.S., for example, do not produce products on illegally deforested land, and 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. Although the EUDR has been delayed, the Meat Institute continues to advocate for its dissolution. USTR, therefore, should dissuade trading partners – especially the EU – from adopting sustainability measures that will clearly restrict trade, while it simultaneously advocates for the adoption of sustainability and environmental policies that are rooted in international science- and risk-based principles and that embrace innovation and technologic advancements in animal agriculture.

Increasing Establishment Registration Requirements Risk Undermining Market Access for U.S. Meat and Poultry Exports

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.

For instance, Vietnam's establishment registration process for U.S. beef, pork, and poultry facilities has only deteriorated, as the country has yet to grant new establishment approvals since May 2024, when they began requesting business-sensitive information from companies to determine export eligibility. Despite increased demand from customers in Vietnam for U.S. meat and poultry products, there is currently no viable path to receive approval to export to this growing market. Vietnam is also requiring companies to supply cumbersome product descriptions, which must match exactly the product listed on the 9060-5 export certificate.

These requirements are not unique to Vietnam. Malaysia and Indonesia require beef and pork questionnaires and on-site audits, whereas markets in South America impose facility and product registration requirements. 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 will be 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. Meanwhile, although the U.S.-China Phase 1 Agreement streamlined the process for determining the export eligibility of U.S. meat and poultry establishments, these facilities must still appear on an approved list. Challenges with this process were already discussed in this document's section on China.

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.

Beef Imports Support Domestic Production and Ease Supply Chain Pressures

Although the Meat Institute primarily advocates for the expansion of U.S. meat and poultry export markets, we concurrently support trade, more broadly, including the important role livestock and meat and poultry imports play in supplementing and complementing domestic production. The U.S. beef industry, for instance, relies on imported livestock and beef to meet domestic demand and to service foreign customers. On average, as previously underscored, the U.S. exports 13-15% of its total beef production, whereas annual beef imports represent 8-12% of domestic production. The highly integrated nature of the North American livestock industry ensures the U.S. can maintain its high-quality, abundant beef supply to satisfy increasing domestic demand, while also meeting the industry's trade commitments.

In fact, Canada and Mexico are the U.S.'s top two cattle suppliers, due to their geographic proximity and the complementarity of their cattle and beef industries to that of the United States. The importance of imported cattle rises when the U.S. herd rebuilds, and U.S. beef and pork processing plants, particularly smaller- and medium-sized establishments, rely on a consistent, stable supply of imported livestock to remain operational. In addition to live cattle imports, beef and beef product imports, including from Australia, New Zealand, and other markets, complement and bolster U.S. domestic production. Imported beef is generally grass-fed, leaner than U.S. grain-fed beef, and consists primarily of frozen, boneless, manufacturing beef that enters channels for further processing. Imported lean beef is commonly mixed with high-fat trimmings from U.S. grain-fed cattle production to achieve the desired fat content for further processing, such as the pre-formed beef patties used in the fast-service food sector. Moreover, imported frozen beef is often mixed with domestic lean fresh beef and fat trimmings to produce hamburgers, hot dogs, meatballs, and other manufactured items for retail stores.

The Meat Institute encourages USTR, in coordination with USDA, to streamline import policies and procedures within its jurisdiction – including reviewing tariffs and tariff rate quotas for imported beef – to promote supply chain fluidity and minimize pressures for U.S. meat and poultry packers and processors of all sizes, whose supply chains rely on a mixture of imported and domestically-sourced products. Deliberate attempts to disrupt import trade, including protectionist efforts to restrict product imports deemed safe following vigorous U.S. government oversight, would have far-reaching implications for the U.S. food supply, exacerbating inflation and yielding potential shortages of popular consumer items.

Precedent-Setting Protections for Common Meat Names Must be Replicated

The Meat Institute, which belongs to the Consortium for Common Food Names, has worked closely with USTR over the past decade to prioritize protections for the production of and trade in meat and poultry products bearing common names. We applaud USTR's efforts to defend common meat name products in global markets, including the recent exchange of letters with the Government of Chile[10] to protect market access for U.S. meat and cheese products, as well as other efforts currently underway to secure market access protections in strategic export markets.

For years, the EU has pursued a concerted global campaign to coopt common food and beverage names in trade and economic negotiations. To be clear, the Meat Institute does not oppose efforts to safeguard legitimate geographical indications (GIs), but we continue to urge USTR, in its engagement with trading partners, to make strides to explicitly defend the rights of common name meat producers to use terms that could otherwise be erroneously protected, yet whose generic status is well established.

Meat GIs are often compound terms, like "Prosciutto di Parma" and "Mortadella Bologna." Although the previously mentioned product names are often recognized as GIs, their independent, component terms – "prosciutto," "mortadella," "bologna," in the preceding examples – should not be at risk and their generic status should not be jeopardized, particularly as current and potential trading partners engage in negotiations with the EU.

Attempts, particularly by the EU, to restrict common meat terms that have been in the public domain for decades, if not longer, are anti-competitive and protectionist. Such restrictions would cause undue harm to American producers by imposing onerous labeling, rebranding, and associated production costs. These producers could, in turn, lose access to crucial export markets, thereby causing some to shutter completely. Others would be forced to undertake cost-prohibitive consumer education campaigns to address confusion resulting from burdensome rebranding initiatives that would be required following

[10] U.S. and Chile Sign Exchange of Letters to Protect Market Access for U.S. Cheese and Meat Products in Chile, https://ustr.gov/about-us/policy-offices/press-office/press-releases/2024/june/us-and-chile-sign-exchange-letters-protect-market-access-us-cheese-and-meat-products-chile

unfounded changes to product names. Consequently, consumer choice would be curtailed in markets where high-quality, competitive U.S. meat products bearing generic names are shut out.

Equally as critical is the need to defend protections for translations and transliterations of common meat names. The EU's approach in GI negotiations either expressly prohibits translations or transliterations of common food and beverage terms or leaves open to interpretation regulations governing their use, injecting undue uncertainty in common meat and cheese name products trade. This is particularly problematic for common food name products in countries or regions with weak due process procedures and poor protection and enforcement of intellectual property rights. To that end, the Meat Institute continues to encourage USTR to urge trading partners to implement and uphold GI policies that are transparent and that establish enforceable due process procedures that promote impartial reviews of GI applications, including opportunities to oppose unjustified GIs before final determinations are made, since the EU typically takes advantage of non-existent or malleable regulatory regimes.

Restrictions on common food and beverage names stemming from the EU's anti-competitive, protectionist posture will only proliferate, and serve as non-tariff trade barriers, if vigorous attempts are not made to counter the EU's overreach. The Meat Institute appreciates USTR's ongoing initiatives to negotiate side letters, annexes, and other frameworks to protect common meat name exports, and urges USTR to pursue these arrangements with existing FTA partners, prioritizing ones with which the EU is negotiating or has trade agreements. In addition to providing a list of common meat terms that should be eligible for continued use in these markets, the Meat Institute respectfully recommends that USTR secure protections for prior users of common meat terms in its engagement with trading partners, particularly as the EU often endeavors to dismantle such protections. As a starting point, we suggest using the Chile precedent to negotiate a similar side letter for common meat name products with Mexico – a side letter on cheese names already exists – because the EU-Mexico FTA has extended protections to meat GIs that could have longer-term implications for high-value U.S. meat exports to Mexico, including sausages and deli meats.

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

As USTR considers the many tools at its disposal to address existing and emerging trade barriers, the Meat Institute respectfully urges USTR to pursue a comprehensive trade strategy that promotes market diversification through the reduction and elimination of onerous import restrictions, prohibitive tariffs, and other unwarranted non-tariff barriers. In particular, reconsideration should be given to abdicating our leadership role in negotiating enforceable, standard-setting, comprehensive free trade agreements that level the playing field for U.S. exporters while simultaneously advancing strong, trade-facilitating environmental and labor provisions.

The Meat Institute appreciates USTR's role in successfully concluding and implementing the U.S.-China Phase 1 agreement, the U.S. Japan Trade Agreement and subsequent beef safeguard agreement, and the U.S.-Mexico-Canada Agreement (USMCA). Additional vigilance in enforcing these agreements is necessary, particularly provisions in the China Phase 1 agreement, which have already been discussed. Preserving existing agreements, while indispensable, and negotiating narrow, more targeted economic frameworks 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 interdependent 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 renegotiating USMCA, China has entered into 10 new agreements, Japan has inked seven, and the EU and Canada have finalized eight.

Although the Meat Institute strongly supports preserving, strengthening, and enforcing existing trade agreements and frameworks, we continue to encourage USTR to pursue additional market access opportunities, through the U.S.-Taiwan Initiative on 21st-Century Trade and the U.S.-Kenya Strategic Trade Investment Partnership, while reviving trade pillar discussions within the Indo-Pacific Economic Framework for Prosperity (IPEF) and working with the U.S. Department of State and USDA to emphasize agricultural trade in the Americas Partnership for Economic Prosperity (APEP) discussions.

Introducing meaningful agricultural trade text as part of APEP negotiations, for instance, coupled with further integration within the USMCA region and with trade agreement partners in the western hemisphere, such as CAFTA-DR, Colombia, and Peru would be a prudent approach by the U.S. government to challenge China's increasing engagement in Latin America, as demonstrated by its growing number of FTAs in the region and its infrastructure initiatives there through its Belt and Road Initiative. At the same time, pursuing trade-facilitative measures in the ASEAN region, including duty reductions, 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 region. The U.S. can more effectively put pressure on China and the EU by offering a comprehensive and enforceable trade strategy, like its former Trans-Pacific Partnership, in Asia to offset potential gains expected from China's Regional Comprehensive Economic Partnership and the EU's growing number of FTAs in the region.

Meanwhile, in prior comment submissions, the Meat Institute has identified tariff disadvantages facing U.S. meat and poultry exports in many of these same markets. The Meat Institute recognizes that broad-based tariff reductions are not expected under the proposed IPEF, Taiwan, Kenya, and APEP frameworks and initiatives. Nevertheless, these negotiations should include targeted efforts to reduce tariffs on U.S. meat and poultry exports, similar to bilateral efforts with India that recently resulted in the reduction of duties on certain frozen turkey and duck products. Negotiating durable Most Favored Nation tariff reductions for pork and poultry in Vietnam, working to eliminate the 100 percent duty levied on U.S. chicken products in India, targeting import tariff reductions for U.S. meat and poultry under the Philippines' Minimum Access Volume quota, endeavoring to remove, as aforementioned, Section 232 and 301 retaliatory tariffs facing U.S. pork in China, and phasing out the 50 percent tariff on U.S. beef and 30 percent tariff on U.S. pork to Thailand would all improve U.S. meat and poultry exporters' ability to compete in these growing markets, while ensuring consumers who reside there have access to high-quality, nutrient-dense animal protein products.

Beyond tariffs, Indonesia, for example, employs an import recommendation system whereby an importer must request allocation for a specific volume of beef over a six-month recommendation period. This process depresses U.S. beef export potential because the Indonesian government requires importers to meet a certain percentage of the requested volume or face penalties in future recommendation requests. Adding to the complexities of this system, importers must distribute a specified volume of domestic beef as a percentage of their recommendation volume and own their own cold storage facilities, further constraining beef export growth. Vietnam maintains restrictions on white offal products, despite the market being officially open to these products, whereas Thailand also imposes restrictions on imports of U.S. beef offal and on imports of U.S. pork due to ractopamine. Plus, Singapore continues to implement unsupported Trichinae testing and attestation requirements for U.S. pork exports.

U.S. beef exports benefitted from the establishment of a U.S.-specific share of the European Union's duty-free High-Quality Beef Quota, which took effect January 1, 2020. Under the agreement, the U.S.-specific share will grow to 35,000 metric tons annually. However, the EU and the United Kingdom remain largely closed to U.S. meat and poultry due to high tariffs, restrictive quotas, and sanitary barriers. The EU's bans on the use of hormone growth promotants, FDA-approved beta agonists, and the preponderance of U.S.-approved pathogen reduction treatments limit U.S. meat and poultry exports. Should the EU implement its EUDR regulation next year, as previously discussed, U.S. beef access would likely be further reduced. Furthermore, the EU's antimicrobial use policies – specifically, Article 118 – that require third countries to comply by implementing production-level controls 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 earlier this year 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 that adds excessive costs to companies shipping or interested in exporting to Switzerland.

The Meat Institute's support for trade with Africa extends beyond the current Kenya initiative, particularly because of the continent's growing customer base and because other trading partners are deepening engagement with key markets there. U.S. poultry exporters, for instance, remain constrained by barriers in countries beyond South Africa, as discussed earlier, and face impediments in countries like Nigeria and Egypt, where populations and incomes are rising. Although the Meat Institute supports renewal of the African Growth and Opportunity Act (AGOA), we simultaneously encourage USTR to focus on opportunities to increase U.S. poultry, beef, and pork exports to Africa by promoting transparency and by ensuring tariff and non-tariff barriers are eliminated or reduced. Concurrently, the Meat Institute urges the U.S. government, with USTR's leadership and support, to help identify investment and other opportunities to improve infrastructure, including cold chain development, in AGOA markets to enable chilled/frozen U.S. meat and poultry products to safely reach customers and consumers across Africa.

Over the past several years, the EU, China, and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) countries have been deepening their economic engagement and negotiating comprehensive free trade agreements that not only combat non-tariff barriers, but that also provide preferential tariff arrangements for some of the U.S.'s chief agricultural competitors. As China works to implement its Regional Comprehensive Economic Partnership, as the EU and China expand outreach to Asia and Africa, and as CPTPP countries become more integrated, American workers and U.S. meat and poultry companies will be disadvantaged; U.S. products will face higher costs and barriers to entry compared to those of their competitors. This will ultimately result in U.S. agriculture ceding market share in critical economic regions, which will strain U.S. businesses and American workers, who rely on export markets for revenue to complement domestic production. U.S. companies that export to some of these trading partners may be forced to reengineer supply chains and, when possible, divert products for other purposes as importers in those markets seek better priced imports from our competitors, who may not always apply the same stringent standards as U.S. companies to produce these alternatives.

Policies that 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 producers, farmers, ranchers, cold storage facilities, truckers, end users, and others, along the supply chain.

***

The Meat Institute appreciates the opportunity to submit these comments and applauds USTR's steadfast work to minimize trade barriers for U.S. meat and poultry exports in global markets. We remain committed to our strong partnership with USTR 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. As competitors rapidly expand access through preferential trade agreements to growing and mature markets, the Meat Institute maintains that targeted efforts to eliminate tariff and non-tariff barriers in key markets must be paired with an ambitious trade policy agenda that advances comprehensive trade agreements, which level the playing field for our exports, set clear standards and rules for trade, and provide predictability for American farmers, ranchers, and meat and poultry companies throughout the supply chain.

Respectfully submitted,

Julie Anna Potts

Julie Anna Potts
President and CEO
Meat Institute